



Nature Benchmark 2023

Insights Report

March 2024

Table of Contents

- Executive summary 3
- Introduction 4
- Summary of Key Findings..... 6
 - Halting deforestation: a missed opportunity for biodiversity, climate and people 7**
- Results and insights..... 9
- Governance and strategy 13
 - Increasing board accountability: more leadership needed at the top..... 14
- Ecosystems and biodiversity 18
 - Biodiversity 19**
 - Companies fail to assess and disclose their nature impacts and dependencies 19
 - Ecosystems 23**
 - Halting deforestation: a missed opportunity for biodiversity, climate and people..... 23
 - Water..... 26**
 - As water insecurity rises, companies must accelerate their water stewardship 26
 - Pollution 27**
 - Climate..... 28**
- Social inclusion and community impact..... 30
 - Companies do not yet recognise environmental rights as human rights 30
 - Core social indicators..... 32**
- Recommendations 34
 - Benchmarked companies..... 34
 - Financial institutions..... 34
 - Policymakers..... 35
 - Civil society organisations 35
- Acknowledgements 35



Executive summary

Natural ecosystems and biodiversity are experiencing an unprecedented decline. A million species are on course to be lost forever – many within decades. This decline is creating huge risks to [human health](#), [food security](#) and [livelihoods](#). With the ecosystems on which we depend on the brink of irreversible tipping points, we need to drastically rethink our relationship with nature.

The World Benchmarking Alliance's 2023 Nature Benchmark has assessed the performance of 350 companies in the food and agriculture sector and 30 paper and forest product companies. These sectors account for over a third of global greenhouse gas (GHG) emissions and almost 90% of deforestation, affecting soil health, water pollution and availability, and biodiversity. Concerningly, the benchmark reveals that most large companies are not taking sufficient action to protect and restore nature.

Overall, the benchmark results show that company performance is severely lagging behind the level of action required to halt and reverse nature loss. Nearly 70% of the assessed companies (259 out of 380) score less than 20 points out of 100. In contrast, only two companies score more than 50 points. This inaction poses considerable risks to the planet, local communities and the companies themselves.

However, there are promising signs that substantial progress is possible. An assessment of leading practices among the benchmarked companies shows that almost every element examined in the methodology is met by at least one company. This means that the required level of action in relation to each element is possible in practice. From addressing ecosystem conversion and water pollution to safeguarding and upholding human rights, there are companies that stand out in their performance and provide valuable opportunities for peer learning. These leading companies have their headquarters in different parts of the world – companies from every continent feature among the top 25 in the 2023 Nature Benchmark.

While companies are increasingly making commitments towards reducing harmful impacts across a range of issues, such as deforestation, plastic use, pollution and water withdrawal, they continue to lack tangible action supported by target setting and reporting of progress. This is also the case for key social issues. For instance, although 52% of the assessed companies commit to respecting human rights, less than 25% of these companies identify their human rights risks and impacts and take appropriate actions to prevent, mitigate or remediate salient human rights issues. In addition, some important topics, such as measuring and disclosing impacts and dependencies on nature or the introduction of invasive alien species, remain almost wholly ignored.

It has never been more urgent or necessary for companies to integrate nature into their decision making. Encouragingly, there are a range of nature-focused frameworks and initiatives to guide company actions, such as the Taskforce on Nature-related Financial Disclosures (TNFD), the updated GRI Biodiversity Standard and the Science Based Targets Network (SBTN). This provides companies with greater clarity on what is expected of them. What is still required, however, is for companies to step up and for stakeholders to hold companies accountable for their actions – rewarding those that are taking positive steps and pressuring the laggards to do more.



Introduction

The World Benchmarking Alliance (WBA) develops free and publicly available benchmarks that compare the contribution of the world's most influential companies to the United Nations Sustainable Development Goals (SDGs) and to global agendas such as the Global Biodiversity Framework.

We conduct benchmark assessments based on publicly disclosed information and give all companies the opportunity to review the results prior to publication.

Our aim is to ensure that our benchmarks distil complex topics into tangible metrics, so that companies can be meaningfully assessed and compared based on their activities at the level of their own operations and their supply chain. The Nature Benchmark methodology is informed by the feedback of nearly 100 organisations and the views of our Expert Review Committee with representatives from the Science Based Targets Network (SBTN), the Taskforce on Nature-related Financial Disclosures (TNFD), the Global Reporting Initiative (GRI), the World Business Council for Sustainable Development (WBCSD), the International Union for Conservation of Nature (IUCN), the United Nations Environment Programme Finance Initiative (UNEP-FI) and the World Wide Fund for Nature (WWF).

The Nature Benchmark consists of 25 nature-specific indicators in three measurement areas. Each indicator consists of several elements that together comprise the overall company score. Additionally, there are 18 core social indicators (CSI) that are shared across all of WBA's benchmarks (Figure 1). When discussing the findings in this report, A1 refers to indicator 1 under measurement area A. Similarly, A1.A refers to the first element (A) under indicator A1. All references to specific indicators and elements in the report make use of this same format. For more information about the indicators, including specific element breakdowns, definitions of terms and the assessment process, please consult the [methodology](#) and [scoring guidelines](#).

This report combines the [key findings](#), also available on our website, as well as new insights drawn from the [2023 Nature Benchmark dataset](#).



(A) Governance and strategy

- A1. Sustainability strategy
- A2. Accountability for sustainability strategy
- A3. Stakeholder engagement
- A4. Lobbying and advocacy
- A5. Circular and nature-positive transition

(B) Ecosystems and biodiversity

- B1. Assessment of nature impacts
- B2. Assessment of nature dependencies
- B3. Key areas important for biodiversity
- B4. Key species
- B5. Ecosystem conversion
- B6. Ecosystem restoration
- B7. Resource exploitation and circularity performance
- B8. Soil health
- B9. Water withdrawal
- B10. Water quality
- B11. Hazardous substances and waste
- B12. Plastic use and waste
- B13. Air pollutants
- B14. Scope 1 and 2 GHG emissions
- B15. Scope 3 GHG emissions
- B16. Invasive alien species

(C) Social inclusion and community impact

- C1. Right to a safe, clean, healthy and sustainable environment
 - C2. Indigenous Peoples' rights
 - C3. Land rights
 - C4. Water and sanitation
- +18 core social indicators (C5–C22) shared by all benchmarks

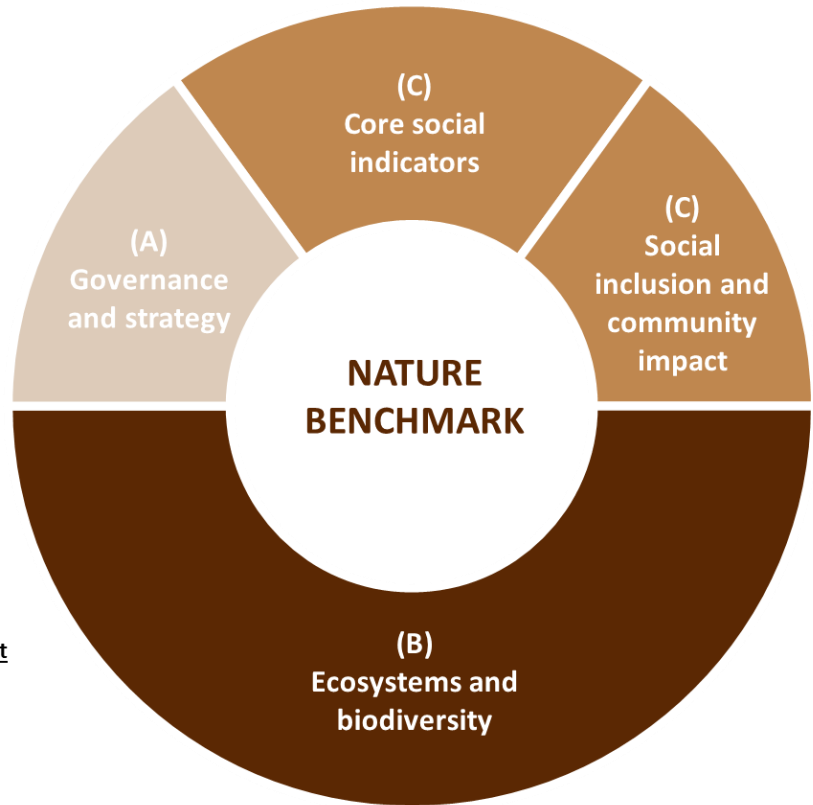
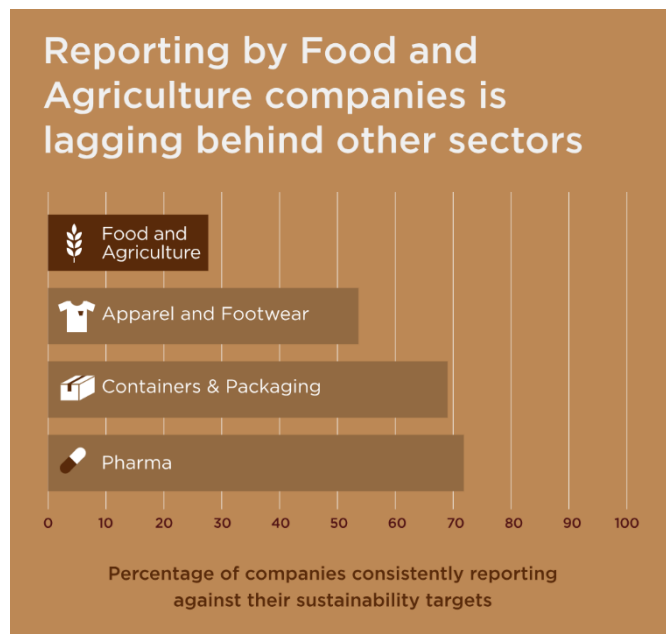


FIGURE 1. NATURE BENCHMARK INDICATORS

Summary of Key Findings

Increasing board accountability: more leadership needed at the top

A sound environmental and social strategy, backed by solid accountability structures, is a key step towards credible corporate sustainability efforts. While 63% of food companies assign oversight of sustainability to their boards, only 1% of the companies have boards that can demonstrate they have the relevant expertise on topics like biodiversity or climate. Concerningly, only 28% of the assessed food companies consistently report on how they are meeting the nature-related targets they have set out – a figure that lags behind other industries by nearly half. Companies that demonstrate robust corporate governance score significantly better on other sustainability issues. Therefore, to enable impact, companies should prioritise developing a sustainability strategy that covers nature, supported by concrete high-level responsibility and accountability for delivering the strategy.



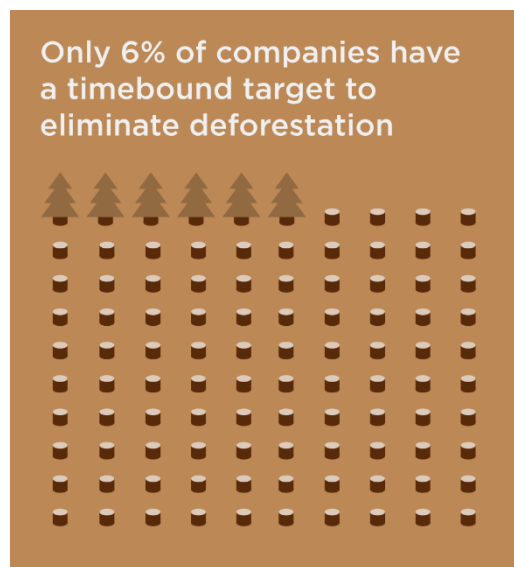
Companies fail to assess and disclose their nature impacts and dependencies



Food and agriculture companies bear enormous responsibility for two of the biggest drivers of environmental degradation: land use change and exploitation of nature. Yet only 2% of the biggest 350 companies in this sector globally currently disclose their environmental impacts. Furthermore, despite being among the most nature-dependent industries, none of the companies holistically address their dependencies on nature. Although some companies have started to assess their impacts and dependencies, they often only cover a fraction of their operations or don't publish the results. To bridge this gap, companies need to adopt a risk management and disclosure framework such as that of the TNFD.

