Recommendations for governments on the implementation of Target 15(a) of the Global Biodiversity Framework

BUSINESS FOR NATURE

June 2023

About this paper

This paper provides recommendations for governments to implement Target 15, including how governments can take legal, administrative or policy measures to 1) encourage and enable business to regularly monitor, assess, and transparently disclose their risks, dependencies and impacts on biodiversity; and 2) ensure with requirements that all large, and transnational companies and financial institutions do so, including along their operations, supply and value chains and portfolios.

The paper focuses on paragraph (a) as the key starting point and the most urgent to ensure business and financial institutions are assessing and disclosing nature-related risks, dependencies and impacts, and that this information is included in all decision making by the private sector, finance and governments. This is the cornerstone of positive action on nature.

It does not cover the other two actions listed in Target 15:

- **(b) Providing sustainability information to consumers**: This is directly linked to Target 16 and should therefore be aligned with measures taken under this target. Access to information is essential to promote sustainable consumption and to ensure that businesses are disclosing their impacts on nature and make sure this information reaches consumers. Governments will need to provide guidelines on how this information must be simplified to serve consumers in their choices. This paper does not provide details at this stage on how this should be implemented.
- **(c) Reporting on compliance with access and benefit-sharing (ABS) regulations and measures**: This is linked to Target 13 and should therefore be aligned with measures taken under this target. It is also linked to the development of the multilateral mechanism as agreed at COP15. This paper does not provide details on how this should be implemented and interested Parties can contact the International Chamber of Commerce and the Union for Ethical Biotrade for guidance. The recommendations in this document may not be adapted to, or suitable for reporting on compliance with ABS.

About Business for Nature

BUSINESS FOR NATURE

Business for Nature is a global coalition of more than 80+ influential partner organizations as well as forward-thinking companies. Together, we drive credible business action and policy ambition to achieve a nature-positive economy for all by 2030. More than 1,400 businesses with revenues of more than $5 trillion have signed our Call to Action '*Nature is Everyone's Business*' recognizing that healthy societies, resilient economies and thriving businesses rely on nature and more than 400 companies joined our #MakeItMandatory campaign, calling on governments to make nature assessment and disclosure mandatory.

CONTENTS

Introduction

With the Kunming-Montreal Global Biodiversity Framework (GBF), governments sent a strong message to the business and finance community that they have a clear role and a responsibility to contribute to the GBF mission to halt and reverse nature loss by 2030. National Biodiversity Strategies and Action Plans (NBSAPs) provide an opportunity to fully recognize and integrate these contributions. See our recommendations on how to include business and finance in NBSAPs[1].

Target 15 is especially relevant for businesses and financial institutions as it commits governments to require them to assess and disclose their nature-related risks, impacts and dependencies. This forms a basis for action to avoid and reduce negative impacts, increase positive impacts by restoring and regenerating, as well as shifting business strategy and models, and advocating for policy ambition[2].

In the GBF, governments committed to creating an enabling environment for all organizations to act, including to reduce negative impacts and risks and increase positive impacts, in line with the ambition of the 2030 mission. Governments also committed to take prescriptive measures to ensure all large businesses and financial institutions assess and disclose their nature-related risks, impacts and dependencies.

Leading up to COP15 in Montreal, over **400 businesses** called for the adoption of mandatory assessment and disclosure requirements to provide a level playing field and ensure ambition and availability of relevant data to investors, governments and civil society, including Indigenous Peoples and Local Communities (IPLC). To support the transition to a nature-positive economy, voluntary actions alone from large businesses and financial institutions, while important, are not sufficient.

This paper aims to provide technical expertise for governments to implement Target 15 (a) as soon as possible. Practical frameworks, tools and methodologies already exist and are being applied successfully to support businesses and financial institutions in assessing and disclosing their nature-related risks, impacts and dependencies. Additional ones are under development and will soon be available. These frameworks can also assist governments in adopting the right legal, administrative or policy measures.

Kunming-Montreal Global Biodiversity Framework – Target 15

Take legal, administrative or policy measures to encourage and enable business, and in particular to ensure that large and transnational companies and financial institutions:

(a) Regularly monitor, assess, and transparently disclose their risks, dependencies and impacts on biodiversity including with requirements for all large as well as transnational companies and financial institutions along their operations, supply and value chains and portfolios;

(b) Provide information needed to consumers to promote sustainable consumption patterns;

(c) Report on compliance with access and benefit-sharing regulations and measures, as applicable;

in order to progressively reduce negative impacts on biodiversity, increase positive impacts, reduce biodiversity-related risks to business and financial institutions, and promote actions to ensure sustainable patterns of production.

"Nature" as the term used by assessment and disclosure frameworks

The Global Biodiversity Framework outlines a vision for worldwide action to protect biodiversity and its essential services. In this guide, we are using the term *nature*, given this is the term and concept used by most existing and forthcoming assessment and disclosure frameworks, tools and methodologies.

The Convention on Biological Diversity (CBD) provides an officially adopted definition of **biodiversity**[3] and presents biodiversity "as the part of nature that is alive and includes every living thing on Earth". Biodiversity is an essential characteristic of nature that enables ecosystems to be productive, resilient and able to adapt to change and ensure the provision of ecosystem services on which business and society rely.

According to the CBD, **Nature** is "all the existing systems created at the same time as the Earth, all the features, forces and processes, such as the weather, the sea and mountains. In other words, nature is all life on Earth (i.e., biodiversity), together with the geology, water, climate and all other inanimate components that comprise our planet". This also includes ecosystem services such as water filtration, pollination, carbon sequestration and many others. Nature can be understood through four realms: land, ocean, freshwater and the atmosphere.

When developing assessment and disclosure requirements and developing enabling environments, we encourage governments to use the term *nature*. For more details, see the CBD explainer[4], the TNFD framework definition of nature[5] and the Capitals Coalition's Biodiversity Guidance.[6]

[1] See Business for Nature's recommendation on how to integrate the role of business and finance in NBSAPs.

[2] See the High-level Business Actions on Nature that set out key actions companies can take now to make meaningful contributions to halting and reversing nature loss and contribute to an equitable, nature-positive world (ACT-D: Assess, Commit, Transform & Disclose).

[3] CBD officially adopted definition of biodiversity is "the variability among living organisms from all sources including, inter alia, 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."

[4] https://www.cbd.int/idb/activities/difference-biodiversity-nature.pdf

[5] https://framework.tnfd.global/concepts-and-definitions/definitions-of-nature/

[6] https://capitalscoalition.org/wp-content/uploads/2020/10/Biodiversity-Guidance_COMBINED_single-page.pdf

How can the TNFD framework support governments in implementing Target 15 (a)

What is the TNFD framework?

The Taskforce on Nature-related Financial Disclosures (TNFD) is developing a global risk management and disclosure framework that provides guidance to businesses and financial institutions on how to assess and disclose their nature-related dependencies, impacts, risks and opportunities, including along value chains. This enables organizations to manage dependencies, impacts and risks, with the ultimate aim of supporting a shift in global financial flows away from nature-negative outcomes towards nature-positive outcomes.

It does not draft specific disclosure standards but builds on existing and emerging standards and builds on an extensive array of existing frameworks, tools and guidance.

The TNFD framework is building on the structure and foundation of the Task Force on Climate-related Disclosures (TCFD) recommendations, harnessing synergies in framework design and stakeholder engagement to ensure consistency of structure, language and approach and accelerate market adoption.

When will the TNFD framework be available?

TNFD released version 0.4 of its beta framework in March 2023. The final framework will be available in September 2023.

As a result of the TNFD's 'open innovation' process of developing its recommendations over the past two years, and with over 1,000 institutions in the TNFD Forum and over 200 institutions now pilot testing the framework, several companies and financial institutions have already publicly signaled their support and intention to move towards disclosing their nature-related risks, impacts and dependencies in line with the TNFD recommendations as early as 2024.

How can the TNFD framework support governments in implementing Target 15 (a)?

The TNFD framework is fully aligned with Target 15 and can be used by governments to implement assessment and disclosure requirements for businesses and financial institutions. It is also being designed to build on existing corporate sustainability reporting standards and inform those under development by the International Sustainability Standards Board (ISSB) and the Global Reporting Initiative (GRI) as well as those being developed by national and regional regulatory bodies.[7]

The TNFD framework is aligned with the ten recommendations from Business for Nature, including:

- **Mandatory requirements**: Many governments are already mandating the use of TCFD recommendations for companies and financial institutions, and the same can be done with TNFD recommendations.
- **Ensure consistency and interoperability**: The forthcoming TNFD framework aims to provide a common reference point, as was the case with TCFD on climate standards. This could greatly facilitate alignment with Target 15 and reduce complexity and cost for companies and governments.
- **Ensure alignment with climate disclosure**: The TNFD framework builds directly on the structure and language of TCFD, including the same four disclosure pillars for governance, strategy, risk management, and metrics and targets. All eleven TCFD disclosure requirements have been carried over into the proposed TNFD framework.
- **Ensure assessment and disclosure of risks, impacts and dependencies**: The TNFD framework includes a suggested approach by both companies and financial institutions for the identification and assessment of dependencies, impacts, risks and opportunities. Known as the LEAP approach, this consolidates a wide range of existing and emerging frameworks and tools, such as science-based target-setting using the Science Based Targets Network (SBTN) guidance, the impact and dependency assessment methodology embedded in the Natural Capital Protocol guidance, and the stakeholder engagement approach recommended by the UN Guiding Principles on Business and Human Rights.
- **Cover value chains and portfolio**: The TNFD framework includes assessment approaches and disclosure recommendations along the value chain and operations. The TNFD framework also provides a set of criteria for identifying priority locations, which includes areas of high ecosystem integrity, rapid decline in ecosystem integrity, high biodiversity importance, and significant potential impacts and dependencies on nature.[8]
- **Integrate affected communities in disclosure processes**: The TNFD framework contains draft guidance on stakeholder engagement incorporating the UN Guiding Principles on Business and Human Rights and the UN Declaration on the Rights of Indigenous Peoples.[9]
- **Adopt nature transition plans**: The TNFD framework incorporates guidance on target-setting[10] from the Science-Based Target Network (SBTN) and is collaborating with the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) and others in the development of guidance on scenarios for companies and financial institutions to inform their strategy decisions and transition to GBF-aligned outcomes.
- **Disclosure of governance and management systems**: Aligned with the approach taken by TCFD on climate risk management and oversight, the TNFD framework includes governance recommendations with a description of how to ensure board oversight of nature-related dependencies, impacts and risks and a description of management's role in assessing and managing nature-related dependencies, impacts and risks.

[7] See section II that introduce these framework, standards and tools.

[8] TNFD framework criteria for defining priority locations: https://framework.tnfd.global/wp-content/uploads/2023/03/23-23882-TNFD_v0.4_LEAP-Guidance-Annex-4.11_v4-2.pdf

[9] TNFD stakeholder engagement guidance: https://framework.tnfd.global/wp-content/uploads/2023/03/23-23882-TNFD_v0.4_Annex_4.9_v7-1.pdf

[10] https://framework.tnfd.global/wp-content/uploads/2023/03/23-23882-TNFD_v0.4_Annex_4.8_v4-1.pdf

Recommendations for effective implementation of Target 15 (a)

Action should not be delayed, and the implementation of Target 15 should start now. To effectively implement Target 15 (a), we invite governments to consider the following ten recommendations.

