A-Track

Aligning business models with a nature positive economy: from theory to practice

March 2026

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Authors

Anum Yousaf Sheikh and Harry Greenfield (CISL).

Supported by: Edmund Dickens, Eliot Whittington, Sanna Markkanen, Serena Liuni, Adele Williams (CISL), Alison French.

Contributors

Guy Duke, Rosimeiry Portela, Tom McKenna, Martine van Wheelden (Capitals Coalition); Zoe Loughlin, Corinne Martin, Jonathan Middleton (CISL); Jonathan Porter, Matthew Brown (Oppla); Jacob Bedford (UNEP-WCMC); Nadine McCormick (WBCSD).

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Graeme Nicholls (Capitals Coalition); Beverley Cornaby, Jie Zhou, Adele Williams (CISL); Fernando Círez Oto (Tecnalia); Rafael Horn (Fraunhofer); Marina Isasa Sarralde (Tecnalia); Andreas Geß (University of Stuttgart); Oliver Balch; Alison French.

Focus group participants and interviewees:

Adam Moger (Gentian),

Agnes Borg (Head of EU Affairs, SSAB),

Alexandre Murillo (Climate and Nature Director, Chanel Fashion),

Amy Allan (Associate, International Nature Finance, Green Finance Institute),

Bethan Manley (SPUN),

Bianca Nijhof (Global Head of Nature, Anthesis), Chander Velu (Professor of Innovation and Economics, Institute for Manufacturing, University of Cambridge),

Claire Wansbury (AtkinsRéalis Fellow for Biodiversity and Nature and Technical Director, AtkinsRéalis),

Daisy Hessenberger (Global Subject Matter Expert – Nature and Biodiversity, Arcadis),

Elisa Rossiter (Regg3),

Enrique Ventura (Director of Research and Partnership Strategy, Sustainability, Chanel Fashion),

Fiacre O'Donnell (Sustainability Director, Encirc),

Francesca O'Hanlon (Water & Nature Lead, Coca-Cola Europacific Partners),

Hetty Elliott (Lead Nature Manager, Tesco),

Jonatan Pinkse (Research Director, Centre for Sustainable Business, Kings College London),

Julie Moorad (Nature Positive Strategy Lead, Salesforce),

Karen Watts (Head of Nature Based Solutions, Worldwide Sustainability, Amazon),

Katharina Bryan (Head of International Sustainability Reporting Policy; Nature and Biodiversity Policy, Amazon),

Laura Plant (Nature Metrics),

Marek Chalupnik (Deep Roots),

Marta Gasparin (Associate Professor, Copenhagen Business School),

Oliver Bolton (Earthly),

Owain Griffiths (Head of Circular Economy and Biodiversity, Volvo Cars),

Patrick Elf (Associate Professor at the Centre for Enterprise, Environment & Development Research (CEEDR), Middlesex University London),

Pauline Cristofini (Global Biodiversity Manager, Nestle),

Per Stoltz (Sustainability Specialist, Nature, Ingka Group), Ric Cochrane (Strategic Project and Programs, Worldwide Sustainability, Amazon),

Sam Bower (Head of Sustainability, Natural Environment, Balfour Beatty),

Samuel Gardner (Head of Climate Change and Sustainability, Scottish Power),

Sean Cassidy (Biodiversity Manager, Europe, Cemex),

Steven Thompson (Environmental Sustainability Manager, National Grid),

Tzutzuy Ramirez Hernandez (Head of Climate and Nature, Syngenta Group).

About A-Track

A-Track is a four-year, €11 million project that will accelerate action for nature by business, financial institutions and government. A-Track brings together leading thought leaders and practitioners who have been driving change in the measurement and valuation of natural capital and biodiversity in business, finance and government.

The University of Cambridge Institute for Sustainability Leadership (CISL)

CISL is an impact-led institute within the University of Cambridge that activates leadership globally to transform economies for people, nature and climate. Through its global network and hubs in Cambridge, Cape Town and Brussels, CISL works with leaders and innovators across business, finance and government to accelerate action for a sustainable future. Trusted since 1988 for its rigour and pioneering commitment to learning and collaboration, the Institute creates safe spaces to challenge and support those with the power to act.

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About A-Track

The overall goal of A-Track is to consolidate and mainstream activities to accelerate transformation for nature in organisations, such that, by the end of the project, a critical mass of organisations (businesses, financial institutions and governments) integrate the value of natural capital into their decision-making, helping to halt and subsequently reverse biodiversity loss. In doing so, A-Track will help deliver the European Green Deal.