Halting deforestation: a missed opportunity for biodiversity, climate and people

There is no solution to climate change without a solution to nature loss, and this starts with halting and reversing deforestation. Agricultural expansion drives almost 90% of global deforestation, so food system companies bear big responsibility for this issue. Yet only 13% of the assessed companies have a commitment towards zero ecosystem conversion, and only 6% have a time-bound target to eliminate deforestation. Almost half of the benchmarked companies have commitments regarding climate. But to reach net zero by 2050, we must end commodity-driven deforestation by 2025. By eliminating deforestation, ecosystem conversion and associated human rights abuses from their supply chains, food system companies can make significant progress towards addressing climate change, biodiversity and social issues.



As water insecurity rises, companies must accelerate their water stewardship



Nearly 72% of the world's population faces water insecurity. Food and agriculture companies are responsible for massive water use. Around 30% of the assessed companies report the reductions they have achieved in their water use or disclose their water use from water-stressed areas. This suggests a growing awareness among companies of their role in ensuring water availability worldwide. However, addressing water insecurity is about more than reducing water use: it is also about the quality of water left available for essential human needs like drinking and bathing. Only 12% of the companies report metrics on discharged pollutants, and just 2% have set targets to reduce them. The Ceres Corporate Expectations for Valuing Water and SBTN Freshwater Targets provide comprehensive guides and expectations for corporate water stewardship.

Companies do not yet recognise environmental rights as human rights

In 2022, the United Nations General Assembly agreed that a clean, healthy and sustainable environment is a human right. Instead of leaning into the momentum of this UN resolution, less than 2% of the assessed companies currently commit to respecting local communities' environmental rights. Similarly, only 12% of companies pledge to respect the right to access to water, sanitation and hygiene, which is crucial to people's well-being and dignity. This is a missed opportunity, as upholding environmental rights not only benefits communities, but also the ecosystems they are part of and consequently the companies themselves, especially in the Global South. Companies should recognise environmental rights as essential human rights and embed them in their identification processes.



Results and insights

Among the 380 companies assessed in the 2023 Nature Benchmark, the majority in the top 25 (Table 1) ranking are headquartered in Europe. Nonetheless, companies from every continent are present in the top 25, indicating that the better performers are not entirely restricted to particular regions. While corporate actions are influenced by the regulatory frameworks in their countries, some of the leading companies are demonstrating sustainability efforts in different areas that go beyond compliance. This substantiates the fact that though company performance overall is low, the possibility of embracing best practices is not an unattainable goal for companies determined to strive towards greater sustainability.

Rank	Company	Headquarter	Region	Score	MA1: Govern. Rank	MA2: Ecosyst. Rank	MA3: Social Rank
1	Nestlé	Switzerland	Europe	54.1	1	3	1
2	Unilever	United Kingdom	Europe	52.0	3	2	2
3	Danone	France	Europe	46.3	16	4	7
4	Bayer	Germany	Europe	44.9	2	7	12
5	Givaudan	Switzerland	Europe	44.2	11	12	3
6	UPM-Kymmene	Finland	Europe	43.7	23	1	17
7	Charoen Pokphand Group	Thailand	East Asia	43.6	7	10	9
8	OCP	Morocco	North Africa	43.2	14	8	6
9	Wilmar International	Singapore	East Asia	41.6	14	18	4
10	Diageo	United Kingdom	Europe	40.1	17	19	5
11	Kerry Group	Ireland	Europe	39.8	7	9	18
12	Thai Union Group	Thailand	East Asia	39.5	6	13	16
13	Ajinomoto Group	Japan	East Asia	39.1	5	5	25
14	PepsiCo	USA	North America	37.8	11	21	10
15	Yara	Norway	Europe	36.9	10	20	15
16	Fonterra	New Zealand	Oceania	36.1	4	14	22
17	The Hershey Company	USA	North America	35.9	19	25	8
18	Firmenich	Switzerland	Europe	37.0	19	17	13
19	Mowi	Norway	Europe	35.7	21	6	23
20	Anheuser-Busch InBev	Belgium	Europe	35.1	24	15	19
21	Suzano Papel e Celulose	Brazil	Latin America	34.9	24	24	11
22	Heineken	Netherlands	Europe	34.4	18	23	14
23	Meiji	Japan	East Asia	34.3	21	11	21
24	Sainsbury's	United Kingdom	Europe	33.8	9	22	20
25	FMC	USA	North America	33.6	11	16	24

TABLE 1. COMPANY RANKINGS (OUT OF 380) AND SCORES (OUT OF 100)

Out of the top 25 companies, 21 are publicly listed – with the exception of Charoen Pokphand Group, Firmenich, Fonterra and OCP. This suggests that public companies are accountable to their shareholders and are thus subject to greater scrutiny from the public and regulatory bodies. Evidence has shown that higher environmental, social and governance (ESG) performance is associated with better financial performance and with being valued more highly in the market. Therefore, it is



unsurprising that publicly listed companies perform twice as well on average (with a score of 18) than other companies (with an average score of 9). Public disclosure can also support company engagement with other stakeholders, such as [potential employees](#).

Regardless, much work remains to be done. The benchmark results show that companies' performance overall lags far behind what is required to halt and reverse nature loss. Almost 70% of the assessed companies score less than 20 points out of 100 (Figure 2). These low scores stem from a generalised lack of disclosure and transparency on company impacts and a corresponding environmental strategy to address them. Only two companies (0.5%) achieve a score greater than 50 points out of 100, and even these two pioneers have a long way to go to truly embed nature impacts in their decision-making processes.

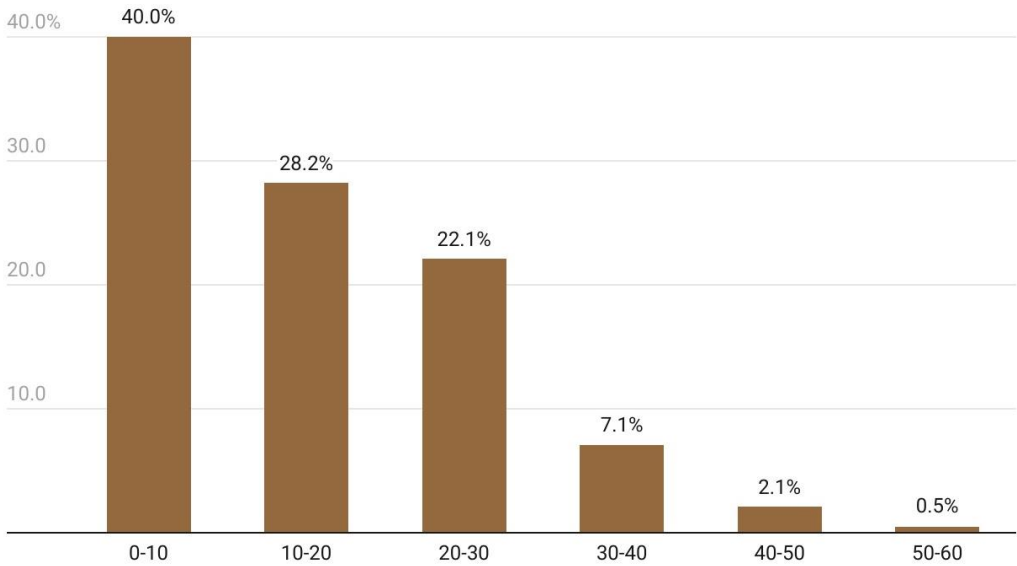


FIGURE 2. PERCENTAGE OF COMPANIES IN EACH SCORE RANGE (OUT OF 100)

The 'best' vs the 'rest'

The Nature Benchmark measures how far along the most influential companies in the food and agriculture, and paper and forest products sectors are in their sustainability journeys. A perfect score of 100 points would represent leading practices across all topics covered in the methodology. However, a useful alternative metric for comparison is the Best Combined Performance (BCP). The BCP combines the best observed practices in the industry by aggregating the top scores achieved by any of the 380 companies across each element, and represents a synthesis of the best performance across all topics that companies can achieve today. Figure 3 compares the BCP against the top five performers (Nestlé, Unilever, Danone, Bayer and Givaudan) as well as against the performance of all the other 375 companies. The total BCP score for the assessed companies is 90, which is more than 35 points higher than the top-ranking company (Nestlé), and a staggering 75 points higher than the average company score. This implies that all companies, even the best performing ones, have blind spots that they should strive to address by learning from their peers who perform better in those areas.



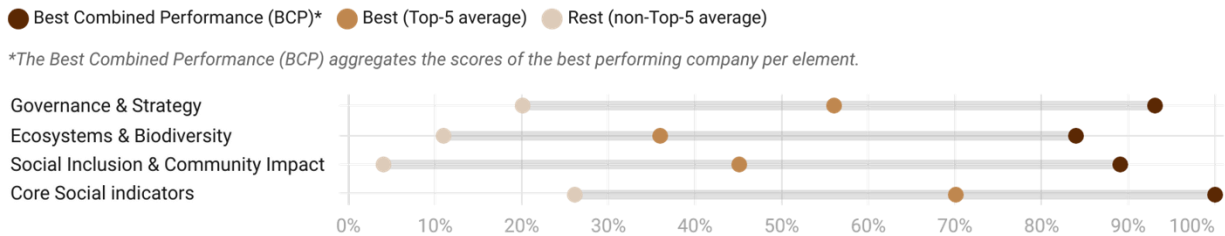


FIGURE 3. THE 'BEST' VS THE 'REST': AVERAGE SCORES PER MEASUREMENT AREA

The high BCP scores of 84%-100% in all measurement areas shows that despite the challenges associated with implementing better environmental and social practices, most elements of the Nature Benchmark are already being implemented by at least one company (Figure 4). Other companies too can take this as example and implement improvements across many indicators and issues, without the need to wait for more regulation or frameworks.

The BCP also significantly outperforms the top five companies in the Nature Benchmark, showing significant room for improvement among even the top-ranking companies. The gap widens significantly when comparing the BCP with the remaining companies: on average, the remaining companies score less than 20%, which is a gap of more than 60%-90% compared to the BCP scores.

In relation to the core social indicators (CSIs), the top five companies perform on par with the BCP across many indicators, such as a commitment to respect human rights and a grievance mechanism for workers. This high performance is due to the fact that unlike the rest of the indicators in the benchmark, the CSIs are designed to be a basic foundation – rather than an aspirational ceiling – that all companies should meet.

There are several other indicators where the top five companies achieve scores that closely match the BCP (Figure 4). These relatively higher scores achieved by the top five are in relation to the following indicators: A2. Accountability for sustainability strategy, B14. Scope 1 and 2 emissions, B15. Scope 3 emissions, and trailing a little further behind, B9. Water withdrawal and B10. Water quality. The fact that all five of the leading companies have high scores for these indicators reflects the comparative maturity of these topics compared to others covered in the Nature Benchmark.



● Best Combined Performance (BCP)* ● Best (Top-5 average) ● Rest (non-Top-5 average)

*The Best Combined Performance (BCP) aggregates the scores of the best performing company per element.