Note that the recommendations are fully aligned with and build on CDP's[11] Principles of High-Quality Mandatory Environmental Disclosure that aim to guide policymakers to design comprehensive, high-quality and coherent mandatory environmental disclosure policies and serve as guidelines to assess the quality of current nature-related disclosure requirements around the world.

RECOMMENDATION 1

Clarify the proposed approach to implement Target 15 in NBSAPs

WHY IS IT IMPORTANT?

Long-term clarity is essential for businesses to be able to plan for evolving regulation. The adoption of Target 15 sent a strong signal and businesses will look to updated NBSAPs to understand how governments intend to implement Target 15 (a). It is therefore essential that NBSAPs clearly show how Target 15 (a) will be implemented.

HOW CAN IT BE DONE?

We encourage governments to include the following elements in their NBSAPs:

- **An assessment** of existing assessment and reporting requirements, including gaps to achieve Target 15.
- **Propose a clear definition** of "large as well as transnational business and financial institutions" to provide full clarity on the scope and ensure that relevant organizations can prepare for implementation. As much as possible, this definition should be harmonized across jurisdictions to ease implementation by large businesses and financial institutions.
- **Start the implementation now** of assessment and disclosure requirements, as this is the first step to business action and must urgently be implemented before 2030. There is no reason to delay action as good and practical frameworks, tools and methodologies already exist and additional ones are expected to be available soon (see section II).
- **Provide a roadmap with a clear timeline** for the adoption of the measures and requirements, helping businesses and financial institutions prepare and facilitate their compliance when measures are adopted by government regulators. This will help businesses anticipate and prepare, making implementation more effective. This should be developed in consultation with business and other stakeholders, with an estimated timeline for assessment, monitoring and disclosure. Governments could also consider a phased approach to allow businesses time to prepare and embed assessment, monitoring and reporting practices.
- **Signpost resources and propose measures to build capacity** in the business and finance community to start preparing now and implement Target 15, particularly for small and medium-sized businesses as well as for auditors to ensure they can provide assurance of disclosure statements. (See resources and capacity building opportunities in section II).

When disclosure leads to action: What voluntary progress on disclosure can tell us

Disclosure is a means, not an end in itself. As defined in Target 15, business and financial institutions should reduce negative impacts and increase positive impacts on nature, reduce nature-related risks, to ensure sustainable patterns of production in line with the GBF mission to halt and reverse nature loss by 2030. Assessment and disclosure of nature-related risks, impacts and dependencies is the essential first step for businesses to adopt meaningful targets and ultimately transform their business models.

There is evidence demonstrating that assessment and disclosure leads to positive business action. Experience on climate disclosure shows that 38% of suppliers disclosing climate data through CDP for the first time have emission reduction targets in place. By their third year of disclosure, 69% have set a target[12]. Over 80% of companies agree that disclosing through CDP helps them "track and benchmark progress" on their environmental targets and helps them "uncover risks and opportunities".

[11] In 2021, CDP published five main recommendations for high-quality mandatory climate disclosure. Given the evolving landscape of disclosure regulation into more than climate and encompassing biodiversity and nature across the realms of land, freshwater, ocean and atmosphere, CDP is now updating the principles by drawing from the new policies and voluntary initiatives. The revised principles are currently under consultation and will be published by Q3 2023, together with an analysis of jurisdictional progress on implementing environmental disclosure regulations.

[12] https://www.cdp.net/en/articles/media/the-global-climate-action-summit-and-the-rise-of-disclosure

RECOMMENDATION 2

Adopt mandatory assessment and reporting requirements for all large business and financial institutions

In Target 15 (a), governments have committed to take legal, administrative or policy measures to ensure, including with requirements, that all large and transnational businesses and financial institutions regularly monitor, assess, and transparently disclose their risks, dependencies and impacts on biodiversity along their operations, supply and value chains and portfolios.

We call on governments to use existing and forthcoming frameworks and standards like the TNFD framework to put in place mandatory requirements for all large companies and financial institutions operating within their borders as the most effective way to create transformational system change.

WHY IS IT IMPORTANT?

Mandatory measures are the most effective way to make corporate reporting on nature-related issues the norm rather than the exception.[13]

Voluntary assessment and disclosure measures are important, and will help get some businesses started, but are not enough. CDP data shows that while climate disclosure has increased significantly on the business agenda, corporate nature-related disclosure is not yet happening at the speed and scale that is required to halt and reverse nature loss in line with the mission of the GBF. More than 18,600 companies around the world disclosed climate change data through CDP in 2022, a 42% increase from 2021, the highest annual increase in almost a decade. In contrast, just over 1,000 companies disclosed data on forests, a 20.5% increase from 2021.

HOW CAN IT BE DONE?

What could mandatory requirements look like?

National governments should decide how best to implement these requirements based on the best available science and build on existing voluntary reporting frameworks and standards being developed, notably the forthcoming TNFD framework (see table 1).

National requirements could take different forms depending on the specific national context, although alignment across different jurisdictions would be beneficial in helping to ensure comparability, interoperability and efficiency (see Recommendation 4). Mandatory regulations should be clear and concise, practical to implement, not contradict any other regulatory requirements and be aligned with existing disclosure frameworks.

Options could include (detailed case studies are available in section IV):

- **Adopt mandatory requirements through legislation** aligned with the forthcoming TNFD framework, and relevant standards.
- **Adopt corporate responsibility reporting** regulations such as the EU Corporate Sustainability Reporting Directive (CSRD) that came into force in 2023.
- **Add nature-related disclosure requirements to existing reporting regulations**, for example those on climate, pollution or human rights.
- **Mandate financial regulators to require disclosure** of nature-related risks, impacts and dependencies from financial market participants.
- **Include requirements in a national Corporate Governance Code** to assess and disclose risks, impacts and dependencies that contain all principles and rules for managing a business organization in the country.
- **Adopt assessment and disclosure requirements as part of eligibility requirements** for companies to access government support and subsidies, including as part of public procurement regulation.

Stock exchanges' listing requirements have also been a great driver of disclosure and a stepping stone towards more stringent requirements in many jurisdictions (see section IV on case studies for more detailed examples).

[13] The World Benchmarking Alliance's 2022 Nature Benchmark data indicates that government policies related to sustainability disclosures positively influence company performance on the benchmark. For example, 45% of the Chinese companies assessed (67) have started to include circularity at the strategic level in their company. This relatively high performance is likely caused by China's Development Plan for the Circular Economy. In India, 37.5% of Indian companies assessed (19) report quantitatively on plastic waste against the average of 8,2% globally, which is likely due to India's Plastic Waste Management Rules and the Business Responsibility and Sustainability Report requirements of India's Securities and Exchange Board, mandatory for the top 1000 listed companies on market cap as per 2023

The importance of mandatory assessment and disclosure

Over 400 companies and financial institutions from 52 countries and combined revenues of over $1.5 trillion are calling on governments to adopt **mandatory assessment and disclosure requirements**.

As is the case for climate change, mandatory requirements to assess and disclose nature-related risks, impacts and dependencies are needed to:

- **Increase accountability**: Corporate sustainability performance is influenced by investors but also by civil society, employees, governments, regulatory bodies, etc. These stakeholders need information about companies' sustainability risk and impact management to make informed decisions. Information will empower them to engage meaningfully with companies and to reward good performance and hold companies to account where progress is lagging. Mandatory disclosure requirements help ensure the provision of transparent, consistent and comparable data for all these stakeholders.
- **Inform policies**: Disclosure provides critical information on corporate nature performance and can help governments understand the state of corporate contributions to the GBF. This in turn can inform policy measures to incentivize more sustainable corporate behavior, including through trade, finance and other measures. It can also help governments review the effectiveness of policy interventions over time.
- **Engage investors to leverage their impact to lower risks and increase societal benefits**: Assessment and disclosure will help inform investment decisions to promote alignment of financial flows towards commercial activities with more positive and fewer negative impacts on nature and ultimately reward positive corporate behavior.
- **Empower consumers**: Mandatory disclosure will help consumers make informed decisions and drive demand for products and services with more positive and less negative impacts on nature. This would increase external pressure on businesses and set a benchmark to compare companies.
- **Provide transparency to Indigenous People and Local Communities on commercial activities that could affect their rights**: Increased transparency would empower indigenous people and local communities to act appropriately to secure and enforce their rights.

Assessment and disclosure provide advantages for business:

- **Market access**: Disclosure can help maintain companies' competitiveness in global markets as exporters are facing higher expectations for environmental disclosure from investors, customers and authorities. Several countries are already adopting regulations requiring environmental due diligence which will require companies to be able to identify and manage environmental risks, impacts and dependencies if they want to operate within those markets.
- **Better access to capital**: Companies that do not report nature-related data will face constraints on access to capital. Companies that report TCFD-aligned data through CDP already have 19% greater access to capital compared to non-reporting firms[14]. Investor expectations are now growing for reporting against the TNFD framework as soon as 2023[15].
- **Superior performance, increased accountability and improved business governance**: Disclosure ensures improved risk management, better financial performance and greater engagement with employees, customers and other stakeholders. It enables businesses to anticipate how these risks, impacts and dependencies might affect their operations and supply chains in the short or long term. Data from STOXX indicates that companies on CDP's A List have outperformed competitors by 5.3% over a seven-year period.[16]

Mandatory assessment and disclosure make economic sense as it would:

- **Level the global playing field and ensure fair competition**: Allowing comparison of companies within sectors would reward strong performers and penalize poor performers. Businesses disclosing impacts would not be at a competitive disadvantage, instead companies showing leadership will be identified, stimulating companies to transition toward nature-positive business models.
- **Ensure accelerated, large-scale action and collaboration**: A voluntary market simply does not provide the clarity and certainty needed for all businesses to act. We need the wider business community to act. Mandatory disclosure will require the entire private sector to move forward together, and more companies will collaborate in finding and implementing solutions, creating synergies to scale positive impacts.
- **Increase access to data and information**: Mandatory disclosure will require companies to gather data for their own assessments which will inform internal analyses and the development of concrete solutions to reduce negative and increase positive impacts. Disclosure of such data will also improve data availability, including spatial data and data along the value chain.

[14] https://www.millani.ca/pre-page

[15] https://www.avivainvestors.com/en-gb/views/aiq-investment-thinking/2023/01/company-chairpersons/

[16] https://www.stoxx.com/document/Bookmarks/CurrentFactsheets/SXCCLEG.pdf [16] Seven-year period covers 19/12/2011 to 31/12/2019.

RECOMMENDATION 3

Create an enabling environment to encourage all businesses to assess and disclose

In Target 15, governments have committed to "To take legal, administrative, or policy measures to encourage and enable business and financial institutions [...] to regularly monitor, assess, and transparently disclose their risks, dependencies, and impacts on biodiversity."

