



# ESG Viewpoint

Nature Positive commitments: separating the green from greenwash



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## At a glance

- > Over 1,400 companies are calling on governments to adopt policies to reach Nature Positive by 2030.
- > Nature Positive means halting and reversing nature loss by 2030 and achieving full recovery by 2050.
- > More and more companies are committing to the initiative, but the approaches being adopted vary greatly in quality.
- > We outline six attributes that make a good Nature Positive commitment and assess how a range of companies are stacking up.



Over 1,400 companies are calling on governments to adopt policies to reach Nature Positive by 2030. 95 British businesses have signed up to a collective goal to be Nature Positive by 2030, and a third of the global mining industry has committed to reach Nature Positive by 2030 through the International Council on Mining and Metals (ICMM)<sup>123</sup>. Nature Positive is the net zero equivalent for nature – it entails halting and reversing nature loss by 2030 and achieving full recovery by 2050. This objective was formalised by the Kunming-Montreal Global Biodiversity Framework (GBF) in 2022 which functions as the Paris Agreement for nature. Nature Positive commitments are rapidly proliferating in the corporate world – but like the early days of corporate climate commitments we are seeing a variety of quality. This ESG Viewpoint will explore the murky world

of nature positive commitments, and how the Responsible Investment team at Columbia Threadneedle Investments are scrutinising the approaches that our investee companies are taking to reduce their exposure to nature-related risks and separate the green from the greenwash.

We're engaging with companies on the steps they are taking to reduce exposure to nature-related risks

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Why are companies making nature positive commitments?



What does good look like?



How are companies stacking up?



Next steps – engaging with management

<sup>1</sup> <https://www.businessfornature.org/call-to-action>

<sup>2</sup> <https://www.ground-control.co.uk/insights/news/leading-the-way-in-pledge-to-get-nature-positive-by-2030/>

<sup>3</sup> <https://www.icmm.com/en-gb/our-work/environmental-resilience/nature>

## Why are corporates making nature positive commitments?

For many sectors the measurement and management of operational impacts on nature is nothing new. In many jurisdictions environmental impact assessments, habitat and species protections and water use licensing have been part of operational management for decades.

However, a growing recognition of the financial risks and opportunities posed to businesses by nature loss and increased stakeholder scrutiny is causing nature oversight to move from site managers to the C-suite. This is coupled with a tightening regulatory landscape, in particular in Europe with regulations such as the Corporate Sustainability Reporting Directive (CSRD) and EU Deforestation Regulation (EUDR) coming into force in the coming years<sup>4</sup>. Corporates that wish to take leadership positions on nature will need to go further and faster than these regulations, and committing to being ‘Nature Positive’ has proven a popular way for businesses to signal this enhanced level of ambition.

There is also an increasing recognition that for organisations outside the extractive and infrastructure sectors, operational impacts tend to be dwarfed by impacts embedded in supply chains and production systems<sup>5</sup>. It is also easier and cheaper than ever for corporates to gather nature-related data – the advent of technologies like eDNA, bioacoustics, remote sensing and global modelling approaches have revolutionised the ability

of businesses to gather frequent, extensive and cost-effective nature data. Finally, the approval of the Global Biodiversity Framework (GBF) at Biodiversity COP16 in 2022 has formalised a global target to halt and reverse nature loss by 2030 – and specifically covers the private sector in target 15<sup>6</sup>. Several organisations are developing approaches to downscale this global ambition to the corporate scale to enable corporates to set targets that are aligned with the GBF.

Corporates can follow the series of sequential steps outlined by the mitigation hierarchy approach to achieve nature positive outcomes (Figure 1). This best practice approach encourages corporates to begin by avoiding and minimising any negative impacts on nature, then restoring ecosystems that are unavoidably impacted, before looking to offset residual impacts. Nature Positive approaches include additional efforts to drive systemic and transformational change throughout sectors and landscapes.