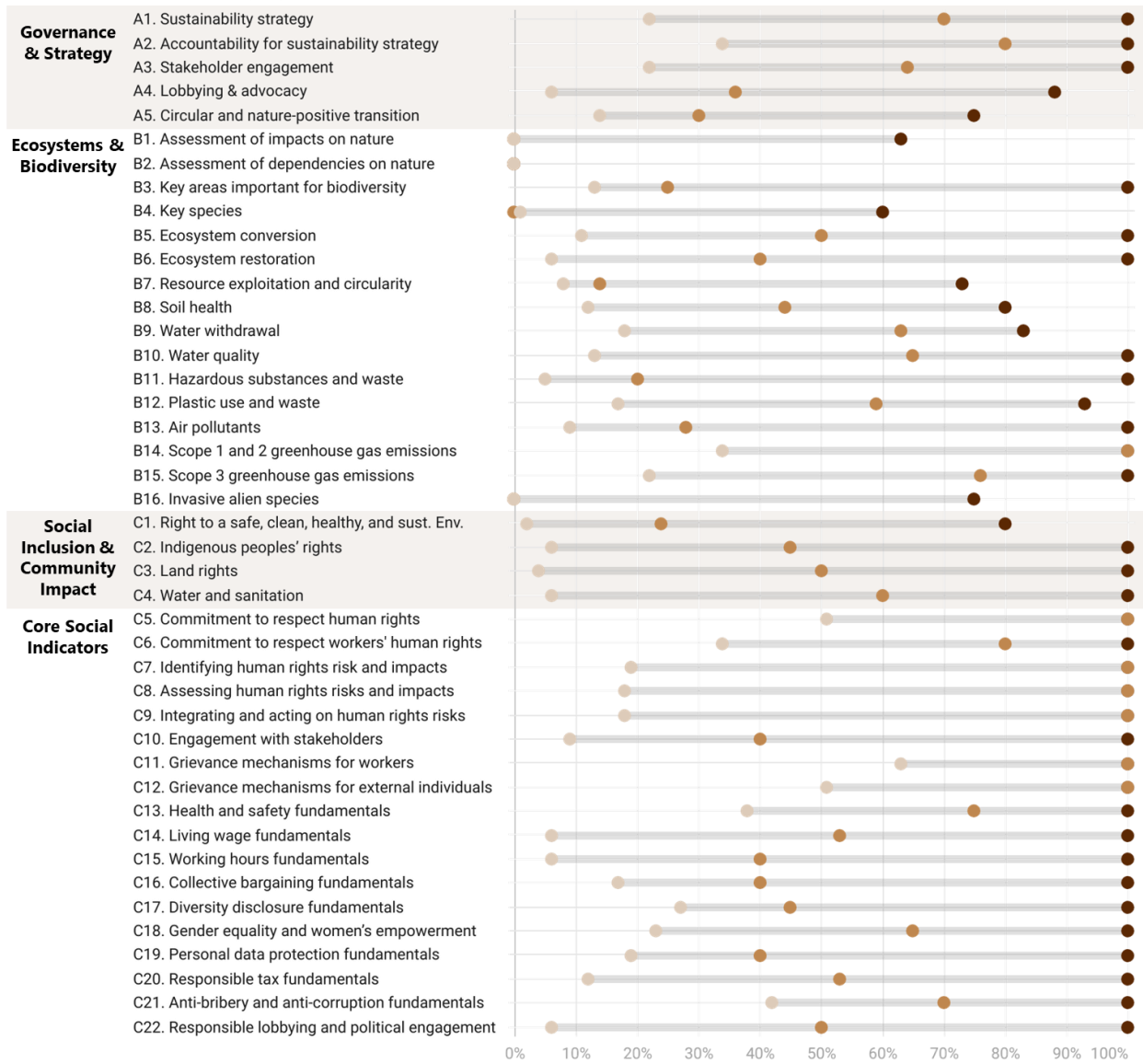


FIGURE 4. THE 'BEST' VS THE 'REST' PER INDICATOR

Systemic challenges for business sustainability

By examining where the BCP falls short of the maximum possible score (Figure 4), we can gain insights into areas where there may be greater challenges or uncertainty. In the governance and strategy measurement area, the BCP falls somewhat short of the maximum possible score for indicator A4. Lobbying and advocacy, and to a larger degree for indicator A5. Circular and nature-positive transition. Furthermore, none of the companies meet element A4.F, which looks at whether companies have disclosed clear deadlines to implement steps to correct misalignment between the lobbying activities of their trade associations and nature-positive-policies. Similarly, none of the companies meet element A5.C. This element looks at whether companies have strategies that would lead their business models to become nature positive. Given its aspirational nature compared to the rest of the topics assessed in the benchmark, indicator A5 does not impact company scores for the time being, until greater guidance is made available for the private sector. The Nature Benchmark team is currently involved



with two international initiatives ([The Nature Positive Initiative](#); [Go Nature Positive](#)) in which leading experts are collaborating to provide more clarity and metrics for companies and governments.

In the ecosystems and biodiversity measurement area, the BCP falls short of the maximum possible score across a much larger range of indicators. This suggests that many of the elements looking at topics such as impacts and dependencies on nature, key species, soil health, water or invasive alien species are less mature or more challenging for companies, which is why not a single company has met them. Additionally, the majority of companies have not set time-bound targets for most indicators in this measurement area, with the exception of carbon emissions (Figure 5). This is the case even for indicators for which companies report the quantitative reductions in their resource consumption, as with plastics and water. Clearer target setting is therefore a crucial area where companies can improve.

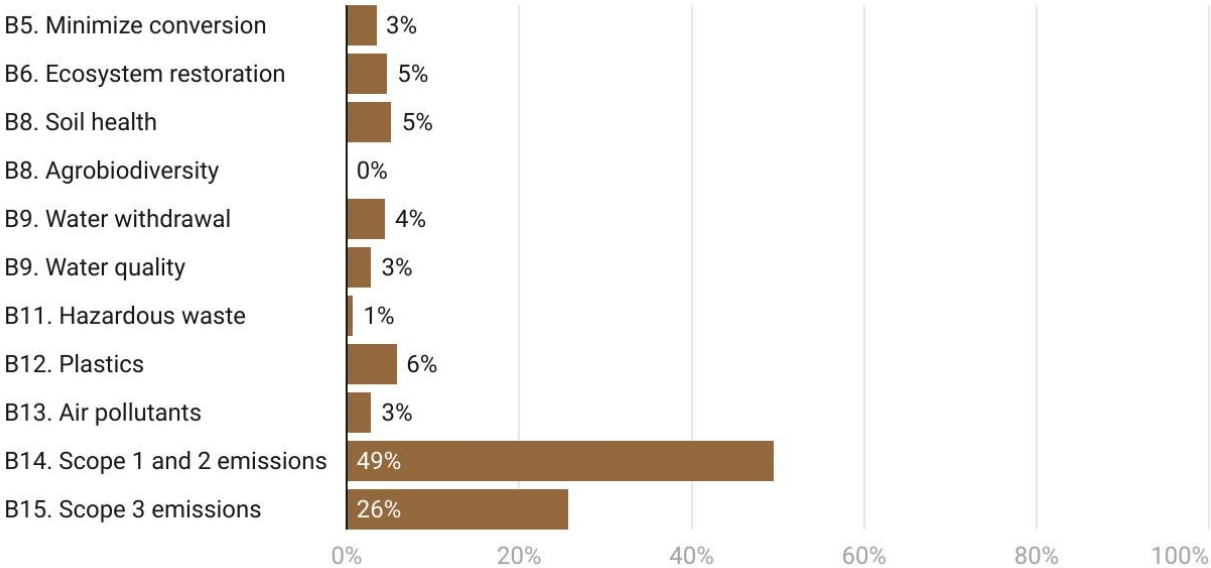


FIGURE 5. PERCENTAGE OF COMPANIES DISCLOSING TIME-BOUND TARGETS COVERING ENVIRONMENTAL THEMES

In the social inclusion and community impact measurement area, the BCP falls short of the maximum points only for indicator C1. Right to a safe, clean, healthy and sustainable environment. Specifically, no company meets element C1.D, which looks at whether companies provide evidence of how they prevent, mitigate or remediate their actual and potential negative impacts on the health of local communities. Addressing this gap represents a clear opportunity for improvement across the board.

Governance and strategy

The governance and strategy measurement area evaluates how well companies embed sustainability in their core business strategies, how they assign responsibility for implementing this strategy, how they engage with their relevant stakeholders, and whether they use their influence to promote nature-positive policies through their lobbying activities. These aspects are crucial for the private sector to



respond effectively and proactively to the unprecedented challenges of biodiversity loss, climate change, human rights issues and social inequality that threaten the well-being of people and the planet.

Increasing board accountability: more leadership needed at the top

Nature plays a crucial role in the global economy. More than half of global GDP is moderately or highly dependent on nature. Businesses rely heavily on nature to supply much-needed goods and services. Yet, corporate action towards nature lags behind climate, receiving significantly less attention. It is no surprise, then, that 90% of experts surveyed by Business for Nature call for companies to have a public nature strategy backed at the highest level. With a growing business case and mounting legislative pressure, companies must step up their actions to maintain and nurture natural ecosystems and biodiversity.

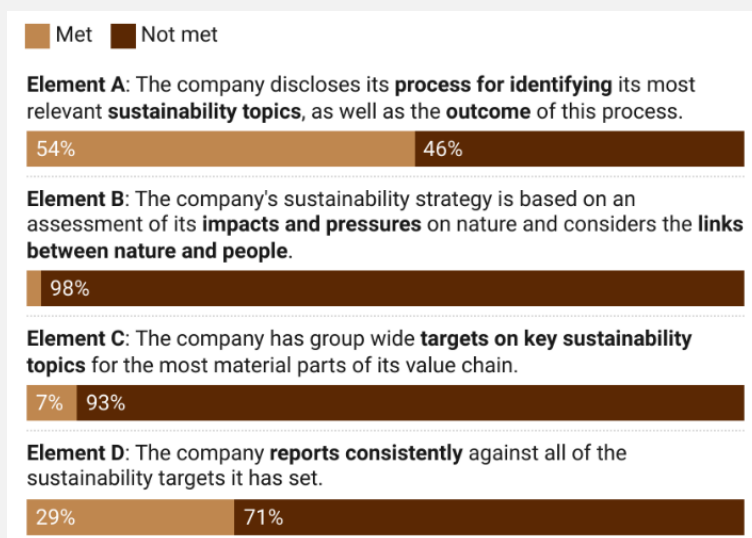


FIGURE 6. INDICATOR A1. SUSTAINABILITY STRATEGY

Transformative change must begin at the top. Nature is now an integral consideration for boards and there is increasing recognition that company directors have a legal obligation to take nature into account. Beyond being a necessity, a strong nature strategy presents an opportunity. The Nature Benchmark finds that companies which show robust corporate governance score significantly better on other sustainability issues. So how can businesses incorporate nature into their processes and strategy and contribute to a nature-positive and equitable future?

Start from the top

A key challenge for businesses is to understand the perspectives of their stakeholders. While 61% of the assessed companies have a sustainability strategy with board-level accountability, only 1% of company boards are equipped to understand their companies' most material sustainability impacts (Figure 6). There is a skills and knowledge gap which results in boards taking on sustainability responsibility without having the relevant expertise. This is reflected in the patchy performance of companies on the stakeholder engagement indicator, where 41% of companies disclose a stakeholder engagement process, but only 8% disclose the outcomes of their stakeholder engagement (Figure 7).



A [recent PwC study](#) shows that nearly 60% of executives think their boards do not understand the concerns of stakeholders beyond shareholders.