WHY IS IT IMPORTANT?

The current global administrative and policy system does not encourage assessment and disclosure of impacts on nature, or support action for nature. There is a need to create a better enabling environment and build capacity.

HOW CAN IT BE DONE?

To create an enabling environment, we encourage governments to:

- **Educate** all businesses on the reasons for and benefits of nature action and the role of identification, assessment and disclosure of risks, impacts and dependencies in helping reduce negative and increase positive impacts on nature, manage dependencies and risks and ensure sustainable patterns of production. Nature is a new issue for many companies and education and awareness-raising is crucial to help businesses better understand the importance for society and for their business of taking nature action. Governments should work with local business networks and other partners to build awareness and share knowledge (see existing resources and capacity building opportunities in section II).
- **Support** alignment and development of guidance, metrics, best practice and applications to assess and disclose nature-related risks, impacts and dependencies, including the appropriate references to the forthcoming TNFD framework that draws on international methodologies, tools and standards for assessment, disclosure and management. This should include easily understandable and implementable tools and guidance to help smaller businesses assess their nature impact. SMEs do not have the same capacity as larger companies, hence appropriate tools must be developed and actively communicated to them through business networks.
- **Create** joint opportunities to build capacity for learning, among or in collaboration with the private sector as well as academia and educational institutions. For example, by promoting the use and accessibility of existing training materials such as the free online course **Valuing nature and people to inform business decision-making** and by setting up communities of practice for assessing and disclosing nature-related risks, impacts and dependencies. For example, the TNFD regional and national consultation groups, **Capitals Coalition's national or regional Capitals Hubs**, or the **Africa Natural Capital Accounting Community of Practice**. We would also suggest promoting collaboration between business, finance and policy to create a positive feedback loop which in turn will accelerate change towards a more just and nature-positive society.
- **Align** financial incentives, including subsidies and tax measures, as well as public funding with Target 15[17]. For example, linking financial support or criteria for public procurement and government tenders with environmental and nature performance as evidenced through the public disclosure of risks, impacts and dependencies.

Market preparedness for disclosure regulations

Market support for nature-related corporate reporting is demonstrated by over 1,000 institutions now being members of the TNFD Forum and over 200 institutions pilot testing the TNFD framework.

In 2022, CDP conducted the largest ever assessment of self-reported biodiversity data. Of the 8,850+ companies who received the biodiversity-related questions, more than 7,700 (87%) chose to respond. Almost half of the companies are considering biodiversity in their strategies, making commitments and putting governance mechanisms in place.

However, data suggests that most companies are not translating these commitments into action, with 55% of companies failing to take action to progress their biodiversity-commitments in the past year.[18]

[17] https://www.businessfornature.org/news/subsidy-reform

[18] New data shows companies recognising biodiversity risks but majority not turning commitments into action - CDP

RECOMMENDATION 4

Ensure consistency and interoperability of disclosure mechanisms

WHY IS IT IMPORTANT?

Mechanisms used by governments to require large companies to assess and disclose may vary based on national circumstances (see different options presented in Recommendation 2). However, to avoid market distortions and ensure environmental integrity, the metrics, scope and methodologies adopted by different jurisdictions should be consistent and interoperable. They should aim at producing comparable data where relevant and appropriate.

Therefore, we invite governments to harmonize and ensure consistency and interoperability of the proposed systems. This will greatly facilitate alignment with, and achievement of, Target 15 and reduce the complexity and costs for companies as well as for governments themselves. This would also improve data accuracy, provide common baselines to calibrate and measure impacts, and set a benchmark to compare company performance, therefore encouraging improvements.

HOW CAN IT BE DONE?

Align methodologies and scope:

- **Standards and frameworks**: Governments should enhance or at the very least align with existing and emerging frameworks and standards and agree with other jurisdictions on a common baseline. Efforts to align standards and frameworks with each other should also be encouraged to simplify the landscape. The forthcoming TNFD framework could provide a common reference point. The ISSB aims to build a 'global baseline' for corporate sustainability reporting to provide comparability. ISSB has signaled active collaboration with the Global Reporting Initiative (GRI), the European Sustainability Reporting Standards (ESRS) and others to maximize inter-operability while giving scope for more ambitious standards building on the global baseline, which is important to prevent jurisdictional divergence.
- **Define "large", as well as "transnational companies"**: While national circumstances may vary, aligned definitions to the extent possible would facilitate implementation.
- **Regularity of reporting** Reporting timeline to be harmonized to ensure requirements for businesses do not vary across jurisdictions.
- **Consolidated reporting**: Consider intergovernmental collaboration on facilitating consolidated reporting. For example, at headquarter level for transnational companies to limit duplication.
- **Align requirements for climate and nature assessment and disclosure**: Particularly along value chains it will be important to ensure coherence and efficiency, making the process less complex for companies.

RECOMMENDATION 5

Require an assessment and disclosure process that considers nature-related risks, impacts and dependencies

In Target 15, governments have committed to promote the assessment and disclosure of risks, dependencies and impacts on biodiversity. This means that disclosure only of financial risk will be insufficient to align with the GBF. As a result, disclosures need to also cover nature-related impacts and dependencies of companies and financial institutions.[19]

WHY IS IT IMPORTANT?

See box 4 on how considering impacts and dependencies on biodiversity and related risks improves access to information for governments, investors and society and is essential to generate action and accountability.

HOW CAN IT BE DONE?

We invite governments to:

- Define what nature-related areas companies need to assess and disclose on. For instance, areas could include companies' contribution to direct drivers of nature loss, such as changes in land and sea use, direct exploitation of natural resources, pollution or invasive species. This could be aligned with SBTN step 1 that assesses methods which enable a company, through a scientifically rigorous approach, to determine its impacts on nature.
- Define core metrics for the assessment of nature-related areas that can pose risks or impact on nature, consistent with emerging standards and voluntary initiatives.
- Define appropriate disclosure requirements for identified risks and impacts on people and planet.

Proposed definitions of risks, dependencies, impacts and opportunities[20]

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.*

Risks are typically linked to future or anticipated effects on businesses, due to their relationship with the environment (historically, now or in the future).

Dependencies: *Aspects of ecosystem services that an organization or other actor relies on to function. Dependencies include ecosystems' ability to regulate water flow, water quality, and hazards like fires and floods; provide a suitable habitat for pollinators (who in turn provide a service directly to economies), and sequester carbon (in terrestrial, freshwater and marine realms).*

Dependencies describe the value of the environment to businesses.

Impacts: *Changes in the state of nature, which may result in changes to the capacity of nature to provide social and economic functions. Impacts can be positive or negative, actual or potential. They can be the result of an organization's or another party's actions and can be direct, indirect or cumulative.*

These impacts can, but do not necessarily need to be financially material to a company.

Opportunities: *Nature-related opportunities are generated through impacts and dependencies on nature, and can occur: when organizations avoid, reduce, mitigate or manage nature-related risks, for example, connected to the loss of nature and ecosystem services that the organization and society depend on; and through the strategic transformation of business models, products, services markets and investments that actively work to reverse the loss of nature, including restoring or regenerating nature and implementing nature-based solutions.*

[19] This is in line with the sustainability description of the IFRS Foundation's International Sustainability Standards Board, which describes sustainability as *"the ability for a company to sustainably maintain resources and relationships with and manage its dependencies and impacts within its whole business ecosystem over the short, medium and long term. Sustainability is a condition for a company to access over time the resources and relationships needed (such as financial, human, and natural), ensuring their proper preservation, development and regeneration, to achieve its goals."*

[20] https://framework.tnfd.global/framework-and-guidance/concepts-and-definitions/

RECOMMENDATION 6

Adopt requirements that cover value chains and portfolios, as well as location-specific information

In Target 15, governments have committed to require all large and transnational business and financial institutions to regularly monitor, assess, and transparently disclose their risks, dependencies and impacts on biodiversity, **along their operations, supply and value chains and portfolios**.

WHY IS IT IMPORTANT?

For all financial institutions and many businesses, the most significant nature-related risks, impacts and dependencies lie beyond their direct operations. For example, food manufacturers sourcing agricultural commodities or investors funding mining operations will affect nature indirectly through their portfolios and supply chains. Requiring disclosure of indirect risks, impacts and dependencies enables reporting of the most material issues. Assessments should be conducted where impacts and dependencies on nature occur along the value chain, create risks to the organization, and consider direct and indirect suppliers, franchises and subsidiaries where a company retains a majority stake.

Consideration of the specific location of an organization's interaction with nature is critical because dependencies and impacts on nature occur in specific ecosystems, with linkages across ecosystems. It is crucial to look beyond an organization's own interactions and be mindful of impacts and dependencies of other businesses operating in the same space as well as of local values and impacts of stakeholder groups in a certain location. For example, water pollution occurring in one location can travel to other connected ecosystems, and water usage will create greater risks in water stressed areas than in watersheds where water supplies are plentiful.

HOW CAN IT BE DONE?

Assessment and disclosure requirements should identify nature-related risks, dependencies and impacts in direct operations, upstream and downstream value chains and financed activities and assets for assessment. They should also provide clarity on what should be monitored and traced.

Important aspects that should be considered:

- The scope of the value chain(s).
- The elements of the value chain(s) identified for assessment.
- How the organization determines those elements (e.g. the commodities used; likely materiality; products, locations, processes; and/or degree of influence over the issue).[21]
- Why this approach to prioritization was adopted.
- How an organization reviews this approach to identify new, emerging and changing risks and opportunities that may affect the organization.

A due diligence approach could facilitate the disclosure of such information which should include:

- Collecting information and documents which confirm they are compliant with relevant standards.
- A risk assessment to establish whether products are not compliant with relevant standards.
- Risk mitigation measures to ensure companies have in place adequate and proportionate policies, controls and procedures to mitigate and effectively manage the risks of non-compliance.
- Model risk management practices, reporting, record-keeping, internal control and compliance management, including for operators within scope, a management level compliance officer.
- An independent audit function to check the internal policies, controls and procedures referred to in point (a) for all operators within scope.

Governments can, and should, also play a key role in facilitating data-sharing across value chains, including data owned by governments which can then be used by businesses for reporting.

[21] https://framework.tnfd.global/framework-and-guidance/draft-recommended-disclosures/risk-management/#_ftn1

Assessment and disclosure mechanisms should **also request location-specific information on companies' and financial institutions' impacts and dependencies on nature**. Impacts and dependencies are stakeholder and site-specific. For example, an indigenous local community might value impacts and dependencies differently from other (local) businesses in the same landscape, and an organization's impacts through water use will depend on whether the location is in a water stressed area based on other uses of water and environmental drivers. In terms of disclosure policies, this requires a particular focus on information related to priority locations such as high biodiversity areas (e.g., Key Biodiversity Areas and protected areas) and areas where the most significant nature impacts and dependencies occur. Disclosure policies should require companies to assess where their operations impact and depend on priority areas and where their actual and potential impacts and dependencies on nature are greatest.

Proposed definitions of operations, value chains and portfolio

Operations: Describes a broad range of activities that a company does day-to-day to keep running. For example, a retail company's electricity usage in their supermarket would be considered a direct operation.

