

## Closing the corporate accountability gap

### How WBA benchmarks can support the implementation of the Post-2020 Global Biodiversity Framework

#### Key messages:

- **Business has a critical role to play in achieving the goals and targets of the Post-2020 Global Biodiversity Framework.**
- **Target 15 must include mandatory requirements for business and financial institutions to assess and disclose their impacts on biodiversity by 2030, and a goal to reduce negative business impacts by at least half and increase positive impacts.**
- **Business and finance should be included in a robust implementation and monitoring and accountability mechanism accompanying the Post-2020 Global Biodiversity Framework, to support the move from commitments to action.**
- **The Nature Benchmark will provide unique insights into corporate contributions to a nature-positive future and empower all stakeholders, including governments, civil society and businesses themselves, to recognise leadership and to hold laggards to account.**

The World Benchmarking Alliance (WBA) is an international non-profit organisation that publishes free and publicly available benchmarks on how the world's most influential companies contribute to tackling the biggest sustainability challenges of our time, in line with the Sustainable Development Goals.<sup>1</sup> As an organisation focused on ensuring that business has a positive impact on people and planet, we take great interest in the upcoming Post-2020 Global Biodiversity Framework, to be adopted at the 15<sup>th</sup> Conference of Parties of the Convention on Biological Diversity (CBD) in 2022.

Despite intergovernmental commitments made in the 2010 Aichi Biodiversity Targets, biodiversity loss and ecosystem degradation are occurring at a rate unparalleled, and it has never been more urgent for society and the economy to adopt a nature-positive approach. According to the World Economic Forum, as much as half of global gross domestic product (USD 44 trillion) is dependent on the ecosystem services provided by nature.<sup>2</sup> The Post-2020 Global Biodiversity Framework (GBF) will establish a globally shared vision, mission, goals and targets on biodiversity, steering the actions of governments and other stakeholders to put biodiversity on a path to recovery by 2030 for the benefit of planet and people.

As acknowledged in the current draft of the Post-2020 GBF, **business and financial institutions have a critical role to play** to ensure our relationship with nature becomes sustainable in the long term, while respecting the rights of people and communities. Target 15 will confirm the expectation of business globally in its contributions to a nature positive future, and of governments to support this through effective policies.

Much work to facilitate action and disclosure are underway, including the EU Corporate Sustainability Reporting Directive and the work International Sustainability Standards Board, and voluntary efforts, such as by the Global Reporting Initiative (GRI), the Taskforce on Nature Related Financial Disclosures (TNFD) and the

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<sup>1</sup> Sustainable Development Goals

<sup>2</sup> World Economic Forum, January 2020 "Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy", [https://www3.weforum.org/docs/WEF\\_New\\_Nature\\_Economy\\_Report\\_2020.pdf](https://www3.weforum.org/docs/WEF_New_Nature_Economy_Report_2020.pdf), p.8

Science Based Target Network (SBTN). These developments will support more transparency on the impacts and dependencies of companies on nature and biodiversity through accessible, consistent and comparable reporting. These developments demonstrate that mandatory disclosures are both relevant and achievable.

It is hence critical that Target 15 clearly references a meaningful target to do so, in order to ensure that reporting leads to meaningful change. **Target 15 must include mandatory requirements for business and financial institutions to assess and disclose their impacts and dependencies on biodiversity by 2030.** This is also advocated for by a large number of businesses through the Make It Mandatory Campaign<sup>3</sup>. In addition, these disclosures need to lead to improved performance in line with the Framework. While assessment and disclosure are essential steps in the process of impact management<sup>4</sup>, the framework should also require concrete actions to be taken to **reduce negative impacts and increase positive impacts of business and financial institutions on biodiversity, throughout their operations, suppliers and value chains, while respecting the rights of people and communities.** The Framework needs to be crystal clear about what it needs from companies and under what conditions they are expected to deliver this, and specify the mandatory nature of its requirements. If included in the Framework, this phrasing would be a meaningful starting point for business leadership to commit to and implement throughout their operations and value chains.

The GBF Monitoring framework needs to acknowledge the importance of businesses and financial institutions actively managing their impacts on biodiversity and the tools and indicators selected need to reflect this accordingly. While various frameworks and tools are being developed, there is still uncertainty on the degree to which they will explicitly require businesses to act and report on their **impact** on planet and people, and what elements will remain voluntary. Achieving any 2030 targets requires decisive and immediate action, not only on reporting and quantifying nature-related impact, but also prioritising action in how companies, within their operations and value chains, can and should contribute to a nature-positive economy, while respecting the rights of Indigenous Peoples and local communities. The indicators to accompany target 15 need to include tools that have this clear focus on taking action for impact reduction, based on a mitigation hierarchy approach (avoid – minimise – restore – offset) and aimed at transforming business models.

### **Closing the corporate accountability gap for nature**

The success of COP 15 and the Post-2020 GBF will depend on its **robust implementation and monitoring mechanisms, not just for governments, but for all stakeholders, including the private sector.** This was a clear shortcoming of the Aichi Targets and with the increased urgency to address the biodiversity crisis, it is essential that such mechanisms are established right from the start. As mentioned above, using the right indicators and monitoring tools is critical.