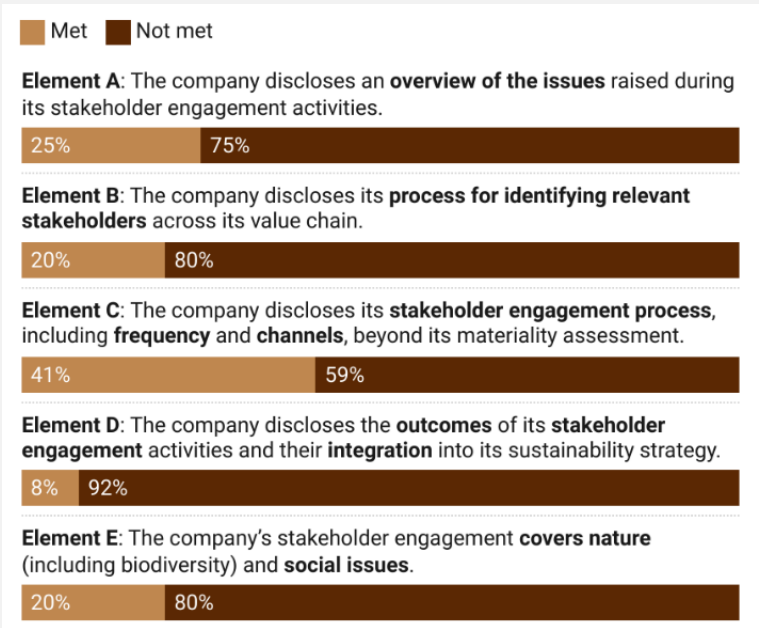


FIGURE 7. INDICATOR A3. STAKEHOLDER ENGAGEMENT

However, best practices do exist, such as having board members with expertise in relevant areas or establishing specialised committees with direct access to the required knowledge. Ajinomoto Group, for instance, has a board of directors with expertise in social inclusion and direct access to advisors in nutrition, soil health and environmental management, among other fields, through its Sustainability Advisory Council. It is critical for companies to adapt to their new role and become future-fit by upskilling or incorporating new sustainability profiles. Otherwise, they risk becoming obstacles to their own sustainability transformations.

Prioritise, set targets and follow through

Only 29% of the 380 companies assessed across the food and agriculture, and paper and forest products sectors consistently report on how they meet their sustainability targets. This is despite 54% of these companies undertaking a materiality assessment to identify and prioritise their sustainability impacts (Figure 8). This lack of consistent reporting against targets is concerning, as it is nearly half of the average observed across other industries that have been assessed by the Nature Benchmark (where the rate was closer to 60% on average). While conducting a materiality assessment is an important first step, it must be followed by concrete action. When setting targets, companies should include a baseline and timeframe, and regularly report their progress. It is also crucial to track the targets consistently without making changes midway. Companies like Unilever and Yara provide a centralised table of all targets and results, which enables stakeholders to easily track progress. Further guidance can be found in the [ACT-D framework](#) (Assess, Commit, Transform and Disclose), which serves as a foundation for disclosing nature-related information and transforming corporate relationships with nature.



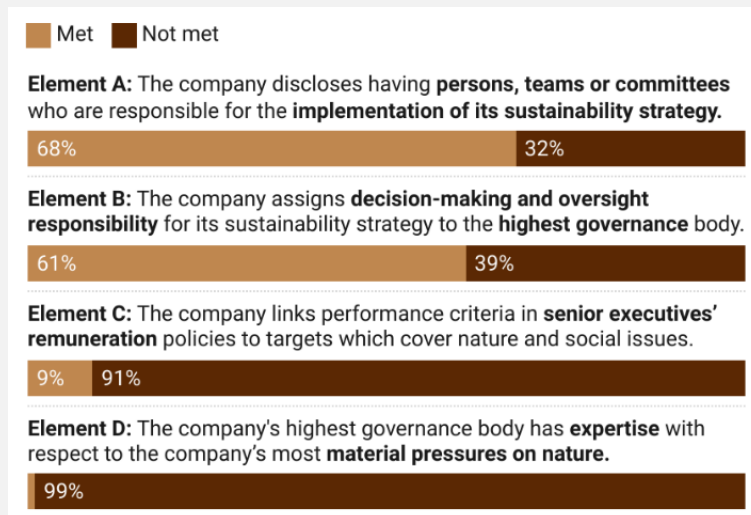


FIGURE 8. INDICATOR A2. ACCOUNTABILITY FOR SUSTAINABILITY STRATEGY

Ensuring advocacy efforts are aligned with sustainability strategies

It is extremely damaging for a company's credibility if a public sustainability strategy is undermined by behind-the-scenes lobbying. Yet lobbying remains a blind spot for companies, especially on nature-related issues. Only 31% of the assessed companies disclose a basic – and often incomplete – list of the trade associations they are members of, and less than 1% disclose a clear and detailed framework for assessing alignment of their trade associations with nature-positive policies. To ensure credible advocacy in relation to nature, companies must map their links to trade associations and thoroughly assess their alignment with a nature-positive economy. They should also establish clear steps and deadlines for escalation in case of misalignment.

For detailed guidance, companies can refer to the [Nature Strategy Handbook](#), which offers practical guidance for developing a nature strategy, covering requirements from leading frameworks, to help businesses contribute to a nature-positive and equitable future.

High Global South performance in stakeholder engagement

Indicator A3. Stakeholder engagement is one of the few indicators where the average performance of companies headquartered in the Global South is higher than those in the Global North (Figure 9). In particular, South-East Asian countries (Indonesia, Malaysia and Thailand) and South Africa stand out, statistically performing significantly above average, suggesting that the regulatory frameworks and norms in these countries may foster a culture of stakeholder outreach among companies.

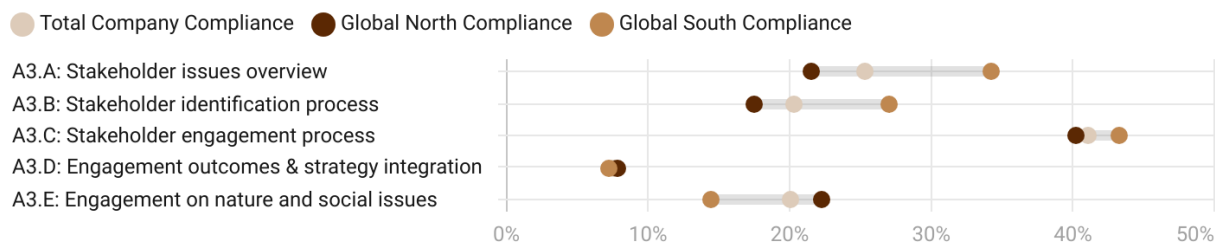


FIGURE 9. GLOBAL NORTH VS GLOBAL SOUTH COMPANY PERFORMANCE ON INDICATOR A3. STAKEHOLDER ENGAGEMENT

The average scores for the five elements of indicator A3 show that companies in the Global South outperform those in the Global North in the initial stages of stakeholder engagement, especially in disclosing the issues raised (element A3.A) and identifying the relevant stakeholders (element A3.B). This may be because stakeholders such as civil society organisations exert more pressure and scrutiny on large companies in developing countries to engage with potentially affected groups. However, the gap narrows when it comes to describing the engagement process (element A3.C) and integrating the engagement outcomes into sustainability strategies (element A3.D), where both groups of companies have similar performance. A notable difference is that companies in the Global North cover nature and social issues (element A3.E) more comprehensively in their stakeholder engagement, which in turn reflects their higher scores in the ecosystems and biodiversity measurement area.

While there are six companies that score full points for this indicator (Ajinomoto Group, Charoen Pokhand Group, FrieslandCampina, Kerry Group, Nestle and Wilmar International), Charoen Pokhand demonstrates outstanding performance by publishing a separate stakeholder engagement report. The report goes beyond the elements addressed in the indicator by including information about its stakeholder surveys, a breakdown of topics, results and demographics.

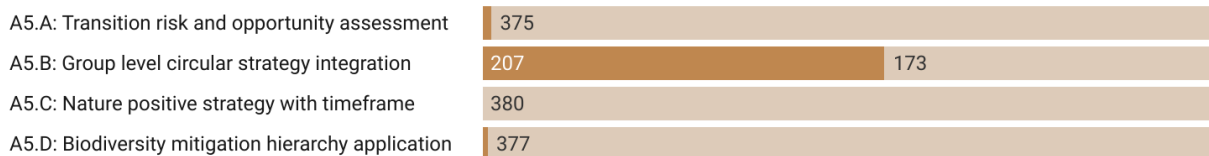
Circular and nature-positive transition

As highlighted by the [World Economic Forum's Global Risk Report](#), two of the greatest threats to humanity are biodiversity loss and ecosystem collapse. Reflecting the urgent need to transition from a linear to circular economy, indicators A5. Circular and nature-positive transition and B7. Resource exploitation and circularity performance, measure a company's progress in changing its productive models.

Positively, many companies show initial efforts towards transitioning to a circular economy: 54% of companies reference circularity in their company strategy (element A5.B), and 57% demonstrate qualitative evidence towards circularity (element B7.A), primarily through recycling or reusing materials (Figure 10). The two elements are significantly correlated: around 80% of companies report on both elements, indicating a clear link between commitment and action.

Met Partially Met Not met Not Applicable

A5: Circular and nature-positive transition



B7: Resource exploitation and circularity performance

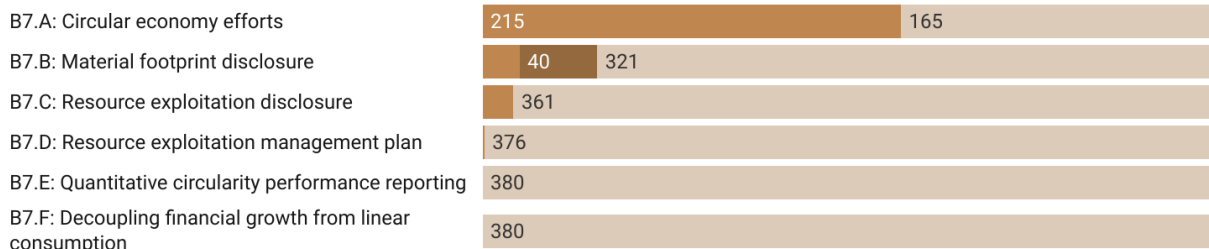


FIGURE 10. COMPANY PERFORMANCE IN RELATION TO CIRCULARITY INDICATORS A5 AND B7

Beyond these trends, however, companies barely perform in relation to the other elements covered under the two indicators. Only five companies demonstrate an assessment of the risks and opportunities of transitioning to a circular economy (element A5.A), only three apply a mitigation hierarchy approach to biodiversity (element A5.D), and none of the companies disclose a strategy to transition to a nature-positive approach (element A5.C). Furthermore, none of the companies report quantitatively on their circularity performance (element B7.E), while only one – Bolton Group – discloses a management plan to avoid overexploitation of resources (element B7.D), in this case a target for sourcing 100% of its tuna from responsible fishing practices for all brands by 2024.

The overall poor results reflect the fact that circularity and nature-positive approaches are relatively novel concepts for many companies. Nevertheless, given their importance, companies will need to urgently step up their efforts on these topics.

Ecosystems and biodiversity

The ecosystems and biodiversity measurement area forms the heart of the Nature Benchmark methodology by directly measuring company performance on sustainability issues such as species management, water management, carbon emissions and pollution. For the purpose of better discussing the findings in this report, the measurement area has been divided into several subtopics: biodiversity (indicators B1– B4 and B16), ecosystems (indicators B5, B6, B8), water (indicators B9, B10), pollution (indicators B11, B12, B13), and climate (indicators B14, B15).