Value chains: Considers the way value is added to the product/service and the actors involved both upstream and downstream from the company's direct operations. From a sustainability perspective, 'value chain' explicitly references internal and external stakeholders in the value-creation process, from suppliers of raw materials to end consumers of a finished product. It also encourages a full lifecycle perspective and not just a focus on upstream activities.

Portfolio: A collection of finance activities or investments.

RECOMMENDATION 7

Require that impacts on affected communities are integrated into the assessment and disclosure process

Assessment and disclosure policies should include requirements for consultation with affected communities.

WHY IS IT IMPORTANT?

Humans depend on nature for their livelihoods, wellbeing and cultural practices, such as through the provision of pollination services for their food crops. Actual or potential impacts on nature have a societal dimension[22] that need to be considered in decision-making. Human rights should be the fundamental starting point for companies when managing their nature-related risks, dependencies and impacts.

To be effective, actions to mitigate negative impacts on nature as well as protecting and restoring nature should be sensitive to the rights and needs of local communities and indigenous peoples[23] and should not shift the burden of managing nature-related impacts and dependencies of companies to these stakeholders. Including actual or potentially affected communities in the impact assessment and disclosure process can strengthen the availability and quality of information. Also, this process can mitigate potential or actual negative social impacts stemming from nature degradation and destruction.

HOW CAN IT BE DONE?

In practice, assessment and disclosure policies should require consultation with stakeholders as part of the disclosure process.

When a company evaluates whether its direct operations or supply chains and portfolios potentially or actually affect communities, the company should consult with stakeholders. Companies should also disclose how they aim to mitigate negative potential and actual impacts on affected stakeholders through a consultative process.

Requirements should include:

- Commitments and/or policies to respect human rights, including those of workers, Indigenous Peoples and Local Communities (including Free, Prior and Informed Consent (FPIC) and land rights), and future generations.
- Processes to identify and assess those risks and impacts.
- Engagement with affected and potentially affected stakeholders.
- Grievance mechanisms for workers and local communities.

[22] TNFD discussion paper on societal dimensions of nature-related risk management and disclosure: https://framework.tnfd.global/wp-content/uploads/2022/11/TNFD_Societal_Dimensions_Discussion_Paper_v0-3_C.pdf

[23] Less than 13% of companies express a clear commitment to respect Indigenous Peoples' rights and even fewer have policies to prevent the persecution of environmental- and rights-defenders according to the Nature Benchmark

RECOMMENDATION 8

Ensure assessment and disclosure informs the adoption of science-based targets and nature transition plans

WHY IS IT IMPORTANT?

Assessment and disclosure of risks, impacts and dependencies must lead to action. Target 15 aims for businesses and financial institutions to reduce their negative impacts and increase their positive impacts and manage nature-related risks, in line with the 2030 mission. Science-based targets, together with nature transition plans[24], are crucial tools to accelerate action in line with this mission. Such targets and plans demonstrate to investors and other stakeholders how a company will transition towards, contribute to, and remain resilient within a nature-positive economy, as their strategies are aligned with the latest and most ambitious science.

HOW CAN IT BE DONE?

To help create a level playing field and a common language, governments should incentivize and support the development and disclosure of robust, science-based, quantitative and third-party validated time-bound targets and transition plans that detail how companies and financial institutions will transition to a business model in line with the GBF 2030 mission.

Transition plans are effective only when underpinned by short, medium and long-term targets, based upon credible sectoral pathways and target setting methods developed by relevant science-led organizations such as SBTi and SBTN. Targets and supporting actions should clearly outline how they will address the risks, opportunities, impacts, and dependencies an organization has identified across its value chain. As such, governments should encourage companies and financial institutions to disclose capital, operational, and research and development expenditure plans and how those plans are aligned with their targets. By doing so, governments can foster a private sector response to nature loss that is credible, accountable and resilient. Ideally plans would be integrated with climate change transition plans and/or other sustainability transformations rather than be stand-alone.

[24] A transition plan is a time-bound action plan that clearly outlines how an organization will achieve its strategy to pivot its existing assets, operations and entire business model towards a trajectory that aligns with the latest and most ambitious scientific nature recommendations.

RECOMMENDATION 9

Require disclosure of governance and management systems

WHY IS IT IMPORTANT?

Disclosure of corporate governance provide stakeholders with the necessary understanding of a company's expertise[25] and oversight at the executive level to sustainably transform their business models and operations, guided by the 'Do No Harm' principle.

HOW CAN IT BE DONE?

Such disclosure can follow the TNFD recommended disclosures, under the Governance pillar. It should include a description of the board's oversight of nature-related dependencies, impacts and risks, including:

- The processes and frequency by which the board is informed about nature-related dependencies, impacts, risks and opportunities.
- Whether and how the board consider nature-related dependencies, impacts, risks and opportunities when:
  - Reviewing and guiding strategy, major plans of action, risk management policies, annual budgets and business plans.
  - Setting the organization's performance objectives, monitoring implementation and performance.
  - Overseeing major capital expenditures, acquisitions and divestitures.
- How the board monitors and oversees progress against goals and targets to address nature-related dependencies, impacts, risks and opportunities

It should also include a description of management's role in assessing and managing nature-related dependencies, impacts and risks, including:

- Whether and how the organization has assigned nature-related responsibilities to management-level positions or committees, whether such management positions or committees report to the board or board committee, and whether those responsibilities include assessing and/or managing nature-related dependencies, impacts, risks and opportunities.
- A description of the associated organizational structure(s).
- Process by which management is informed about and monitors nature-related dependencies, impacts, risks and opportunities.
- How management (through specific positions and/or management committees) monitors nature-related dependencies, impacts, risks and opportunities.

RECOMMENDATION 10

Provide a compliance and enforcement system

WHY IS IT IMPORTANT?

Successful implementation of mandatory assessment and disclosure requirements for large businesses and financial institutions is only possible if effective compliance and enforcement systems are in place. This would also facilitate corporate accountability and a level playing field for reporting entities.

HOW CAN IT BE DONE?

The policy implementation should ensure clear and transparent ways of compliance and be monitored by relevant government authorities. Effective measures and financial resources to ensure standards and requirements are properly respected and not undercut or bypassed should be in place. Ultimately, governments should have a policy landscape where non-assessment and non-disclosure is not permitted. Transitioning towards complete assessment and disclosure coverage, 'comply or explain' mechanisms can serve as a stepping stone Relevant authorities should strive to build internal expertise in the specific topics covered by regulatory requirements.

[25] While nearly 70% of companies assessed through the Nature Benchmark assigned the responsibility for their sustainability strategy to their board, just 2% of boards actually possessed the relevant sustainability expertise on nature.

II

Existing and forthcoming frameworks, tools, resources and capacity building opportunities

TOOLS AND FRAMEWORKS

There is a proven suite of frameworks, methodologies and tools available for business and finance to assess and disclose nature-related risks, impacts and dependencies.[26] Many best practices from business (see section IV) testify to this.

The Taskforce on Nature-related Financial Disclosures (TNFD) is consolidating these frameworks, methods, tools and best practices into the TNFD framework and standards organizations. It also reflects existing standards like those from the Global Reporting Initiative (GRI) or the European Financial Reporting Advisory Group (EFRAG) and informs those under development.

Table 1: Overview of frameworks, standards, methodologies and tools available for business and finance to assess and disclose and for governments to implement Target 15

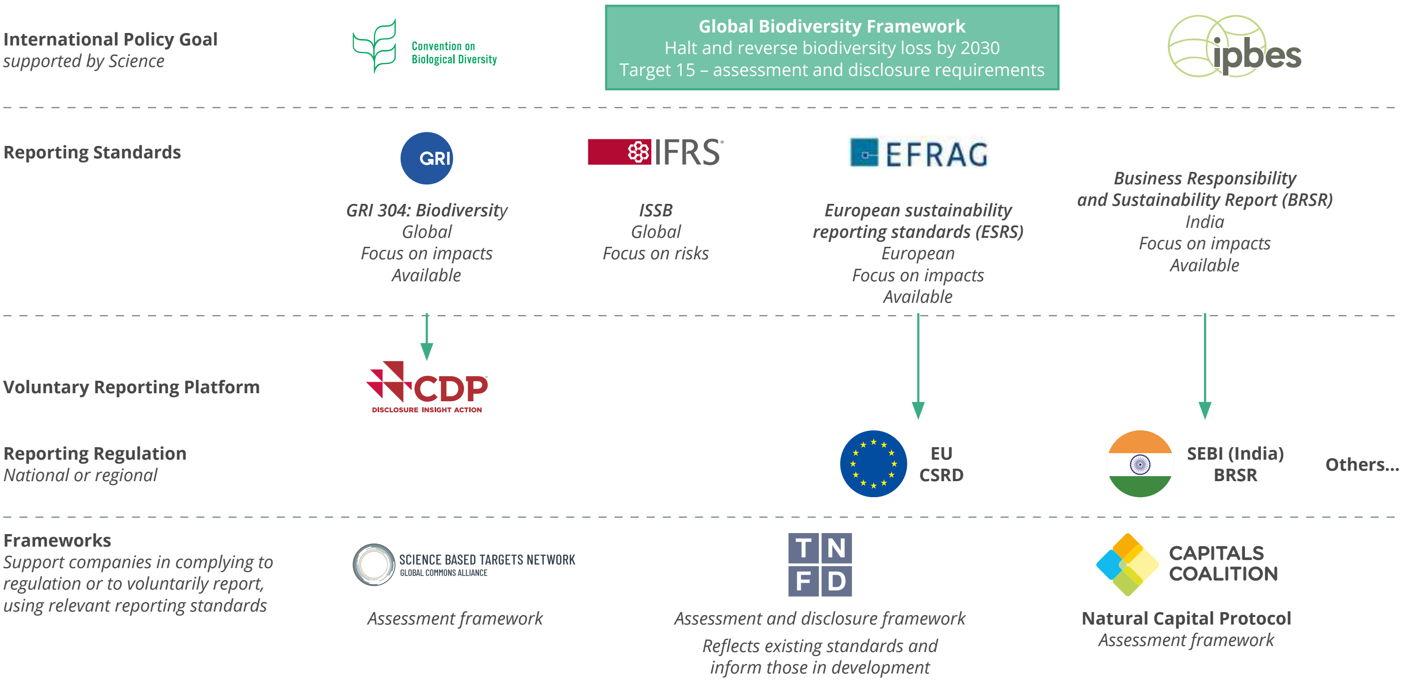
Name	Description	Expected future development	Alignment and interoperability
International frameworks Guide organizations by providing a method for assessing, committing, transforming and/or disclosing nature action, specifying how information should be prepared and structured, although providing some flexibility in application. They can also assist governments in developing regulations.			
Taskforce on Nature-related Financial Disclosures (TNFD) framework	The TNFD is a global risk management and disclosure framework that provides guidance to businesses and financial institutions on how to assess and disclose their nature-related risks, impacts and dependencies, including along value chains. This enables organizations to manage risks, impacts and dependencies, with the ultimate aim of supporting a shift in global financial flows away from nature-negative outcomes towards nature-positive outcomes. The framework builds on existing tools and standards and can be used by governments to implement assessment and disclosure requirements as stated in Target 15.	Beta-version 0.4 is available now. A final version will be launched in September 2023.	Informed by SBTN, Natural Capital Protocol, TCFD and GRI, among other tools, standards and frameworks. The TNFD can be a tool to support the implementation of the EU CSRD and the ISSB standards once available. Alignment to high level business actions (Graph 2): **Assess, commit, transform, disclose.** Climate counterpart: Task Force on Climate-related Financial Disclosures (TCFD).
Science Based Target Network (SBTN) Guidance on setting science-based targets for nature	SBTN provides guidance for organizations to set science-based targets for nature including Biodiversity, Land, Oceans and Freshwater. Science-based targets are measurable, actionable, and time-bound objectives based on the best available science, allowing actors to define their role in protecting, restoring and sustainably using nature. The five steps to set targets are to 1) assess, 2) prioritize, 3) measure, set and disclose, 4) act, and 5) track. The methods to set targets will include tools to assist in assessing impacts such as the sector-specific Materiality Screening Tool. In May 2023, SBTN released methods to set science-based targets on nature. The SBTN complements and builds on other frameworks and standards and can be used by governments to implement assessment requirements as stated in Target 15.	General guidance for business is available now, with more under development. A beta version of the method to set Science-based targets for Land is to be piloted in late 2023 with the rollout of the first release. A draft of the guidance used for consultation is available now. Final target setting methods for all steps across all biodiversity, land, ocean and freshwater guidance is expected in 2025.	The SBTN guidance is included and signposted in the TNFD framework as a tool available to inform the metrics and targets setting pillar of TNFD. Alignment to high level business actions (Graph 2): **Assess, commit, transform**, disclose. Climate counterpart: Science Based Targets initiative (SBTi)
Natural Capital Protocol (from Capitals Coalition)	The Natural Capital Protocol (2016) is a decision-making framework that enables organizations to identify, measure and value their direct and indirect impacts and dependencies on natural capital. The Natural Capital Protocol Guides and Supplements, as well as accompanying methods (i.e. Transparent) and recommendations (ALIGN) on measurement and valuation, provide additional guidance and sector- or area-specific insights. The Natural Capital Toolkit facilitates the uptake of the Protocol by consolidating the wealth of tools, methodologies and approaches available for natural capital measurement and valuation. The protocol feeds into other frameworks like the TNFD and can be used by governments to implement assessment requirements as stated in Target 15.	The Natural Capital Protocol is final and available now. A beta version of an Integrated Capitals Protocol that will also include assessment of impacts and dependencies on natural, social, human and produced capitals is expected in July 2023. Principles for integrated assessments are already available.	Included and signposted in the TNFD and SBTN as a tool to assess and value natural capital. Alignment to high level business actions (Graph 2): **Assess**, commit, transform, disclose. Climate counterpart: n/a