The UN Biodiversity Conference will undoubtedly see many commitments from governments, businesses and financial institutions. This is particularly welcome given the urgency of multi-stakeholder action to address the biodiversity crisis head on. Without accountability, Parties and other stakeholders have no way of assessing whether businesses are acting in line with the Framework's vision of a nature positive future. With

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<sup>3</sup> <https://www.businessfornature.org/make-it-mandatory-campaign>

<sup>4</sup> <https://impactmanagementplatform.org/get-started/organisations/>

robust monitoring and accountability, commitments will lead to effective implementation that can be regularly assessed, leadership can be rewarded and replicated, while ensuring that laggards can be held to account, avoiding greenwashing.

Such monitoring of corporate performance can be embedded in various ways, including:

- 1) Include monitoring of non-state actor contributions in the Monitoring Framework and the requirements of the National Biodiversity Strategies and Action Plans.
- 2) Develop a separate monitoring and reporting mechanism for companies, to which companies can commit to and regularly report on progress. Monitoring and reporting should be done in a comparable, consistent and transparent manner.
- 3) Reserve space in the stock take moments of the Framework to transparently assess where companies stand on their contributions to the Framework at the CBD's proceedings.

### **What we can learn from WBAs Nature Benchmark**

WBA aims to contribute to such mechanisms by delivering a first iteration of its [Nature Benchmark](#) at COP15, which assesses 400 of the most influential companies on their contributions to a nature-positive future. By 2023, WBA will assess 1000 companies, across more than 20 sectors, which together earn over 20 trillion USD in annual global revenue, employ over 54.3 million people directly with millions more throughout their supply chains, and represent the world's main commodity value chains, from extraction to end-of-life. The Nature Benchmark will provide unique insights into corporate contributions to a nature-positive future and empower all stakeholders, including governments, civil society and businesses themselves, to recognise leadership and to hold laggards to account.

The [Nature Benchmark Methodology](#) was developed through an extensive multistakeholder consultation, and is built on existing standards and best practices while recognising developing concepts, such as the TNFD and SBTN. The measurement areas include Governance and Strategy, Ecosystems and Biodiversity, and Social Inclusion and Community Impact. These areas also correspond with the various targets of the draft GBF, translating its targets into a roadmap for business that specifies societal expectations as put forward by the Framework (see below). As such, the Nature Benchmark can contribute to the monitoring and accountability mechanisms for the GBF. The benchmark will be published biennially, providing a feedback loop for policy makers through the ability to assess progress in business performance over time.

The inaugural Nature Benchmark will be launched at COP15 and will be accompanied by key insights relevant to the conference proceedings and the meeting of the Open Ended Working Group, which we will explore more fully with Parties during COP15.

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**Annex I: Nature Benchmark indicator correspondence with GBF and other initiatives**

Topics	WBA Indicators	GBF	TNFD <sup>5</sup>	IPBES	SBTN	GRI	ESRS <sup>6</sup>
Governance and Strategy	A1. Sustainability strategy	✓	✓			✓	✓
	A2. Accountability for sustainability strategy	✓	✓			✓	✓
	A3. Stakeholder engagement					✓	✓ <sup>7</sup>
	A4. Lobbying & advocacy					✓	
	A5. Circular and nature-positive transition	✓	✓		✓		✓
State of nature	B1. Assessment of impacts on nature	✓	✓	✓	✓	✓	✓
	B2. Assessment of dependencies on nature's contribution to people	✓	✓	✓	✓	✓	✓
	B3. Key areas important for biodiversity	✓	✓	✓	✓	✓	✓
	B4. Key species	✓	✓	✓	✓	✓	✓
Land and sea use and change	B5. Ecosystem conversion	✓	✓	✓	✓		✓
	B6. Ecosystem restoration	✓	✓	✓	✓		✓
Direct exploitation of resources	B7. Resource exploitation and circularity performance	✓	✓	✓	✓		✓
	B8. Soil health	✓	✓	✓	✓		✓
	B9. Water withdrawal	✓	✓	✓	✓	✓	✓
Pollution	B10. Water quality	✓	✓	✓	✓	✓	✓
	B11. Hazardous substances and waste	✓	✓	✓	✓	✓	✓
	B12. Plastic use and waste	✓	✓	✓	✓		✓
	B13. Air pollutants	✓	✓	✓	✓	✓	✓
Climate change	B14. Scope 1 and 2 greenhouse gas emissions	✓	✓	✓	✓	✓	✓
	B15. Scope 3 greenhouse gas emissions	✓	✓	✓	✓	✓	✓
Invasive alien species	B16. Invasive alien species	✓	✓	✓	✓		✓
Social inclusion and community impact	C1. Right to a clean, safe, healthy, and sustainable environment	✓				✓	
	C2. Indigenous people's rights	✓		✓		✓	
	C3. Land rights	✓				✓	
	C4. Water and sanitation					✓	

<sup>5</sup> Based on TNFD Beta Version v0.2. For more detailed comparison with future versions, contact WBA.

<sup>6</sup> Based on ESRS E4, E5 and ESRS 1, 2 and 3 for governance indicators.

<sup>7</sup> Overlap exists, but needs further strengthening for full alignment.