Biodiversity

Companies fail to assess and disclose their nature impacts and dependencies

The 2023 Nature Benchmark provides an analysis of how many of the 380 most influential food and agriculture, and paper and forest product companies are assessing their nature impacts (indicator B1) and evaluating their dependencies on nature (indicator B2) (Table 2). These indicators underscore the necessity for companies to understand their interconnectedness with natural ecosystems and species, and to recognise and mitigate their impacts on biodiversity.

Nature Methodology 2023: Description of Elements in Indicators B1 and B2

Element	Description
B1.A	The company assesses its impacts on nature, including biodiversity, within its own operations.
B1.B	The company assesses its impacts on nature, including biodiversity, in the upstream activities of its value chain.
B1.C	The company assesses its impacts on nature, including biodiversity, in the downstream activities of its value chain.
B1.D	The company assesses whether its impacts on nature, including biodiversity, contribute to a cumulative effect, with other stakeholders, on the locations within its own operations.
B1.E	The company quantifies its impacts on nature, including biodiversity.
B2.A	The company assesses its dependencies on nature within its own operations.
B2.B	The company assesses its dependencies on nature of its upstream business relationships.
B2.C	The company assesses dependencies on nature of its downstream business relationships.
B2.D	The company quantifies its dependencies on nature in its own operations.

TABLE 2. ELEMENTS ASSESSED UNDER INDICATORS B1 AND B2

Despite being inherently tied to nature, assessed companies overlook their nature impacts and dependencies

Although we are in the midst of a [sixth mass extinction](#), only 2% (9 out of 380) of the assessed companies disclose their environmental impacts, and none comprehensively address and disclose their dependencies on nature. This gap is concerning, as it reveals a lack of understanding and transparency about the extent of companies' interactions with nature.

The hidden costs of nature loss are substantial, and only through comprehensive assessments can companies understand and mitigate these risks. This lack of transparency and acknowledgment of these impacts and dependencies may have serious economic and environmental consequences, highlighting the urgent need for a paradigm shift in corporate nature accountability and stewardship.

Leading practices and useful frameworks

The nine companies that disclose their environmental impacts employ various methodologies in assessing and disclosing their impacts on nature (Table 3). Meiji, Charoen Pokphand Group, Olam International and Thai Union Group notably use the Integrated Biodiversity Assessment Tool (IBAT) and frameworks like the Taskforce on Nature-related Financial Disclosures (TNFD) to assess their impacts. Metro offers monetary estimates of its environmental impacts, while Mitr Phol and Thai Beverage focus on risk impact assessments and critical habitat assessments, respectively. Nueva



Pescanova uses independent entities to conduct studies on its environmental and biodiversity impacts, and Interholco emphasises forest conservation through its Forest Stewardship Council (FSC) monitoring reports. Using these frameworks provides a structured and consistent approach for companies to gain a comprehensive understanding of their impacts on biodiversity and ecosystems. This enables them to reduce negative effects and align their business strategies with global sustainability goals, thereby fostering more sustainable practices.

Companies assessing impacts on nature: meeting elements in indicator B1

This table presents an overview of companies that meet or partially meet the five elements of indicator B1, ranging from B1.A to B1.E.

	Element	Company	Region	Country	Score
1	B1.A	Charoen Pokphand Group	East Asia & Pacific	Thailand	Partially met
2	B1.A	Meiji	East Asia & Pacific	Japan	Met
3	B1.A	METRO	Europe & Central Asia	Germany	Partially Met
4	B1.A	Mitr Phol Sugar Corp	East Asia & Pacific	Thailand	Partially Met
5	B1.A	Nueva Pescanova	Europe & Central Asia	Spain	Partially met
6	B1.A	Olam International	East Asia & Pacific	Singapore	Partially Met
7	B1.A	Thai Beverage	East Asia & Pacific	Thailand	Partially Met
8	B1.A	Thai Union Group	East Asia & Pacific	Thailand	Partially Met
9	B1.A	Interholco	Europe & Central Asia	Switzerland	Partially Met
10	B1.B	METRO	Europe & Central Asia	Germany	Partially Met
11	B1.C	METRO	Europe & Central Asia	Germany	Partially Met
12	B1.E	METRO	Europe & Central Asia	Germany	Met
13	B1.E	Mitr Phol Sugar Corp	East Asia & Pacific	Thailand	Met

Companies with duplicate records are displayed in unique colours in the 'Company' column for easier identification. Additionally, companies from the East Asia & Pacific region are highlighted with a light grey background in the 'Region' column, while those from Thailand are distinctly marked with a light brown background in the 'Country' column.

TABLE 3. OVERVIEW OF COMPANIES THAT MEET OR PARTIALLY MEET THE FIVE ELEMENTS OF INDICATOR B1.

However, there is room for improvement in companies’ existing practices. Most of these companies can enhance transparency by disclosing more comprehensive results of their assessments and extending their assessments to cover all operational areas.

Momentum among other companies

There are some signs that momentum is growing, as many other companies show evidence of beginning to look at their relationship with nature. However, their efforts currently fall short of meeting the requirements of the indicators assessed in the 2023 Nature Benchmark. Among the assessed companies, 44% are beginning to adopt some practices to assess their impacts on nature and 15% are starting to evaluate the dependencies on nature for their own operations (Figure 11). Common shortcomings include not covering all operations, not disclosing full results or not providing transparent methodologies. However, these companies have begun to lay the foundation for a comprehensive assessment and disclosure of their nature impacts and dependencies. This suggests that they are well-placed to adopt or align with credible frameworks, such as the TNFD recommendations.



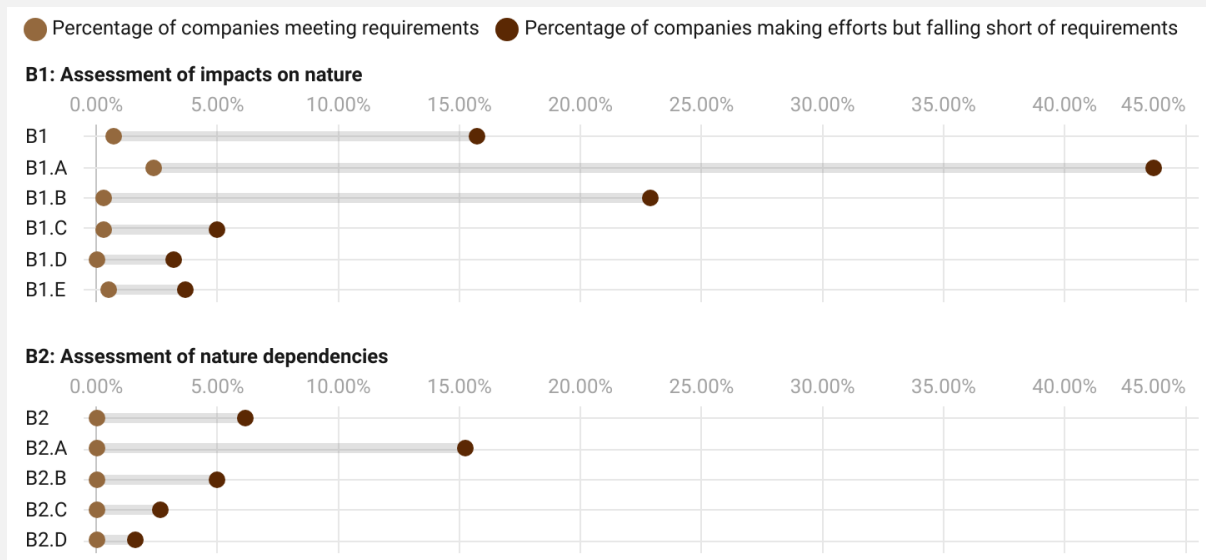


FIGURE 11. PERCENTAGE OF COMPANIES MAKING EFFORTS TO ASSESS IMPACTS AND DEPENDENCIES ON NATURE. FOR A DESCRIPTION OF THE ELEMENTS, SEE TABLE 2 (ABOVE).

Importance of robust environmental policy: the Thai example

Among the nine companies globally disclosing their impacts on nature, four are headquartered in Thailand (Table 3). This disproportionately high performance of Thai companies can likely be attributed to Thailand's environmental regulatory framework, which includes Environmental Impact Assessment (EIA) Regulations (1978, strengthened in 1992), the National Biodiversity Policy (2009), and the Draft Biodiversity Act (2019). These four Thai companies, constituting 57% of all Thai companies included in the benchmark, have conducted thorough biodiversity assessments that align with local policies, showcasing how national regulations can effectively drive corporate environmental responsibility and promote best practices.

For instance, Charoen Pokphand Group and Thai Union Group have integrated comprehensive biodiversity assessments into their operations, aligning with the EIA's requirements. Charoen Pokphand Group's participation in the World Business Council for Sustainable Development (WBCSD) and its adoption of the natural capital assessment framework underscore a strategic integration of ecosystem considerations into business risk strategies. Similarly, Thai Union Group's extensive use of IBAT for evaluating biodiversity risks across its operations demonstrates a pioneering approach in the food and agriculture sector.

The way forward

The findings from the Nature Benchmark underscore the urgent need for companies to conduct more comprehensive and transparent environmental assessments. Although expectations and legislation on environmental impacts and dependencies have lagged behind other, more mature topics such as carbon emissions, these are now catching up. A useful framework that companies can use to address these gaps is the [LEAP](#) (Locate, Evaluate, Assess and Prepare) approach, developed by the TNFD. This method provides a structured process for identifying, evaluating and managing nature-related issues. Through peer learning, following guidance from frameworks like TNFD, and understanding the

expectations set out in the Global Biodiversity Framework, companies now, more than ever, must get to grips with how they affect and rely on nature – and use this insight to make decisions that minimise their negative impacts and enhance their positive influence on nature.

Smaller companies more likely to disclose operational locations

As direct impacts on nature are predominantly location based, an essential first step for a company to assess its impact on nature involves disclosing its operations adjacent to important biodiversity areas. Analysis of the relevant indicator B3 reveals varied levels of reporting on this. While nearly half of the companies (46%) report all their operational locations (element B3.A), demonstrating a foundational level of transparency, further disclosures significantly drop. Only 7% reveal their operations in or adjacent to key biodiversity areas (element B3.B), and less than 1% extend this to upstream relationships (element B3.C) or possess a management plan aimed at protecting or preserving biodiversity in these areas (element B3.E).

Smaller companies appear significantly better at disclosing all their operational locations (element B3.A), possibly due to simpler organisational structures enabling easier oversight and reporting. However, complexity should not serve as a deterrent to such disclosures. In fact, parent companies have an obligation to ensure their subsidiaries participate in this critical disclosure. There is an increasing awareness that going forward company environmental impact disclosure will have to be location based. For example, the [GRI Biodiversity Standard 2024](#) requires companies to disclose information on a broad range of issues for each of their locations that have significant biodiversity impacts. Companies can use tools such as the [Integrated Biodiversity Assessment Tool \(IBAT\)](#) to identify areas of biodiversity importance to inform their environmental strategy and align their operational footprint with the goal of minimising ecological impact.

Companies headquartered in the Global South are more likely to disclose operations near biodiversity areas (10%) compared to their Global North counterparts (6%). Unfortunately, these efforts rarely extend to having a management plan for these locations, or reporting whether their suppliers are located near such areas (elements B3.C and B3.D), highlighting a gap in comprehensive environmental stewardship.

Almost no disclosure on invasive alien species

Invasive alien species (IAS) pose a significant threat to ecosystems worldwide, often causing ecological imbalance, local or widespread extinction, or threats to human health. The Intergovernmental Science-Policy Platform on Biodiversity and Environmental Services (IPBES) has identified IAS as one of the [five main drivers of biodiversity loss](#) worldwide. Companies must, therefore, identify risks related to the potential introduction of invasive species resulting from their operations and implement effective management and prevention strategies. In doing so, companies can contribute to collaborative efforts aimed at mitigating the ecological and economic consequences associated with IAS and align with the Convention on Biological Diversity's (CBD's) Kunming-Montreal Global Biodiversity Framework. The framework requires that the introduction of IAS be managed and the rate of their introduction and establishment be [lessened by at least 50% by 2030](#).