[26] A good summary to start can be found on the High-level Business Actions on Nature webpage from Business for Nature.

Name	Description	Expected future development	Alignment and interoperability
International reporting platforms Provide companies with a platform to disclose environmental information to their stakeholders, often on a voluntary basis. They use existing standards.			
CDP guidance for companies	The CDP global disclosure platform provides a framework of action for companies to measure and manage climate, water and forest-related risks, opportunities and impacts. In 2022, CDP integrated, for the first-time, high-level biodiversity questions into the Climate Change questionnaire. The CDP Forests questionnaire also collects data on and encourages the management of two of the main drivers of biodiversity loss, namely land use change and exploitation of natural resources. Although CDP is a voluntary disclosure platform, it can be used to help governments to create an enabling environment and encourage businesses to prepare for future disclosure legislations.	CDP already tracks corporate performance on various aspects of biodiversity. In the future this will be expanded in line with the GBF, TNFD and other biodiversity-related frameworks.	Uses GRI in the biodiversity component of the Climate Change questionnaire. Alignment to high level business actions (Graph 2): Assess, commit, transform, **disclose**. Climate counterpart: Climate Change questionnaire
Corporate reporting standards Provides a generally accepted, detailed reporting structure for assessing and/or disclosing nature-related information and action. It enables reproducibility and consistency of high-quality reporting. They are being used by regulators and reporting platforms.			
Draft International Financial Reporting Standard (IFRS) S1 General Requirements for Disclosure of Sustainability-related Financial Information	The International Financial Reporting Standards (IFRS) Foundation's International Sustainability Standards Board (ISSB) has been preparing Standards for Disclosure of Sustainability-related Financial Information (IFRS S1). IFRS S1 sets out requirements for an entity to disclose material sustainability-related financial information to provide investors with a complete set of sustainability-related financial disclosures. The IFRS standards cover impacts only when that information is material for investor information needs. While nature or biodiversity is not explicitly included in S1, the ISSB is currently considering developing a standalone standard on biodiversity, ecosystems and ecosystem services. The ISSB standards aim to be used by governments to implement disclosure requirements as stated in Target 15.	ISSB's consultation on agenda priorities is underway. Stakeholder feedback gathered through this consultation will inform the next ISSB two-year work plan. A decision on the next workplan is expected to be made in late 2023 or the beginning of 2024. A research project on nature (beyond climate) is one of the potential projects to be added to the workplan, and if initiated it might be advanced to a standard setting project.	Work with GRI to ensure compatibility and interconnectedness between international sustainability-related standards. The goal is to achieve a global, interconnected two-pillar system for corporate reporting which reflects the distinct yet equal importance of reporting risks and impacts. The ISSB also references the use of other standards like the ESRS in the absence of specific disclosure requirements in ISSB Standards. Aligned with high -level business actions (Graph 2): Assess, commit, transform, **disclose**. Climate counterpart: Draft IFRS S2 Climate-related Disclosures
The Global Reporting Initiative (GRI) Revised GRI 304 Biodiversity Standard	GRI is an international independent standards organization that helps a multistakeholder audience of businesses, governments and other organizations understand and communicate their impacts on issues such as climate change, human rights, and corruption. The first GRI Biodiversity Standard was published in 2016. GRI is currently updating it to ensure alignment to the GBF Target 15 and ensure organizations can publicly disclose their most significant impacts on biodiversity and how to manage them (via direct operations and downstream value chain). GRI focuses on the impacts that an organization has on biodiversity. The standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience. The new Biodiversity Standard fully aligns with Target 15 and related impacts as stated in the EU ESRS E4. Therefore, it can be used by governments to implement assessment and disclosure requirements of an organization's biodiversity-related impacts. The standard will also include new disclosure requirements related to access and benefit-sharing (ABS) which is being refined in cooperation with the International Chamber of Commerce and the Union for Ethical Biotrade.	The GRI Biodiversity Standard exposure draft was published in Dec 2022. After a public review period in early 2023, comments are reviewed by the Technical multistakeholder Committee. The release of the updated GRI Biodiversity Standard is expected in January 2024. The new version will replace the existing Biodiversity Standard from 2016.	Works with IFRS to ensure compatibility and interconnectedness between international sustainability-related standards. The goal is to achieve a global, interconnected, two-pillar system for corporate reporting which reflects the distinct yet equal importance of reporting on impacts and risks. Co-constructors of the EU EFRAG's European Sustainability Reporting Standard (ESRS) E4 Biodiversity and ecosystems resulting in alignment of most of the content. The Standard is aligned with and informed by the TNFD Framework. Informs CDP questionnaires. Aligned with high-level business actions (Graph 2): Assess, commit, transform, **disclose**. Climate counterpart: GRI 302: Energy, GRI 305: Emissions, and GRI 201: Economic Performance. A new set of GRI Climate Change Standards is being developed and expected to be released in 2024.

Name	Description	Expected future development	Alignment and interoperability
Draft European Sustainability Reporting Standards (ESRS) E4 Biodiversity and Ecosystems	The EU Corporate Sustainability Reporting Directive (CSRD) came into force in January 2023. In June 2023, the European Commission is expected to adopt the European Sustainability Reporting Standards (ESRS) drafted by the European Financial Reporting Advisory Group (EFRAG). These standards define the rules of the CSRD by setting the structure and disclosure requirements that companies, banks and insurance companies in scope will need to report on. The Draft Standard ESRS E4 specifies information to disclose about biodiversity and ecosystems. It focuses on the disclosure of both risks and impacts, requiring companies to understand nature-related impacts, dependencies, actions, risks and opportunities. The ESRS fully aligns with Target 15, hence it can be used by governments outside of the EU to develop similar legislation and standards to implement assessment and disclosure requirements as stated in Target 15.	The European Commission is expected to adopt the ESRS in June 2023.	The draft ESRS are aligned with the proposed standards by the International Sustainability Standards Board (ISSB) at the IFRS Foundation. The architecture of the ESRS mirrors the ISSB standards, which are based on the Task Force on Climate-related Financial Disclosures and integrate all the proposed IFRS disclosures and principles. The assessment of risks is aligned with the ISSB methodology. The draft ESRS are aligned with the GRI Reporting Standards, integrating GRI's indicators to the extent they are applicable across all sectors. The assessment of impacts is aligned with GRI. On biodiversity, the draft ESRS are also aligned with the latest recommendations by the Task Force on Nature-related Financial Disclosures (TNFD). ESRS is signposting existing voluntary frameworks (e.g., TNFD and SBTN) as effective tools to support organizations required to disclose. Aligned with high-level business actions (Graph 2): Assess, commit, transform, **disclose**. Climate counterpart: ESRS E1 Climate Change
SEBI directive (including annexes one and two)	SEBI (Securities and Exchange Board of India) has mandated the top 1,000 listed companies (by market capitalization) to make ESG disclosures as per the Business Responsibility and Sustainability Reporting (BRSR). Reporting has become mandatory from the 2022-23 fiscal year. This requires companies to disclose ESG indicators of business responsibility including on energy consumption, GHG emissions, water usage, and waste. A range of 'leadership indicators' also includes the 'impact on biodiversity'.	N/A	Aligned with high-level business actions (Graph 2): Assess, commit, transform, **disclose**. Climate counterpart: climate is included in the BRSR.

Graph 1 – Overview of existing and forthcoming standards, reporting platforms, reporting regulations and frameworks.



Companies and financial institutions disclose information to reporting platforms or to regulators, in line with the reporting standards specified these platforms or regulations, with the help and guidance of available frameworks.

Governments can implement mandatory reporting requirements using the frameworks and standards.

RESOURCES AND CAPACITY-BUILDING OPPORTUNITIES

The TNFD offers **capacity-building webinars and clinics** for pilot testers and members of the TNFD Forum, which in due course are made publicly available. It is developing further capacity-building and training materials for the launch of the framework in September 2023 and beyond, including case studies, use cases and high quality, standardized training presentations on the TNFD framework.

Capitals Coalition offer a **free online business training course** on Valuing nature and people to inform business decision-making that runs on the Coursera platform.[27] The course provides a comprehensive introduction to the capitals approach and to undertaking a capitals assessment. While it is open to all, it will be of specific relevance to those working across strategy, risk management, finance, procurement, accountancy, auditing, human resources and sustainability.