There is increasing recognition around nature impacts embedded in supply chains and production systems

Figure 1: The mitigation hierarchy – comparing Not Net Loss (NNL), Net Positive Impact, and Nature Positive



Source: The Biodiversity Consultancy, June 2024

<sup>4</sup> <https://www.columbiathreadneedle.co.uk/en/inst/insights/chopping-and-changes-what-are-the-implications-of-the-eus-deforestation-regulation/>

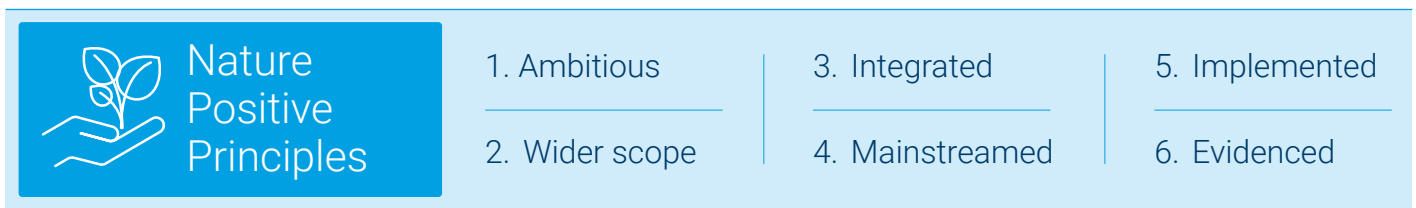
<sup>5</sup> <https://www.nature.com/articles/d41586-022-01034-1>

<sup>6</sup> <https://www.cbd.int/gbf/targets/15>

## What does a good nature-positive commitment look like?

Drawing on academic research we have identified six attributes that define a robust Nature Positive commitment.

Figure 2: A summary of core principles for nature positive commitments, following Booth et al 2024, Milner-Gulland, 2022, and zu Ermgassen et al, 2022.



### 1 Ambitious

Historically, many nature targets have been measured against dynamic baselines, which reward corporates for degrading nature at a slower rate than otherwise is projected to have occurred. Any targets under a Nature Positive commitment should be measured against quantified, static baselines to deliver absolute rather than relative gains for nature. Approaches should also align with societal goals such as GBF or domestic targets such as National Biodiversity Strategies and Action Plans (NBSAPs).

### 2 Wider scope

The ambition should extend beyond a focus on operational impact to encompass a vertical scope (material up- and downstream value chain impacts) and a horizontal scope (efforts to drive systemic and transformational change throughout sectors and landscapes). Nature positive commitments should cover new and existing impacts, and restoration and offsetting actions should be timed to avoid substantial gaps between the loss of nature and subsequent recovery<sup>7</sup>.

### 3 Integrated

There is an increasing awareness that a myopic focus on individual facets of nature can promote suboptimal outcomes and unintended trade-offs. For example, the promotion of biofuels to avoid carbon emissions can result in negative impacts on biodiversity. Nature positive ambitions should

adopt integrated approaches that address impacts coherently without exacerbating other environmental or social risks. To operationalise this, we would expect corporates to track a considered portfolio of environmental and social metrics under their nature positive ambition.

### 4 Mainstreamed

Historically, nature targets have been operational targets that have been managed by site personnel and sustainability managers. Nature positive ambitions should be incorporated in the core business strategy with clear board and executive oversight.

### 5 Implemented

Nature positive ambitions should be supported by SMART targets for a comprehensive portfolio of metrics covering material impacts on and risks from nature loss. Corporates should identify the primary levers they will use to meet their targets, build a pipeline of projects under each lever, and allocate sufficient capital and resource to deliver on their strategy.

### 6 Evidenced

Corporates provide clear disclosures on their progress against the underlying KPIs for delivery of their nature positive target, including disclosure of data collection approaches. We would also expect a disclosure of how actions will add up to nature positive by delivering effective, additional outcomes.

<sup>7</sup> <https://www.businessfornature.org/news/nature-positive-discussion-paper>

## How do existing nature positive commitments stack up against these principles?

Several corporates are starting to align their nature approaches with international goals. Over 180 companies disclose to CDP that they are aligning their nature commitments with the GBF and over 1,200 claim to be aligning with the Sustainable Development Goals<sup>8</sup>. Corporates are also increasingly moving from setting dynamic nature baselines to static baselines. Through ICM's nature position statement miners have committed to achieve no net loss or net gain of nature by 2030 against a pre-2020 baseline for all existing operations. This is a step forward from previous mining commitments that assessed projects against dynamic baseline that projected that existing rates of nature loss would continue without the project, such as **Rio Tinto's** net positive impact commitment for its ilmenite mine in Madagascar<sup>9</sup>.