In the 2023 Nature Benchmark, invasive alien species were covered by four elements under indicator B16. There were only seven instances of companies meeting one of these elements: four companies disclosed their processes to prevent or manage IAS; two companies disclosed introductions of invasive



species resulting from their activities; and one company identified activities that could lead to the introduction of IAS within their own operations. Given that even moderate increases in IAS are expected to have major impacts on regional biodiversity, it is important that companies take immediate action, for example, by making efforts to understand the ecosystems in which they operate, conducting comprehensive risk assessments to identify potential IAS introduction pathways, and reviewing environmental management systems and policies for IAS prevention and management.

Ecosystems

Halting deforestation: a missed opportunity for biodiversity, climate and people

Deforestation lies at the heart of several environmental and social issues, driving GHG emissions and biodiversity loss, and compromising ecosystems for human and planetary health. To achieve net zero by 2050 and remain within safe, operating planetary boundaries, commodity-driven deforestation, conversion, and all associated human rights abuses, should be eliminated by 2025 or earlier, and all conversion should end by 2030 at the latest.

Land clearance for agricultural commodities, such as beef, palm oil, soy and timber, drives 90% of global deforestation. As such, food and agriculture companies have an urgent and unavoidable responsibility to address deforestation throughout their business operations, as well as to avoid the significant risks of inaction and to comply with regulatory frameworks such as the EU Deforestation Regulation (EUDR).

Companies are falling short on actions to address deforestation

While half of the assessed companies have commitments and targets to reduce their GHG emissions, only 15% of companies commit to zero ecosystem conversion, and only 17% disclose what actions they are taking to achieve deforestation-free supply chains (for example, by disclosing commodities sourced according to Deforestation and Conversion Free certification standards). Further, only 6% of companies have a time-bound target to eliminate deforestation.

Overall, the results reveal concerningly low levels of disclosure on commitments and efforts to avoid or minimise conversion, and this was consistent across different regions and industry segments. Companies must take immediate, tangible action to develop more sustainable and ethical supply chains.

Destruction of forests intrinsically linked to human rights

Deforestation is commonly linked to human rights abuses, including labour rights violations, land use conflicts, and failing to respect the customary rights of Indigenous Peoples and local communities to land, resources and territory. Therefore, companies must strike a balance between social and environmental factors.

Despite this, companies underperform in this area. A recent report by Global Canopy found that a third of companies did not have any publicly available human rights policies for the commodities they were assessed for. The Nature Benchmark results also reveal low levels of commitment from companies to respect the rights of local communities. Ultimately, this compromises long-term sustainability.



Achieving conversion-free supply chains is challenging, but not impossible

It is not enough for companies to merely commit to achieving conversion-free supply chains or respecting human rights; commitments must be followed through. Effective implementation can be challenging and requires consistent effort over time. [The Global Canopy Forest 500 report](#) found that only half of the assessed companies which had deforestation commitments covering their high-risk commodities were taking further steps to monitor their suppliers or sourcing regions to align with these commitments.

Despite the challenges, there are a small number of companies taking positive action in this area. UPM-Kymmene, a Finnish company in the paper and forest products sector, scored the highest among all the assessed companies for its efforts towards achieving zero conversion. The company states that its wood sourcing does not contribute to deforestation anywhere in the world, and that it does not accept wood that comes from converted natural forest plantations, both explicit assertions in its supplier policy. Furthermore, the company discloses certification schemes that are verified by independent external auditors, and a traceability system for its timber that is integrated into third-party certified management systems.

The other five top performers for the ecosystem conversion indicator (Ajinomoto Group, Amaggi Group, Danone, Musim Mas, and Unilever) have all disclosed efforts in setting commitments and time-bound targets to achieve zero conversion, ensured appropriate certification schemes covering the sourcing of their high-risk commodities, or disclosed their sourcing regions and traceability systems. While there is still room for improvement, these companies demonstrate that action in this area is not impossible.

Progress can, and must, be made quickly

Eliminating commodity-driven deforestation, conversion and all associated human rights abuses by 2025, and all conversion by 2030, may seem an ambitious goal. However, these deadlines reflect the urgency of the situation. It is important to have as many companies as possible working towards these goals, to generate the momentum needed to mobilise peers and establish new industry standards. There is guidance available to help companies set a clear path for action on ecosystem conversion. For example, the [Accountability Framework](#) (Afi) offers practical, credible guidance to establish ethical and sustainable supply chains in the forestry and agriculture sectors. Such frameworks, alongside emerging legislative regulations such as the EUDR, should spur companies into action to eliminate ecosystem conversion and associated human rights abuses, thereby helping to halt and reverse nature loss.

Ecosystem restoration: Comparatively higher performance in the paper and forest products sector

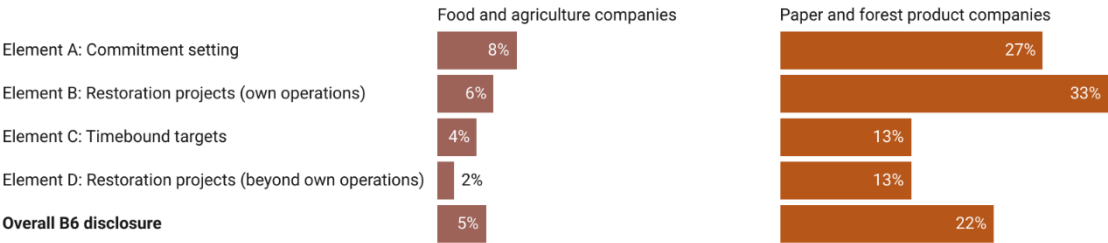
The United Nations has declared 2020-2030 the [Decade on Ecosystem Restoration](#) – a rallying call for the restoration of ecosystems for the benefit of both people and nature. The damage caused by ecosystem conversion, nevertheless, cannot be fully counteracted by restoration efforts. Under the [mitigation hierarchy](#), restoration is only preferable over compensatory initiatives, with avoidance and minimisation of impacts having higher priority. Restoration activities, nonetheless, present tangible steps forward for companies to address and mitigate their ecological impacts.



The 2023 Nature Benchmark evaluates ecosystem restoration through indicator B6, which has four elements covering commitments, targets and activities related to ecosystem restoration within and beyond the company’s operations. Overall, companies performed poorly in this area, with less than 10% of companies scoring on any of the four elements. The ‘easiest’ element to achieve – committing to restore ecosystems – had the highest disclosure rate at 8%, while the action-oriented elements had the lowest at 2%.

Paper and forest product companies performed considerably better on average than food and agriculture companies (Figure 12), and they particularly excelled at reporting ecosystem restoration projects in areas of their own operations. In total, 10 of the 30 (33%) of the assessed paper and forest product companies disclosed information about these kinds of projects. The comparatively higher performance of the paper and forest products sector could be attributed to the fact that it has a direct interest in maintaining and restoring the health and productivity of forest ecosystems, as they provide the raw materials the companies rely on. The food and agriculture sector, on the other hand, may face trade-offs between increasing food production and conserving or restoring natural ecosystems.

B6. Ecosystem Restoration



Created with Datawrapper

FIGURE 12: PERFORMANCE OF COMPANIES ON INDICATOR B6. ECOSYSTEM RESTORATION, BY SECTOR.

Companies' efforts to improve soil health lack quantifiable measures

Over 40% of living organisms in terrestrial ecosystems are associated directly with soils at some point during their life cycles, making soil among the most important reservoirs for biodiversity. However, current unsustainable agricultural practices and other business activities have led to the degradation of around one-third of the world’s soil, compromising biodiversity and ecological systems. In the 2023 Nature Benchmark, indicator B8 focused on practices that reduce soil degradation and encourage regeneration in the system by improving soil health and agrobiodiversity.

Overall, companies performed relatively poorly in this indicator, with under 10% of companies meeting elements related to quantitative improvements in, and targets towards improving soil health and agrobiodiversity. However, 47% of all companies assessed in the 2023 Nature benchmark did report some form of qualitative action towards improving soil health and agrobiodiversity, especially so in the food and agriculture sector (49% of companies). This is somewhat unsurprising given the reliance of the food, agriculture, paper and forest sectors on healthy, biodiverse soils.



This indicator overlapped with indicator B6 from the 2023 Food and Agriculture Benchmark, and key insights related to this topic are discussed in further depth in the upcoming 2023 Food and Agriculture insights report.

Water

As water insecurity rises, companies must accelerate their water stewardship

[With most of the global population living in countries facing water insecurity](#), this has become a pressing, current issue. The private sector, [as the largest user of freshwater resources globally](#), has an important role to play in ensuring water access for all. Water is especially relevant for industries relying on agriculture, which is responsible for [72% of all water withdrawals worldwide](#). The performance of companies in the food and agriculture sector, therefore, has important ramifications for ensuring sustainable water supplies globally.

Lack of long-term planning and focus on water quality

The benchmark findings show that 111 (approximately 30%) of the assessed companies report water use reductions, and 118 report water usage from water-stressed areas. However, only 17 (4.5%) companies have set time-bound targets for reducing absolute water withdrawal. Further, only 39 (10.2%) of the companies show evidence of actively engaging with suppliers to reduce water withdrawal, such as through auditing or training programmes, while only two (0.5%) companies disclose setting water targets for water-stressed areas in their supply chains.

In addition to reducing water use, the private sector also has a responsibility to avoid negatively impacting water quality. If improperly managed, water discharges can impact human health or harm biodiversity. Our findings reveal an overall lack of disclosure among assessed companies, with only 53 (13.9%) disclosing water pollutant parameters and 11 (2.9%) having set time-bound targets to reduce pollutants in their discharges. These findings corroborate the water quality findings of the Ceres Valuing Water Finance Initiative Benchmark, which also finds that [water quality is largely overlooked in setting corporate water stewardship targets](#). Together, these findings indicate a lack of consistent, long-term action when it comes to reducing water withdrawals and water pollution – demonstrating the urgent need for the private sector to focus on these issues within their water stewardship strategies.

Bridging the gap for water rights

Companies' actions on water use and pollution not only impact the environment and biodiversity surrounding their operations and supply chains but also significantly affect the health, livelihoods and well-being of populations, especially vulnerable communities. Unfortunately, the WBA benchmark reveals that merely 47 (12.3%) of the companies commit to respecting local communities' water, sanitation and hygiene (WASH) rights. Furthermore, only 4% disclose preventive and corrective action plans, including addressing water misuse and collaborating with communities to monitor company impacts. These findings align with those of the Ceres Valuing Water Finance Initiative Benchmark, where only 30% of food and beverage companies explicitly state the human right to water and sanitation in their corporate policies, and a mere 14% set time-bound targets to enhance WASH access for employees, suppliers or communities. This represents a missed opportunity to benefit both local



communities and the environment, posing risks for all stakeholders, especially in the Global South. Companies must prioritise recognising water and sanitation as a fundamental human right, integrate positive practices within their value chain, and collaborate with governments, communities and stakeholders to ensure sustainable and equitable water management.