The **We Value Nature campaign**[28],was created to support companies as they measure and value their impacts and dependencies on natural capital, using the Natural Capital Protocol. The campaign has analyzed the latest natural capital thinking and research in behavioral change to help individuals and organizations take the next steps towards adopting a capitals approach. Their research has shaped a series of training resources:

- **We Value Nature: Business Training on Natural Capital and Biodiversity**
- **We Value Nature: Module 1**
- **We Value Nature: Module 2 – A First Natural Capital Assessment**
- **We Value Nature: Module 1 – Adapted for the Food & Beverage Sector**
- **We Value Nature: Module 2 – Adapted for the Food & Beverage Sector**

Ceres and the **Valuing Water Finance Initiative** have developed **Corporate Expectations for Valuing Water**.

The International Sustainability Standards Board (ISSB) is investing in **capacity-building**, including in developing countries and for SMEs.

The Global Reporting Initiative (GRI) offers capacity building, including via its regional offices focussing on sustainability, transparency, accountability and reporting according to the GRI Standards. Additional guidance material and training will be available at the publication of the updated GRI Biodiversity Standard.

- The **GRI Academy** offers globally applicable and recognized professional development alongside the latest sustainability-related curriculum, including the GRI Professional Certification program and online training courses and tutorials. A training module for Biodiversity is being developed.

- GRI **collaborates** with many partners to advance sustainability and corporate accountability. GRI engages with investors, stock exchanges and regulators to improve sustainability disclosure, and with governments to develop policies that stimulate corporate transparency. GRI also run a range of programs in developing and emerging markets to build reporting capacity, empower SMEs and create more transparent global value chains.

[27] Supported by the EU-funded **We Value Nature campaign**.
[28] Supported by the EU commission.

III Recommendations for business actions on assessment and disclosure

As set up in Target 15 (a), governments will soon adopt and implement policies and regulations to ensure businesses and financial institutions reduce their negative impacts and increase their positive impacts in line with the mission of the Global Biodiversity Framework to halt and reverse nature loss by 2030.

Businesses must act now, without waiting for national strategies, policies or regulations to be in place and ASSESS and DISCLOSE risks, impacts and dependencies and then COMMIT and TRANSFORM.

1. ASSESS

Businesses and financial institutions must measure and value risks, impacts and dependencies on nature

Organizations can follow the TNFD LEAP approach for assessment of nature-related dependencies, impacts and risks, based on and aligned with the Natural Capital Protocol, which includes phases for:

- **Scoping** the assessment
- **Locating** the organization's interface with nature
- **Evaluating** dependencies and impacts
- **Assessing** risks (and opportunities)
- **Preparing** to respond and report

The TNFD framework includes and signposts to best practice methods, tools and frameworks, all included in the TNFD tools catalogue, with the ability to filter by sector, biome and phase of the LEAP approach. This includes:

- Guidance from SBTN on how to **conduct an initial materiality assessment** across the production and consumption value chain to work on most material impacts and dependencies on nature. The guidance helps companies identify and manage priority environmental impacts, dependencies and locations.
- Natural Capital Protocol to guide businesses and financial institutions on how to measure and value risks, opportunities, impacts and dependencies on nature by conducting a natural capital assessment. The implementation of the 'Evaluate' phase of the TNFD framework relies on the Measure and Value Stage of the Natural Capital Protocol. Additional guidance for corporates on the Evaluate phase of the TNFD framework has been jointly developed by TNFD and the Capitals Coalition.
- The Integrated Biodiversity Assessment Tool (IBAT) for Business to identify priority locations for target setting and action.
- The WWF Water Risk Filter tool enables companies and investors to assess and respond to nature-related risks to strengthen resilience.

Organizations should also **conduct an integrated assessment**, including natural, social and human and produced capital. Measure, manage and report climate impact through the GHG Protocol. Perform assessments of impacts and dependencies to capture the implications for indigenous people to ensure the protection of their rights.

2. DISCLOSE

Track performance and publicly report material nature-related information

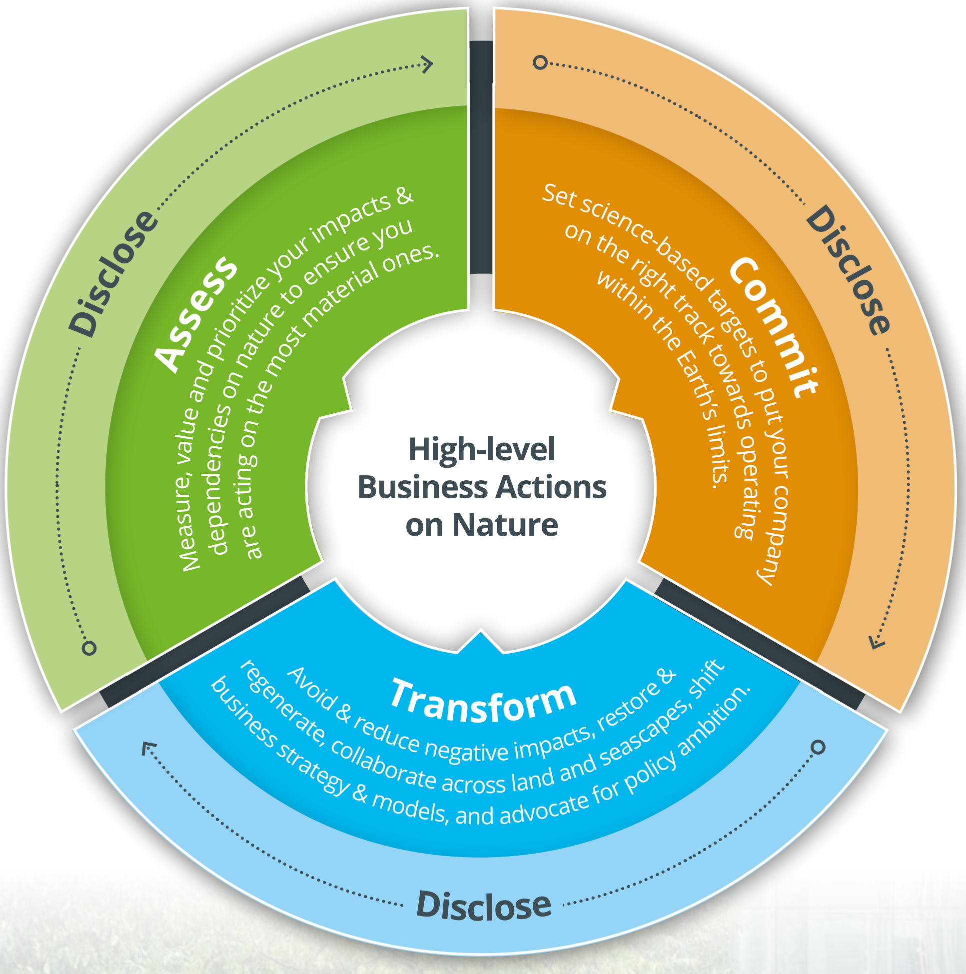
- **Monitor progress regularly** with the frequency appropriate for nature commitments.
- **Disclose information** following the Taskforce on Nature-related Financial Disclosures (TNFD) recommended disclosures:
  1. Governance: The ways in which the organization's oversight and decision-making functions take nature-related dependencies, impacts, risks and opportunities into account.
  2. Strategy: The integration of actual and potential effects of nature-related dependencies, impacts, risks and opportunities on the organization's business model, strategy and financial planning.
  3. Risk and impact management: How the organization integrates nature-related risks, dependencies and impacts into its overall risk and impact management approach.
  4. Metrics and targets: Quantitative and qualitative performance indicators and goals related to nature-related dependencies, impacts risk and opportunities.
- **Seek out independent audit and assurance, validation of processes and verification to enhance credibility of actions** and assure the company's processes used for value chain mapping, materiality assessments, prioritizing locations for action, gathering baseline data and setting targets.
- **Align reporting with major reporting standards** such as GRI, ISSB, IFC, and the EU Non-Financial Reporting Directive as well as with environmental disclosure platforms like CDP.

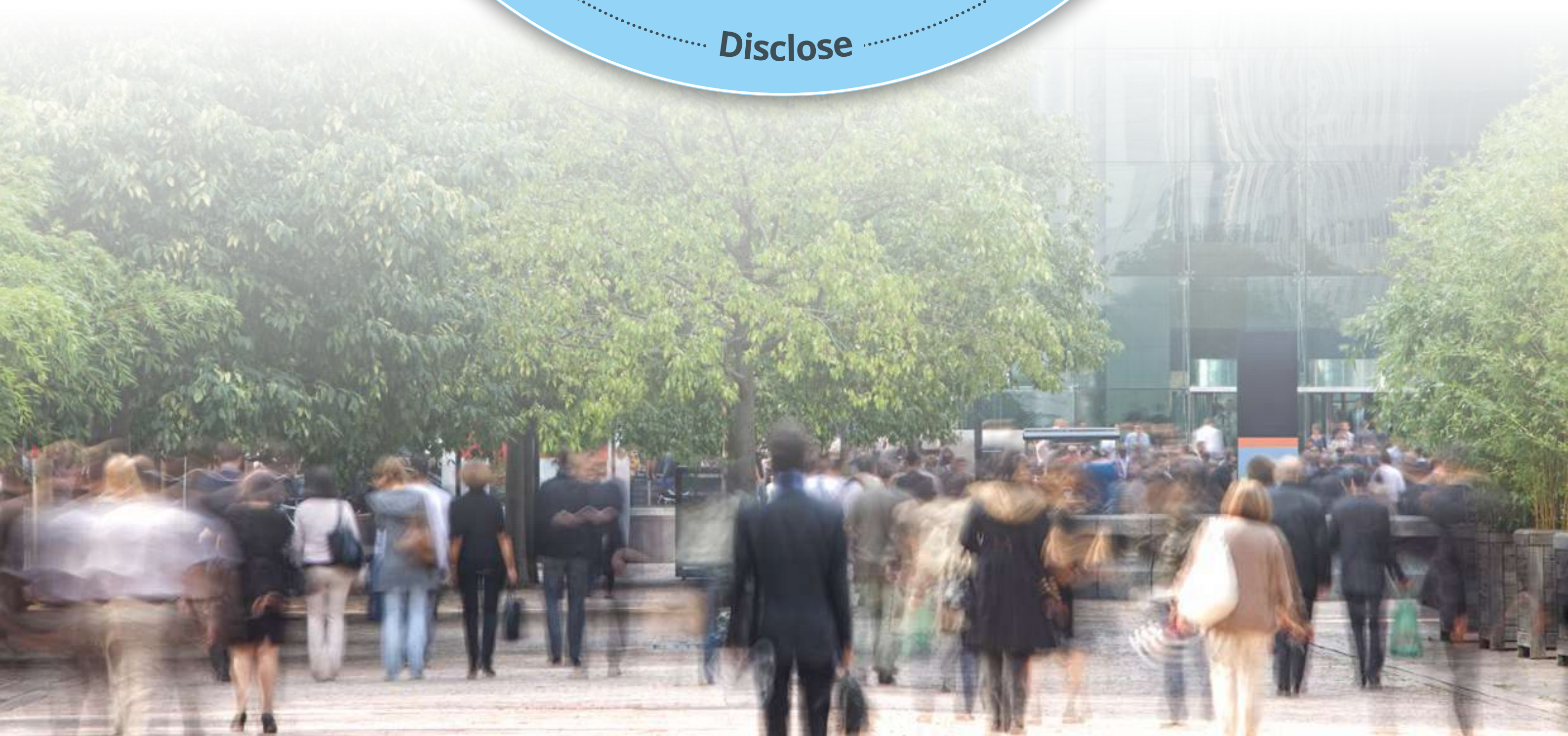
3. COMMIT AND TRANSFORM BUSINESS MODELS AND PRACTICES

Assessing and disclosing nature-related risks, impacts and dependencies form the basis of these Business Actions to put organizations on the right track towards operating within planetary boundaries by avoiding and reducing negative impacts, restoring and regenerating, collaborating across land and seascapes and advocating for increased policy ambition.