The wider scope of nature positive commitments is a hard challenge for corporates to grapple with. To deliver on the expanded vertical scope of nature positive, company's need to focus on material nature impacts in their up- and down-stream value chains, and gather data to construct a baseline. **Puma** and **Kering** has been leading on this in the fashion sector through their Environmental Profit & Loss (EP&L) accounting approaches and deployment of the Biodiversity Impact Metric<sup>10,11</sup>, while **Schneider Electric** has been conducting a Biodiversity Footprint Assessment (BFA) since 2020 to evaluate its upstream and downstream impacts<sup>12</sup>. In general, there remains less clarity around how corporates can operationalise the horizontal scope of Nature Positive – the requirement to deliver systemic and transformational change throughout sectors and landscapes<sup>13</sup>. However, leading corporates are starting to proactively embed this within their Nature Positive approaches. For example, **Tesco** is pursuing transformative cross-sector change by working with peers and partners to scale biodiversity monitoring systems and low carbon fertilisers<sup>14</sup>, while **SSE** is driving landscape transformational change by working with NGOs and academics to expand its biodiversity net gain commitment to the marine realm<sup>15</sup>. We continue to see extractive companies struggle with the temporal scope of commitments – with many committing to achieve Nature Positive at the asset level after mines or facilities have reached the end of their lives. These commitments bake in a considerable loss of nature throughout the operation of the

asset and frequently rely on unreliable restoration activities after asset closure that are often already mandated by regulators.

We see a more positive story on corporate progress against the “Integrated” principle. We increasingly see corporates with Nature Positive commitments tracking a balanced portfolio of KPIs that span multiple elements of nature. For example, **UPM Kymmene** is tracking eight biodiversity indicators to measure its progress and **Nestle** has established a varied portfolio of nature targets. In general, we see more scope for corporates to track social metrics within their nature strategies to embed just transition concepts from the outset, and there is a still a need for many companies to expand their nature-related targets to cover additional material components (see Figure 2).

Nature is increasingly percolating through to the executive and board-level. 31% of companies disclosing to CDP in 2023 report that they have both board-level oversight and executive management-level responsibility for nature topics. The challenge may not be getting nature to the upper echelons of corporate management, but rather ensuring that there is sufficient expertise at these levels to oversee nature strategies and that nature is approached as a core business issue rather than a CSR topic. This is also key to ensuring that corporate Nature Positive ambitions do not get stuck at the commitment level, but are allocated sufficient resource, capital, and strategic support to be implemented. We are starting to see corporates making

Extractive companies commitments bake in a considerable loss of nature and rely entirely on unreliable restoration activities after asset closure that are often already mandated by regulators

<sup>8</sup> <https://www.cdp.net/en>

<sup>9</sup> [https://www.forest-trends.org/wp-content/uploads/bbop/2012\\_qmm\\_npi\\_forecast\\_final-pdf.pdf](https://www.forest-trends.org/wp-content/uploads/bbop/2012_qmm_npi_forecast_final-pdf.pdf)

<sup>10</sup> <https://annual-report.puma.com/2022/en/sustainability/biodiversity/index.html>

<sup>11</sup> [https://www.kering.com/api/download-file/?path=Kering\\_Sustainability\\_Strategie\\_Biodiversite\\_2023\\_a57da2f106\\_V2\\_1a8d1320ed.pdf](https://www.kering.com/api/download-file/?path=Kering_Sustainability_Strategie_Biodiversite_2023_a57da2f106_V2_1a8d1320ed.pdf)

<sup>12</sup> <https://www.se.com/ww/en/assets/564/document/466154/2023-natural-resources-report.pdf>

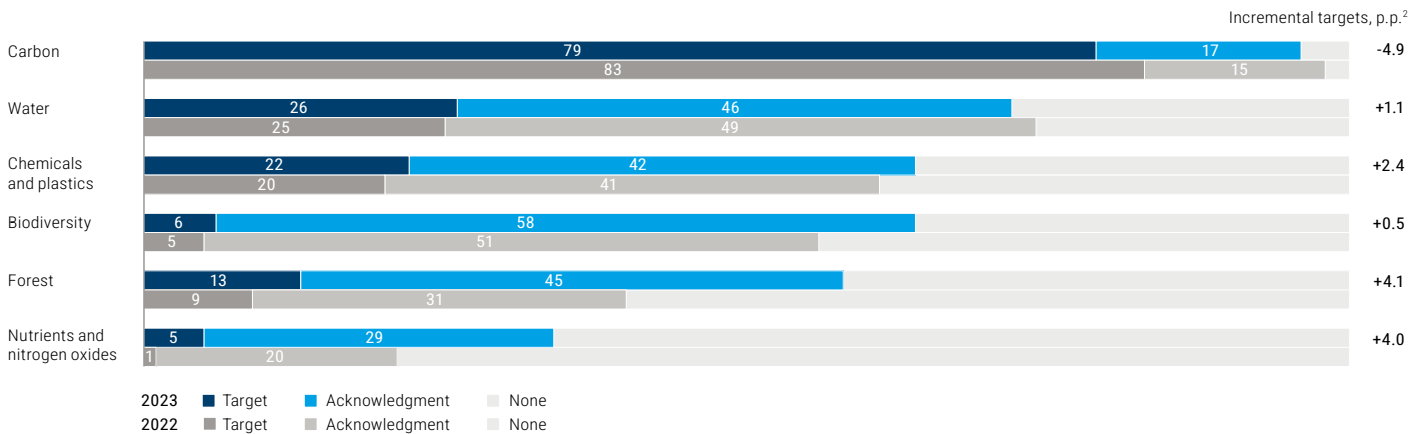
<sup>13</sup> <https://osf.io/preprints/osf/vk2hq>