A few leading practices, but not enough industry action

Given its significant impact on the world's water resources, the food and agriculture sector has often been the focus of public scrutiny following conflicts with local communities or damage to local ecosystems. Some companies, however, do show leading efforts: Firmenich, for example, is one of few companies to set concrete targets to reduce chemical oxygen demand production, and also discloses achieving its previous targets. Nestlé demonstrates efforts to provide greater transparency around its water reporting, and discloses its internal system of water analysis, which is applied to all of its factory locations. Showcasing significant effort and an understanding of the importance of water management as a holistic subject, Fonterra's [Living Water](#) project is a partnership between the company and the New Zealand Department of Conservation to improve water quality and biodiversity in five catchments across the country.

Despite some examples of positive leadership, overall company performance on water in the benchmark remains insufficient. Resources including the [SBTN Freshwater Assessment](#), the [CEO Water Mandate](#), [CDP Water Questionnaires](#), and the [Ceres Corporate Expectations for Valuing Water](#) can help companies improve their water stewardship by establishing ambitious targets for water use, quality and access.

Regional significance

While European companies tend to score best in the benchmark, several elements assessed in the water indicators oppose this trend. North American and Latin American companies score noticeably higher on elements related to water stress (elements B9.C and B9.D), while East Asian companies score lowest overall. Mapping this data to the [water stress data from the Water Risk Atlas](#) contextualises these findings: North America faces high water stress, while Europe and large parts of East Asia do not. However, this does not sufficiently explain the high scores observed in Latin America (which faces low water stress), nor the low scores from the ten Indian companies assessed in the benchmark (facing high to extremely high water stress).

In relation to water pollution, East Asian companies have the highest average scores for disclosing water pollutant metrics. Companies in North America lag behind those in East Asia and Europe, with only four companies reporting metrics, only one of which is headquartered in the United States. This high regional difference suggests a difference in regulatory norms and shows a clear area in which North American companies can improve.

Pollution

Relatively higher disclosure on plastics, but limited measurable action

Alongside climate change and biodiversity, pollution has been highlighted as one of the [interconnected triple planetary crises](#) facing the world today. Accordingly, the Nature Benchmark



measures company performance on water, air, hazardous, and plastic pollution. Of these topics, plastic use (indicator B12) stands out as the third most disclosed topic in the biodiversity measurement area, after carbon and water. Over half, specifically 209, of the benchmarked companies disclose qualitative reductions in plastic use or waste, such as plastic policies, transitioning to sustainable packaging or developing new products, and 108 companies (close to 30%) disclose quantitative reductions.

However, when it comes to more substantial long-term efforts or transparency, company actions are limited. Only 22 companies disclose targets to reduce plastic use (element B12.C), 37 disclose metrics on current plastic use (element B12.D), and only eight report information on the total amount of plastic waste generated and the proportions of waste directed to or from disposal (element B12.E). Regionally, companies headquartered in the Global North perform significantly better on average than those in the Global South in demonstrating qualitative and quantitative evidence for these elements. Across all elements, North American companies have the most disclosure, followed by Japanese companies.

These findings support those in the Food and Agriculture Organization's [\(FAO's\) report on plastic use in the agriculture industry](#), which finds that information on burned, buried or landfilled plastic is generally non-existent. Overall, packaging information such as plastic use or recycled content is also absent. Our research reveals a corporate reporting blind spot in relation to plastic. While most companies are aware of plastic pollution and report some kind of qualitative evidence, few actually show decisive action on the topic. Companies lack transparency and ambition on plastic pollution, [a worrying situation worsened by economic hazards](#). Given the global impact of plastic pollution on human health, carbon emissions and biodiversity loss, much more transparency and action is needed from companies to tackle the issue of plastic pollution.

Low disclosure of metrics and target setting

Elements across the other pollution indicators also ask for companies to disclose pollutant metrics such as chemical oxygen demand in water or treatment of hazardous waste. Companies show low disclosure in relation to these indicators overall. Target setting is particularly low for these indicators, with only 41 companies having set a target towards reducing at least one of their pollutants. Of these companies, only five are from the Global South. While companies do show qualitative and at times quantitative evidence of reducing pollutants, they fail to disclose sufficient data on their generated pollutants, nor do they set actionable targets. As a result, it is difficult to measure their actual progress in this area.

Climate

High level of disclosure

Indicators B14. Scope 1 and 2 emissions and B15. Scope 3 emissions show the highest disclosure by companies and the best performance in the ecosystems and biodiversity measurement area. Around half, specifically 189, of all the assessed companies have disclosed targets for reducing scope 1 and 2 emissions, a reflection of the maturity of carbon emissions as a sustainability issue.



However, despite half of the companies having targets, less than a third of the companies report a quantitative reduction in their carbon emissions. Moreover, only a fifth of the companies have targets that are actually aligned with a 1.5°C trajectory. The data for scope 3 emissions reveal a similar pattern: while relatively high numbers of companies are disclosing partial information about their scope 3 emissions, fewer companies are setting targets, showing quantitative reductions or reporting said targets. Even though more work remains to be done, it is clear that companies are aware of the pressing need to improve on carbon emission practices and are taking steps towards it.

High regional disparity

While companies in the Global North score better on the benchmark overall, this gap is particularly wide in relation to the climate indicators: on average, companies in the Global North score around twice as high than companies in the Global South. These companies show particularly significant leadership in target setting as well as alignment with the Science Based Targets initiative (SBTi). This difference in performance likely reflects the comparatively greater attention that carbon emissions have received in the Global North due to historically higher emissions, which has contributed to the development of relatively more advanced regulatory frameworks. Nevertheless, given the global impact of climate change, there is a clear need and opportunity for companies in all geographies to increase their efforts in this regard.

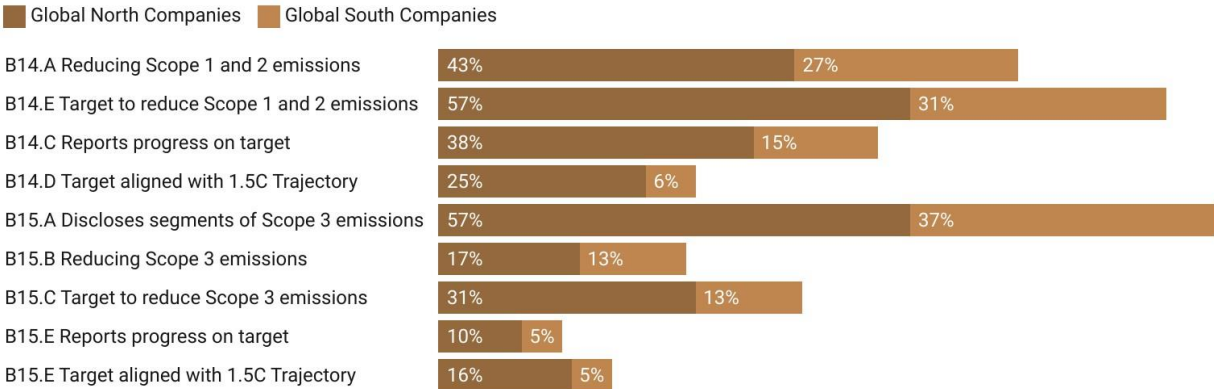


FIGURE 13. GLOBAL NORTH VS. GLOBAL SOUTH IN EMISSION INDICATORS



Social inclusion and community impact

Environmental and social factors are inextricably linked and cannot be looked at in isolation. The social inclusion and community impact measurement area therefore looks at company performance across a range of human rights related issues that companies must keep at the core of their environmental strategies.

Companies do not yet recognise environmental rights as human rights

In 2022, the United Nations General Assembly (UNGA) agreed that a clean, healthy and sustainable environment is a human right. For decades, the right to a healthy environment has been [“the missing human right”](#), implied by the right to life, the right to water and the right to food, but never recognised as a stand-alone right. Environmental rights are human rights, and the resolution has made companies’ obligation to respect environmental rights [more explicit](#).

The food system that currently causes [“trillions of dollars in environmental damages”](#) must be transformed in order to respect, protect and fulfil human rights. While many companies provide jobs and implement social and environmental improvement projects, they have a foundational responsibility to respect human rights, including those of Indigenous Peoples and local communities (IPLCS) who are dependent on the environment for their livelihoods and are disproportionately affected by companies’ business operations.

Environmental rights not recognised as human rights

Despite the overarching, rights-based framework provided by the right to a healthy environment, company performance on the benchmark shows that, overall, companies do not yet recognise environmental rights as human rights. Currently, less than 2% of the assessed companies explicitly commit to respecting local communities’ environmental rights. Similarly, only 12% of companies explicitly pledge to respect the right to access to water, sanitation and hygiene, which is crucial to people’s well-being and dignity. In comparison, company performance is notably higher on the human rights topics covered in the [core social indicators](#). In total, 196 companies (52%) publicly commit to respecting all internationally recognised human rights across their activities and 127 companies (33%) explicitly commit to respecting the rights of their workers under the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. The failure of companies to explicitly recognise environmental rights can partly be attributed to the fact that the UN only recently recognised these as a human right. However, companies must act now and embed environmental rights in their salient issues identification process.

A few companies are starting to acknowledge the right to a healthy environment and including it in their public policy commitments. UPM-Kymmene [discloses](#) that its subsidiary companies must implement due diligence to identify, prevent, mitigate and account for how they address their environmental impacts on human rights. It also requires them to enable the remediation of any adverse human rights impacts they cause or contribute to through their impact on the environment.



Companies must protect and respect rights defenders

The recognition of the right to a healthy environment should clarify the need for companies to protect and respect the rights to life, liberty and security of human rights defenders working on environmental matters. This is an existing expectation as part of companies' responsibility to respect human rights, under the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the [Organisation for Economic Co-operation and Development \(OECD\) Guidelines](#), and was strengthened in the 2023 update to the latter. Attacks on human rights defenders take place in [every region and relate to almost every business sector](#), but a high number of recorded attacks are linked to the food and agriculture industries. Therefore, this is an area that needs more attention across the food and agriculture sector: only 26 (7%) of the assessed companies commit to zero tolerance for acts of violence, threats, intimidation or judicial harassment against human rights defenders.

There are, however, a small number of companies making commendable efforts in this area. Unilever commits to addressing adverse impacts on human rights defenders across its own operations and its value chain in its [2023 Human Rights Policy Statement](#), and publicly supports the recommendations of the UN Special Rapporteur on the Situation of Human Rights Defenders. The company has also published a [Rainforest Action Network-endorsed](#) set of [Principles in Support of Human Rights Defenders](#), which includes a step-by-step guide on the implementation of its dedicated policy on protecting human rights defenders. To track company performance in this area, the Business and Human Rights Resource Centre (BHRRC) recently launched a [Human Rights Defenders Policy Tracker](#), which enables users to find companies with policy commitments to support human rights defenders based on the assessments of [WBA's Corporate Human Rights Benchmark](#). A recent [report by Columbia Center on Sustainable Investment \(CCSI\)](#) on shareholder engagement with Mexican food sector companies also cites a number of useful resources available on the protection of human rights defenders, including public investor letters and guidance on the role of financial institutions and companies.

Going forward

Failing to proactively protect the environmental rights of local communities, including land and water rights, as well as the right to a healthy and safe environment, exposes businesses to potential legal, financial and reputational liabilities. The European Union's Corporate Sustainability Due Diligence Directive (CSDDD) will require companies to consider both environmental and human rights issues, which may help avoid separating these into different sets of responsibilities and contribute to understanding corporate responsibility more holistically. The CSDDD gives companies within its scope a clear legal mandate that they must address the human rights and environmental harms across their upstream and downstream supply chains.

Limited recognition of Indigenous People's rights

The food and agriculture, and forest and paper products sectors wield significant influence over ecosystems, altering soil, water and trophic systems during production. This not only impacts biodiversity but also affects communities reliant on these ecological systems. Global market demands drive these industries to the forefront of agricultural expansion, often leading to territorial encroachment of indigenous and traditionally held lands.