Companies must then COMMIT and TRANSFORM their business models. Detailed guidance on how to commit and transform is available to guide businesses on this journey.

High-level Business Actions on Nature





IV

In practice: case studies of government regulations and business action

Case Studies of public and private authorities climate and environmental disclosure regulation.

COUNTRIES IMPLEMENTING TCFD-ALIGNED MANDATORY DISCLOSURE REGULATION

An increasing number of countries have either already introduced (for example New Zealand, Brazil, Switzerland, United Kingdom and the United States) or are in the process of introducing (for example Australia) new legislation requiring firms to report climate impacts and investment decisions based on the guidelines from the Task Force on Climate-related Financial Disclosures[29] (TCFD). In June 2021, the **G7 finance ministers agreed** to make **TCFD mandatory**.

Here are some examples:

- In **Brazil**, the Central Bank's amendments to **BACEN no.4557 and no.4606** in 2017, as well as the revocation of BACEN no.4327, since 2022 require all financial institutions licensed by BC to disclose on ESG and climate risks. The regulatory amendments require disclosure that is aligned with TCFD recommendations. In addition, the Brazil Securities Commission's (CVM) **Resolution no. 59** that amended CVM Resolution no. 80 requires listed companies to disclose ESG information on a 'comply or explain' basis and is TCFD-aligned.
- The **Swiss** Federal Council adopted the **Ordinance on Climate Disclosure** that will require large companies to perform climate-related financial disclosures from 1 January 2024 onwards. The disclosure regulation builds on TCFD and requires disclosure of governance, strategy, risk management, transition plans, quantitative CO2 targets and the disclosure of all GHG emissions.
- The **Australian** government plans to mandate climate-related financial disclosure as a tool to manage the material risk of climate change. Disclosure requirements are expected to be phased in starting in the 2024-25 fiscal year. A **public consultation** that started in December 2022 closed mid-February. Policymakers envision regulation that is TCFD-aligned and able to reflect future ISSB standards.
- **Japan** has introduced mandatory requirements in their national Corporate Governance Code for listed companies to assess and disclose climate impacts. The Corporate Governance Code forms part of the Securities Listing Regulations issued by the Tokyo Stock Exchange. Since April 2022, companies wishing to be part of the 1st section of the Tokyo Stock Exchange (prime blue chip, more than 1,800 multinational companies) must now adhere to the code and comply with the disclosure rules of the TCFD or other similar frameworks. This is a major development since disclosure previously was done on a purely voluntary basis. If a premium company does not disclose, it must at least explain its reasons based on 'comply or explain'.

[29] See TCFD Status Report: 2022-TCFD-Status-Report.pdf (bbhub.io)

[30] https://www.tcfdhub.org/resource/corporate-governance-code-japan/

COUNTRIES ALREADY IMPLEMENTING REGULATIONS REQUESTING NATURE INFORMATION

While climate-related financial disclosure regulations based on TCFD recommendations are increasingly being implemented across the world, nature-related disclosure regulations are only beginning to be implemented.

However, there are several relevant examples that can be highlighted:

- Since May 2021, **France** made the disclosure of biodiversity risks, impact, dependencies and strategy mandatory for financial institutions. Through **article 29 of the Energy & Climate law**, France was the first country to require extra-financial reporting of financial institutions on biodiversity as of the 2022 fiscal year. They are now required to:

  - Release a strategy aligned with long-term biodiversity objectives such as those of the CBD that includes an ecological footprint indicator as well as an analysis of the portfolio's contribution to the reduction of IPBES biodiversity loss drivers.

  - Disclose physical and transition risks linked to climate change and biodiversity loss in portfolio management with quantitative data. They must disclose risks coming from impacts caused by investment strategies and risks arising from biodiversity dependencies of assets and activities in which the institution has invested.

  An analysis of official reports from 29 financial institutions[31] for the 2021 fiscal year showed an emerging proactive attitude from businesses on biodiversity reporting. However, most of them were still awaiting the outcomes of the COP15 biodiversity conference.

- The **European Union (EU) Corporate Sustainability Reporting Directive** (CSRD) came into force in 2023 and requires large companies and listed SMEs to disclose sustainability information on both the environment's impact on the company as well as the company's impact on the environment. Companies subject to this law must report using the European Sustainability Reporting Standards (ESRS) being developed by the European Financial Reporting Advisory Group (EFRAG). The draft standards were published by EFRAG in November 2022 and the first set of standards are expected to be adopted mid-2023. The draft E4 standard on Biodiversity and Ecosystem specifies the information that must be disclosed about biodiversity and ecosystems across all sectors. It requires the disclosure of transition plans on biodiversity, description of processes to identify and assess material biodiversity impacts, risks and opportunities, disclosure of all policies related to biodiversity and ecosystems, targets and impact metrics and potential positive and negative financial effects from biodiversity impacts and dependencies. In addition, specific attention is given to disclosure of information related to biodiversity-sensitive areas, ecosystem extent and condition and involvement of stakeholders in the disclosure process, including identifying impacts on indigenous and affected communities.
  EU Member States are now required to transfer the directive into their own national frameworks by July 2024. The first set of companies will have to apply the new rules for the first time in 2025 for the 2024 fiscal year. This will be required for all large companies (>500 employees). In 2026, listed and non-listed medium-sized companies (>250 employees) will be required to apply the rules. In 2027, SMEs will have to report for the first time but can still opt out until 2029. In 2029, non-European companies with at least one subsidiary in the EU will also have to comply.

- In **Indonesia the Financial Services Authority** Rule 51[32] requires financial institutions and listed companies to disclose on issues related to resource use. Core disclosure topics relate to environmentally friendly material, energy, emissions, biodiversity, waste and effluent and environmental complaints. Information needs to be provided through an annual sustainability report that can be part of the financial report or submitted as a separate document.
  Concerning biodiversity, the regulation requires disclosure of qualitative and basic quantitative metrics on site-specific positive and negative biodiversity impacts, biodiversity conservation activities and financial costs derived from prevention and restoration of environmental damage. The Financial Services Authority Circular Letter no. 16/SEOJK.04/2021 and the Technical Guidance provide more detailed information to listed companies and financial institutions.

- In **Brazil**, **Resolution 139** from the Central Bank of Brazil (BCB) came into force in 2022 and applies to large financial institutions in Brazil and covers reporting on social, environmental and climate risks relevant to Brazil. Environmental risk definition is provided in Resolution CMN 4.943. Qualitative reporting guidance is provided by Normative Order 153/2021. The resolution comprises mandatory disclosure requirements on risks and risk management as well as voluntary disclosure requirements on opportunities. Environmental risks are detailed in Resolution CMN 4.943[33] in a non-exhaustive and non-prescriptive manner.

[31] BL Evolution studies

[32] OJK No. 51/POJK.03/2017

[33] Environmental risk in Resolution CMN 4.943 include inter alia (I) irregular, illegal or criminal conduct or activity against fauna or flora, including deforestation, setting fires in forests or forests, exploitation of conservation units or forest products and by-products, destruction of biodiversity and practices associated with trafficking, cruelty , abuse or mistreatment of animals and (II) irregular, illegal or criminal exercise of mining activities, in relation to the degradation of the environment. Normative Order 153/2021 outlines qualitative reporting requirements, requiring explanations concerning corporate (environmental) risk engagement: (i) governance of risk management (including a description of the duties and responsibilities across the different levels of governance); (ii) strategies adopted for risk and capital management; and (iii) risk management processes. Optional disclosure comprises includes business opportunities associated with the environment, specifically considering the preservation and restoration of the environment.

- In **India**, the Indian Securities and Exchange Board (SEBI) has amended its reporting requirements, now making it mandatory from the 2022-23 fiscal year for the top 1,000 listed companies to submit a Business Responsibility and Sustainability Report (BRSR) that covers employees and the value chain (see table 1). Other listed companies may submit this report voluntarily. The guiding framework for this is the National Guidelines on Responsible Business Conduct which applies to all Indian companies. The BRSR requirements are based on the nine National Guidelines for Responsible Business Conduct (NGRBC), one of which mandates businesses to respect, protect, and make efforts to restore the environment.
  In addition, the India Plastic Waste Management Rules 2016 introduced the concept of extended producer responsibility. This is combined with regular reporting requirements for companies on how they use plastic and manage waste. Compliance responsibility lies both with the company and various government entities. The 2022 World Benchmarking Alliance Nature Benchmark shows that 37.5% of the assessed Indian companies (19) were reporting quantitatively on plastic waste against an average of 8.2% globally. The combination of the Plastic Waste Management Rules and the BRSR reporting requirements is likely the reason for the better performance of Indian companies in this area.

- The **European Union (EU)** Sustainable Financial Disclosure Regulation (SFDR) defines disclosure requirements for financial market participants and aims to help investors by providing more transparency on how financial products consider environmental and/or social characteristics, invest in sustainable investments or have sustainable objectives. The first disclosures under the regulation came into effect in March 2021. There are additional disclosure requirements at entity and product levels regarding adverse impacts on sustainability matters.
  The regulatory technical standards (RTS) to be used by financial market participants when disclosing under the SFDR specify the exact content, methodology and presentation of the information to be disclosed. The technical standards are aligned with the EU Taxonomy technical screening criteria, which define the extent to which an economic activity qualifies as environmentally sustainable.
  In 2023, the EU is expected to publish its long-awaited EU Taxonomy technical screening criteria on the protection and restoration of biodiversity and ecosystems. The act is expected to detail 'clear and binding targets and timelines, as well as clear definitions and criteria on restoration and/or the sustainable use of ecosystems.'[34]

DISCLOSURE REQUIREMENTS BY STOCK EXCHANGE AUTHORITIES

It is also important to highlight the role of private regulatory bodies. In the past, disclosure requirements by Stock Exchange authorities have paved the way for the adoption of public regulation on climate-related financial disclosure.