<sup>14</sup> <https://www.tescopl.com/tesco-launches-nature-programme-with-step-up-in-support-for-water-commitment/>

<sup>15</sup> <https://www.sse.com/media/0hknmulo/sse-plc-biodiversity-report-2022.pdf>



Figure 3: Share of Fortune Global 500 companies with nature-related targets or acknowledgments (%), McKinsey 2023



Source: McKinsey & Company, December 2023

explicit financing pledges for nature – AstraZeneca has pledged to invest \$5 million annually to fund nature restoration in the vicinity of its sites<sup>16</sup>.

Evidencing the progress against Nature Positive commitments will be important moving forward, and we are seeing a welcome standardisation of nature reporting with the advent of the CSRD in Europe, particularly elements E2, E3 and E4<sup>17</sup>, the release of GRI 101 for Biodiversity<sup>18</sup>, and the focus by the International Sustainability Standards Board (ISSB) on nature for the next two years<sup>19</sup>.

The challenge may not be getting nature to the upper echelons of corporate management, but rather ensuring that there is sufficient expertise at these levels to oversee nature strategies

## Next steps at Columbia Threadneedle

At Columbia Threadneedle, our Responsible Investment team looks to carefully appraise the Nature Positive commitments that our investee companies make to separate the green from the greenwash. We have published a detailed set of good practice expectations on corporate nature management and have integrated nature into our voting process for the last three years<sup>20</sup>. We have an extensive nature engagement programme – in 2023 our Responsible Investment team conducted 363 nature engagements with 260 issuers and logged 27 milestones. We are also a founding investor of Nature Action 100, and we sit on the steering group and the technical advisory group of this initiative. Nature experts within the Responsible Investment team are working to develop a proprietary quantitative model to appraise corporate management of nature and are working with several external data providers to identify investment relevant nature data to integrate into our investment processes where suitable. Nature is a theme of growing importance for several of our clients, and where relevant, we look forward to continuing to work with interested clients to deepen our approach in the coming months.

<sup>16</sup> <https://www.astrazeneca.com/content/dam/az/Sustainability/2023/pdf/AZ-Biodiversity-Statement.pdf>

<sup>17</sup> [https://denkstatt.eu/esrs-standards-explained/#~:text=The%20five%20environmental%20standards%20cover,circular%20economy%20\(ESRS%20E5\).](https://denkstatt.eu/esrs-standards-explained/#~:text=The%20five%20environmental%20standards%20cover,circular%20economy%20(ESRS%20E5).)

<sup>18</sup> <https://www.globalreporting.org/standards/standards-development/topic-standard-project-for-biodiversity/>

<sup>19</sup> <https://tnfd.global/tnfd-welcomes-the-issbs-decision-to-commence-work-on-nature-related-issues/>

<sup>20</sup> <https://docs.columbiathreadneedle.com/documents/ESG%20Viewpoint%20-%20Biodiversity%20Best%20Practice%20and%20Engagement%20Approach.pdf?inline=true>

## Get to know the author



### Joe Horrocks-Taylor, Vice President, Responsible Investment

Joe joined the Responsible Investment team in 2021 and is focusing on climate change and biodiversity. Before joining us, Joe worked as a sustainability consultant with a range of private and public sector clients. Outside work he enjoys playing sport, hiking and birdwatching.

To find out more visit [columbiathreadneedle.com](https://columbiathreadneedle.com)



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