Unfortunately, these industries have a history of insufficiently safeguarding the rights of local communities. Environmental rights, land, water and self-determination should be fundamental principles in their codes of ethics and due diligence, guiding their actions on-site. Prioritising and actively safeguarding the rights of local communities becomes paramount for ethical and sustainable practices. The benchmark reveals that despite the need to limit their impact on community rights, only few companies have comprehensive policies protecting the rights of affected communities.

Only 47 (12%) of the assessed companies specify their commitment to respecting the rights of Indigenous People. The right to self-determination, a basic pillar of Indigenous People's rights, is addressed by a mere ten companies (3%) through a clearly defined free, prior and informed consent (FPIC) process. Only 32 (8%) of the companies require their suppliers to conduct FPIC.

Agricultural and forest product companies have impacted the livelihoods of Indigenous Peoples and local communities through land expropriation or land grabbing, ultimately leading to forced displacement. As the agricultural frontier expands, land grabbing becomes more common, especially on lands owned by marginalised and disenfranchised communities. Establishing a comprehensive land rights policy is crucial. This entails requiring FPIC, fair value negotiation, and monitoring through human rights due diligence in supply chain codes of conduct. However, only 42 companies (11%) disclose having a substantial policy against land grabbing, and less than half of them, 19 (5%), lay out an expectation that their suppliers must follow suit.

Finally, it is imperative that companies respect community leaders, environmental and land rights defenders, and whistleblowers, even when their actions counter company interests. These individuals play a crucial role in providing necessary feedback for maintaining harmonious relationships with local communities. Unfortunately, only 26 companies (7%) have committed to a zero-tolerance policy for acts of violence, threats, intimidation or judicial harassment against these people.

Core social indicators

Compared to the rest of the Nature Benchmark indicators, average company performance across the core social indicators (CSIs) is comparatively high. As previously noted, this is due to the fact that the CSIs represent a social foundation rather than an aspirational ceiling. As such, these indicators cover topics that are more mature and which companies can be expected to have had more time to work on.

The CSIs with the highest scores are: C5. Commitment to respect human rights, C11. Grievance mechanisms for workers, C12. Grievance mechanism for external individuals, C13. Health and safety fundamentals of workers, and C21. Anti-bribery and anti-corruption fundamentals. On the other hand, the CSIs with the lowest scores are: C10. Engaging with affected and potentially affected stakeholders, C14. Living wage fundamentals, C15. Working hour fundamentals, and C22. Responsible lobbying and political engagement.

There is a marked contrast between the number of companies that are committed to respecting human rights (indicator C5) and those that identify and engage with affected and potentially affected stakeholders (indicator C10), which have average scores of 52% and 10%, respectively. This is concerning as it shows that though companies may state their commitment to human rights, they are



not necessarily following through with action. This is further supported by the fact that the average scores for the three indicators covering companies' human rights due diligence processes (indicators C7-C9) are less than half of the average score on whether companies commit to respecting human rights (indicator C5) – 19% and 52%, respectively.

The poor scores for living wage fundamentals (indicator C14) and working hour fundamentals (indicator C15) suggest that there is still much room for improvement for the companies in the benchmark to balance cost efficiency and productivity with social responsibility. A living wage means paying workers fairly enough to afford a good life for themselves and their families, based on a normal work week without extra hours and with equal pay for equal work. A living wage should cover food, water, clothing, transport, education, health care and other basic needs for workers and their dependents, while also allowing some savings. Guaranteeing a living wage can support achieving multiple Sustainable Development Goals (SDGs). However, even though 92% of countries have minimum wage laws, these do not necessarily cover the majority of workers, nor are they regularly adjusted or adequate to ensure a decent quality of life. As such, a living wage is a critical enabler of the private sector's contribution to the 2030 Agenda, as well as a mechanism that can underpin the fulfilment of several other fundamental human rights.

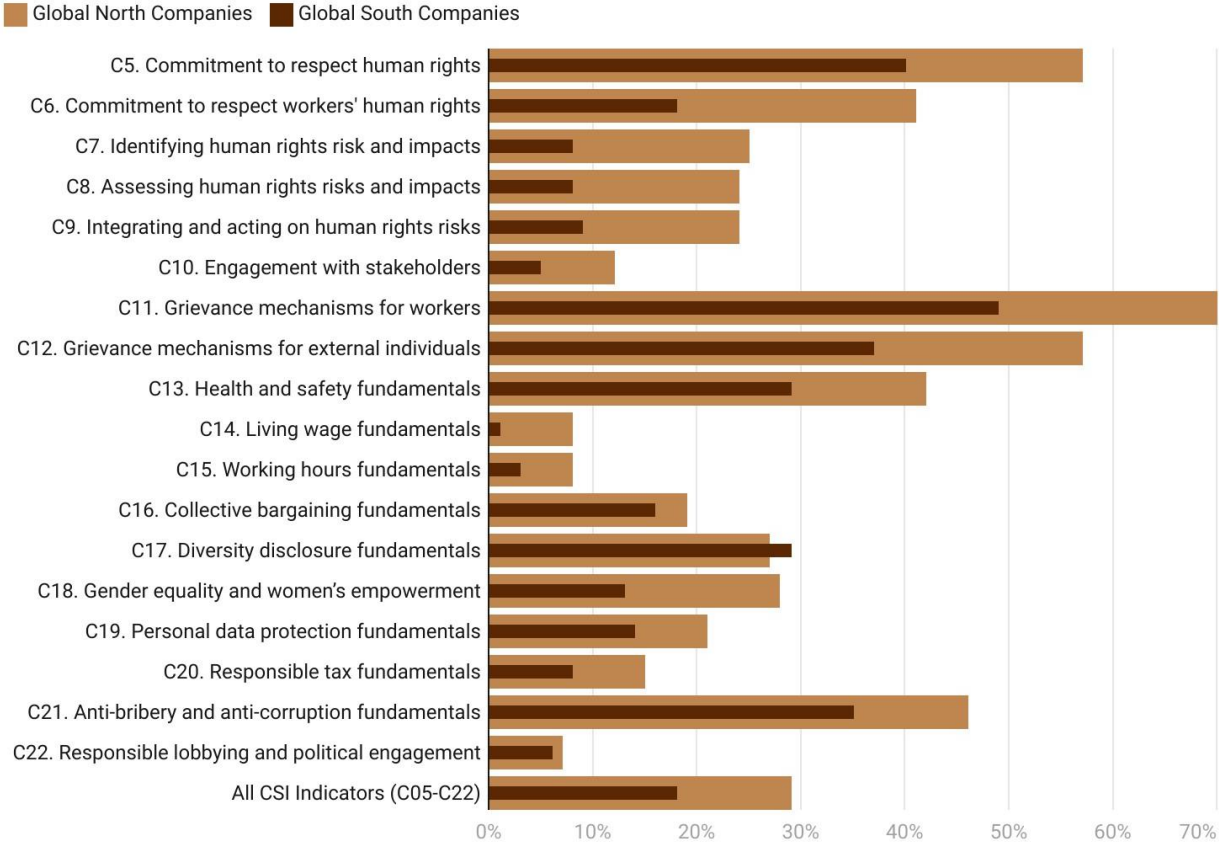


FIGURE 14. CORE SOCIAL INDICATORS: GLOBAL NORTH VS GLOBAL SOUTH. AVERAGE SCORE OBTAINED PER INDICATOR (OUT OF 100%)



Out of all the indicators in the Nature Benchmark, the difference between the performance of companies headquartered in the Global North and in the Global South is most pronounced in relation to the CSIs. With the exception of a handful of indicators – C16. Collective bargaining, C17. Workforce diversity disclosure, and C22. Responsible lobbying – Global North companies outperform Global South companies in 15 out of the 18 CSIs (Figure 14). This disparity can largely be attributed to the different levels of social and environmental regulation and enforcement in different regions, which in turn are underpinned by global economic inequality. It also highlights the need for more collaboration and capacity-building among companies, governments, civil society and other stakeholders to ensure that all companies respect human rights, provide decent work and conduct ethical business, regardless of where they are headquartered or operate.

Recommendations

Benchmarked companies

Companies should take steps to better understand their relationship with nature and ultimately make decisions which will contribute to halting and reversing nature loss. Key actions include:

- Prepare to follow the [Taskforce on Nature-related Financial Disclosures \(TNFD\)](#) recommendations, which provide a clear process for identifying, evaluating and managing nature-related issues.
- Engage with the [Science Based Targets Network \(SBTN\)](#) framework and guidance, in preparation to adopt science-based targets for nature.
- Build nature-related expertise by investing in training and capacity building across executive and management teams.
- Engage with WBA during the company assessment process and the subsequent 'Community of Practice' learning sessions.

Financial institutions

Financial institutions should make efforts to provide products, services and capital to halt and reverse nature loss, and engage customers, investees and other stakeholders on nature. Key actions include:

- Identify and prioritise positive and negative impacts on nature (e.g., by following the TNFD recommendations).
- Monitor exposure to the sectors and areas representing their highest negative impact on nature and set targets to address this impact.
- Set targets to help scale nature-positive solutions and provide products, services and capital accordingly. See, for example, [guidance on nature target-setting from the Finance for Biodiversity Foundation](#).
- Engage with clients, investees and other stakeholders on nature-protection and restoration and, where relevant, encourage them to follow the TNFD recommendations.
- Work with other stakeholders to build momentum for nature action. For instance, by joining the [WBA Nature Collective Impact Coalition](#).



Policymakers

Policymakers can take many actions to accelerate business action by aligning policy frameworks and transforming economic and financial systems. Key actions include:

- Require companies and financial institutions to assess, monitor and disclose their nature-related risks, impacts and dependencies, and support the adoption of a robust monitoring framework for Target 15 of the Global Biodiversity Framework to track this.
- Clarify the role of business in their National Biodiversity Strategies and Action Plans (NBSAPs), notably through roundtables involving companies of all sizes.
- Establish and enforce human rights and environmental due diligence laws for large companies and high-risk commodities.
- Set a clear political narrative for financing biodiversity and aligning financial flows (see, e.g. [The 10 Point Plan for Financing Biodiversity](#)).

Civil society organisations

Civil society organisations have an important role in articulating societal expectations of businesses and holding them accountable for their actions. Key actions include:

- Continue to push for progress through advocacy and campaigns to limit the negative impacts businesses have, or via research and investigations to expose business violations of human rights and the environment.
- Engage and educate companies on best practices, including effective stakeholder engagement with meaningful participation by rights holders, and obtaining and maintaining their free, prior and informed consent (FPIC).
- Work with other stakeholders to build momentum for nature action. For instance, by joining the [WBA Nature Collective Impact Coalition](#).

Acknowledgements

The report was written by the Nature team, consisting of Bosco Lliso, Michael Lee, Xuelai Wang, Vibhuti Patel, Hernando Echeverri, and Jenni Black. It was edited by Michael Lee and Bosco Lliso.

The key findings were written by Ilayda Eren, Melis Ford, Michael Lee, Vibhuti Patel, Nicolas Sauviat, and Xuelai Wang, along with inputs from [Global Canopy](#) (Deforestation) and the [Columbia Centre for Sustainable Investment](#) (Human Rights).





COPYRIGHT

This work is the product of the World Benchmarking Alliance. Our work is licensed under the Creative Commons Attribution 4.0 International License. To view a copy of this license, visit: www.creativecommons.org/licenses/by/4.0/

DISCLAIMER

Information available on our website, visit: www.worldbenchmarkingalliance.org/disclaimer

WORLD BENCHMARKING ALLIANCE

Prins Hendrikkade 25, 1021 TM Amsterdam The Netherlands. www.worldbenchmarkingalliance.org