- In **South Africa**, the Johannesburg Stock Exchange (JSE) Sustainability Disclosure Guidance published in 2022 aims to helping listed companies navigate the rapidly evolving landscape of sustainability reporting. It links sustainability disclosures to the fundamental drivers of value creation, outline the business case for disclosing sustainability data, stimulate interest in the innovation opportunities of sustainability challenges and support the convergence of global reporting standards. It recognizes the importance of both risks and dependencies.

  Disclosure is voluntary and the guidance contains core as well as leadership disclosure metrics:
  - The core disclosure guidance includes impact, dependency and risk management metrics for biodiversity footprints (ecosystems only). The disclosure guidance recommends metrics on the number and area of sites owned, leased or managed in or adjacent to areas of high biodiversity value (Key Biodiversity Areas) for operations and full supply chain (if material). It also recommends disclosing areas of land used to produce basic plant, animal or mineral commodities and the level of capital and expenditure deployed managing impacts according to the mitigation hierarchy.
  - The leadership disclosure metrics are designed to enhance the management of biodiversity and ecosystem impacts on value chains and the identification, assessment and management of an organization's biodiversity footprint.

[34] Source PSOF TEG March 2022, pg. 34

CASE STUDIES OF BUSINESSES ALREADY ASSESSING AND DISCLOSING

Capitals Coalition, in collaboration with the World Business Council for Sustainable Development (WBCSD), the Science Based Target Network (SBTN), the Taskforce on Nature-related Financial Disclosures (TNFD), the World Economic Forum and Business for Nature published **case studies of leading businesses** from different sectors and geographies that illustrate how the adoption of a natural capital approach has transformed their business models. These include examples of how businesses are already assessing and disclosing risks, impacts and dependencies and highlight the interconnectedness between business, finance and government action and how actions by each group can drive ambition towards a nature-positive economy.

Below are some extracts. Please refer to the **full case studies** for more details.

The TNFD framework is being piloted by over 200 organizations and there are a growing number of examples of both companies and financial institutions disclosing the findings of their initial assessments based on the TNFD beta framework.

Dutch bank ABN AMRO publishes first biodiversity impact report

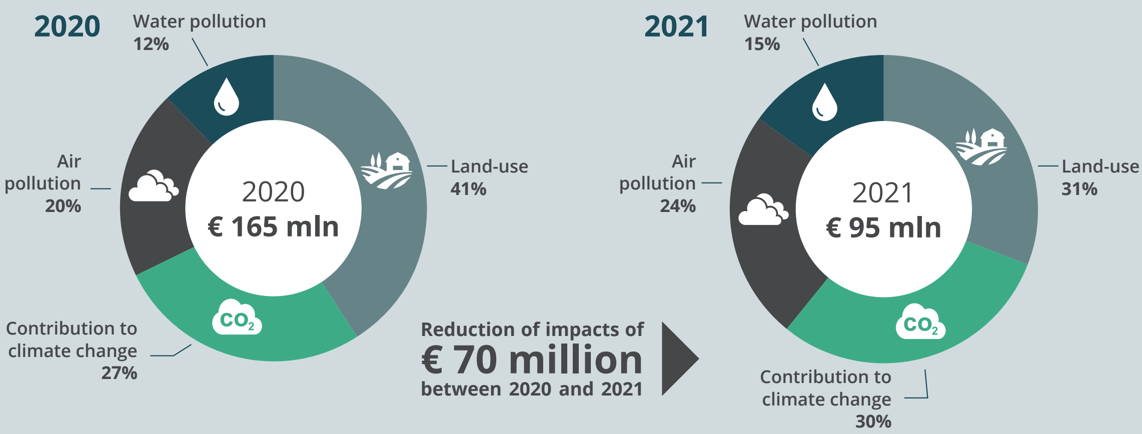
In May 2022, ABN AMRO Bank published its first biodiversity impact report to assess the bank's negative impact on biodiversity. ABN AMRO Bank is a major Dutch bank offering a range of financial services to retail, private and corporate banking clients. As of 2019, ABN AMRO was managing €197.3 billion in assets.

Main outcomes of the biodiversity impact report:

- ABN AMRO's negative impact on biodiversity is quantified and expressed as a monetary figure (€95 million in 2021) based on four drivers of biodiversity loss: the climate crisis, land use, air pollution and water pollution.
- In 2020 and 2021, most of ABN AMRO's negative impact on biodiversity was driven by land use and climate change.
- The value chain, rather than direct operations, makes up a significant share of ABN AMRO's overall negative biodiversity impact.

Key findings when preparing the report:

- Publishing a biodiversity impact report was a wake-up call for both ABN AMRO and its stakeholders, also demonstrating that biodiversity loss poses a financial risk.
- ABN AMRO and its clients need to understand impacts and dependencies to align with forthcoming regulations and standards.
- Using consistent, standardized methods for biodiversity impact assessments is key.
- Gathering quality client data is necessary for biodiversity impacts to be assessed accurately.
- Acknowledging the need for greater regulation for biodiversity disclosures which can help obtain quality client data.



ABN AMRO's main impacts on biodiversity loss in 2020 and 2021

Brazilian beauty company Natura conducts integrated profit and loss (IP&L) statements

Natura is a cosmetics brands owned by the Brazilian multinational cosmetics company Natura & Co, the world's fourth largest pure-play beauty company. In 2016, Natura became the first company in Latin America to conduct an in-depth environmental profit and loss (EP&L) exercise through which it measures its dependence and impacts on people and natural resources. Since 2020, Natura conducts an integrated profit and loss (IP&L) statement which extended the scope of the EP&L by incorporating social and human capital. It has been publicly available since 2022.

The IP&L methodology mostly relies on the Natural Capital Protocol as well as the Social and Human Capital Protocol and covers the entire Natura value chain, from supply chain and extractive communities in the Amazon region, direct operations in manufacturing and offices, sales activities of Natura consultants, to product use.

Key outcomes:

- The IP&L improved Natura's decision-making and nature-related outcomes.
- Customers are increasingly interested in producers' nature and climate impacts.
- In 2021: Net positive societal value of R$18 billion; net negative natural capital value of –R$0.4 billion; increased the Amazon preservation area to 2 million hectares; reached target of sourcing from 40 traditional communities.

Key findings:

- Competitive advantage due to investors' interest in ESG metrics, consumer perceptions and pressure from governments and NGOs.
- Natura's sustainable actions have allowed them to attract more talent and improve employee retention.

SME Eosta develops and discloses an integrated profit and loss statement

Eosta is a Netherlands-based distributor of organic fresh fruits and vegetables. In 2017, Eosta became the first SME to develop and disclose an integrated profit and loss statement for nine fruits and vegetables using True Cost Accounting (TCA) to understand the holistic value their business provides to nature and society.

Key outcomes:

- Demonstrated that the true cost of conventional, non-organic produce is more expensive than organic produce.
- While value creation drives investment and informs decision-making by business leaders, most value creation and destruction is hidden in performance tracking.
- Contributing to a nature-positive economy requires companies to integrate natural capital into all business decisions.
- Assessment leads to action. Between January 2020 and present, Eosta had the following performance: 97,602,400 kg soil saved; 11,710,833 kg reduction of CO_2; 1,901,600,600 liters of water saved.

How to make a successful assessment:

- CEO-led effort, trusted by board to experiment.
- Relationships with outside experts pushed the boundaries of what is possible.
- Focused on easily measured indicators. For example, GHG emissions, water quality and soil erosion.
- Focus on the opportunities rather than the barriers.

BNP PARIBAS’ approach to assessing and disclosing impacts and dependencies

BNP Paribas is the second largest banking group in Europe. In 2020, the company’s subsidiary, BNPP Asset Management tested ENCORE to understand its dependency on ecosystem services. It released its water and deforestation footprint in 2021 and finally its first biodiversity footprint in June 2022, using data from Iceberg Data Lab. Looking ahead, the BNP Paribas Group is part of a pilot with other financial institutions to use the TNFD framework which is supported by Iceberg Data Lab and I Care.

Key outcomes:

- BNPP AM’s calculations have allowed it to quantify its potential impacts on biodiversity and better understand the most impactful sectors and pressures.
- This has also enabled the company to respond to the requirements of Article 29 of the French law regarding biodiversity measurement and reporting.
- BNPP AM’s voluntary assessment and disclosure has contributed critical knowledge and brought innovation and transparency to the scientifically robust and consistent measurement of biodiversity impacts.

Key findings:

- The LEAP approach, which is part of the TNFD framework, provides a useful process to assess its impacts and dependencies on nature and the associated risks.
- However, there is still a lack of usable data for investors that link specific impacts to individual companies.

H&M impacts and dependencies assessment to become the basis for future financial decisions

H&M Group is the world’s second largest producer of fashion products. It is headquartered in Sweden. Like other fashion brands, it faces significant sustainability challenges, including transparency and traceability of materials in its supply chain, a lack of industry benchmarking and access to granular and reliable data from suppliers. H&M was one of the first companies to apply the Natural Capital Protocol in 2016 to assess its impacts and dependencies. H&M Group uses WWF’s Water Risk Filter to assess water-related risks in its operations and supply chain, resulting in context-specific water targets. As a Fashion Pact signatory, H&M Group will analyze the land, biodiversity and ecosystem impacts of its leather supply chain in Argentina.

Key outcomes:

- The company will use its assessment as a basis for future financial decisions.
- The company aims to set science-based targets for its biodiversity efforts according to the SBTN framework.

Key findings:

- The footprint assessment was a vital first step in understanding its impacts and dependencies on nature, to set targets and start a full assessment of its value chain.
- This enables the company to prioritize risks and take sufficient action early to avert or minimize possible harm to nature.

Sibanye-Stillwater becomes the first company globally to consolidate and disclose full impacts across all direct operations using site-based data

Sibanye-Stillwater is a global minerals company with direct operations in South Africa and the US. To consolidate impacts across many different ecosystems and set meaningful targets, they employed the Biological Diversity Protocol (BD Protocol) in 2021 to produce full biodiversity accounts. This enabled Sibanye-Stillwater to identify all ecosystem assets and measure and disclose the total negative and positive biodiversity footprints using site-based data.

Key outcomes:

- Nearly 50,000 hectares and 37 different ecosystem types were assessed across the US and South Africa, resulting in a baseline negative footprint of 87% and 13% positive footprint.
- This was broken down to full biodiversity accounts per each ecosystem asset, operation and region.
- This enabled Sibanye-Stillwater to set a biodiversity strategy based on achieving a "no net loss" for new/greenfield operations and "net gain" in biodiversity for existing operations through the effective implementation and integration of the mitigation hierarchy into all levels of decision-making and project planning to ensure a sustainable post-mining environment that supports socio-economic development.
- The BD Protocol enabled a cost-effective mechanism to track and manage improvements against the established baseline.

Acknowledgements

We would like to thank all our partners and organizations who supported the drafting of this paper, in particular the Capitals Coalition, CDP, the Confederation of Indian Industry, the Global Reporting Initiative, the International Chamber of Commerce, the World Benchmarking Alliance, the Science Based Target Network for Nature, the Taskforce for Nature-related Financial Disclosure and WWF.

BUSINESS
FOR NATURE