A-Track builds on existing initiatives and best practice to develop, pilot, test, demonstrate and scale up innovations in this space. A-Track aims to find the connections between the different strands of work, fill the gaps and set out an accessible, easily navigated pathway for users. This systemic approach will lead to faster uptake and ultimately to the conservation and restoration of nature.

The specific objectives of A-Track are to:

- Develop and demonstrate the use of robust information pathways that facilitate flows of biodiversity information for use in business and financial decisions, and the compilation of public and private sector natural capital accounts.
- Strengthen the Life Cycle Assessment (LCA) of biodiversity and ecosystem services footprints for products and organisations, integrating and further mainstreaming these with natural capital approaches and materiality assessment practices.
- Mainstream and advance natural capital assessment and accounting in businesses and their integration in decision-making across key sectors and business functions.
- Facilitate and incentivise the adoption and scaling of nature-positive business models.
- Nurture financial innovations to scale nature-positive finance based on reliable natural capital data and practice.

A-Track focuses on five core 'enablers' for the required transformation which are strongly linked with the five core objectives listed above: biodiversity information pathways (BIPs); Biodiversity and Ecosystem Services (BES) footprinting for products and organisations; natural capital assessment and accounting; business models that contribute to nature-positive outcomes; and finance that contributes to nature-positive outcomes.

Executive summary

The world faces a global nature crisis. This is creating demonstrable risks and impacts for the real economy, businesses, governments and financial institutions. Various responses to this crisis can be seen. Typically, organisations start by assessing and disclosing nature-related risks and impacts. Many follow this by making commitments to address these. Ideally, this gives way to implementation, action and ultimately transformation, all of which represent critical next steps in the transition to a nature positive economy. Such an economy is vital if we are to meet the global goals for nature agreed in the Global Biodiversity Framework in 2022.

Business models that are aligned with nature positive goals form a crucial part of any economy-wide transition. Such models create, capture and deliver ecological as well as financial value. This ecological value is manifested in the preservation and restoration of ecosystems. Focusing on business models allows the language and logic of the private sector (which is effective at generating financial value) to be integrated with the science of ecology. This combined approach can help unlock the commercial opportunities that arise from a nature positive transition. It can also assist in moving beyond the piecemeal, reactive and *ad hoc* approach to nature that characterises most current corporate efforts.

Significant challenges exist to the scale-up and integration of new business models. These occur in two main areas: at the organisational level, where corporate governance, decision-making and culture can become barriers; and at the systemic level, where the current primacy of financial value within markets and governments often fails to incentivise or support business models that produce better outcomes for nature.

This report presents several business model archetypes aligned with the nature positive goal. Provided alongside each of these are relevant examples, case studies and methods that demonstrate the nature positive outcomes of these business models. These pockets of excellence point to a way forward, indicating the innovative ways through which individual businesses and entire sectors can deliver more for nature while remaining financially viable. The approach marks a new step along a well-established path to embed sustainability within the processes and decision-making of a business, in this case focusing specifically on outcomes for nature and biodiversity.

Significant as the challenges to scaling up these types of business models may be, they are not insurmountable. With input from businesses and experts, this report identifies a series of enablers. Economic and financial drivers are key to this process, including efforts to refine and develop the business case for nature positive action within businesses. Part of building such a business case is the inclusion of a credible risk-based rationale for action that makes clear the financial value at risk from nature degradation. A second equally important aspect is an opportunity-based driver that demonstrates the financial value that can be created from responsible nature stewardship and ecosystem restoration.

Given the physical and ecological realities of today's nature crisis, keeping with the economic status quo is impossible. One way or other, therefore, the global economy faces a transition. As the economic impacts of nature loss become increasing felt, the question is whether this transition will be chaotic and reactive or whether it will be strategic and proactive. The second option presents the only viable route to creating an economy in which the threat of nature loss is taken seriously. Those businesses that adopt this approach will position themselves at the forefront of this new economy, helping influence its shape as well as reaping its potential market rewards.

Adopting such a proactive approach will require capacity-building within organisations, alongside new organisational structures and governance. This includes embedding nature information, drawn from robust data and metrics, into business decision-making at all levels.

Ultimately, the transition to a nature positive economy cannot be driven by businesses operating alone. The following recommendations would help to drive progress:

- Governments should provide clear and consistent policy and regulations that set nature goals.

- Collaboration between the public and private sectors will be essential to delivering these goals. Given the crucial nature of this kind of supportive policy environment to an orderly transition, businesses can and should play an active role in pushing for it.

- Cross-sectoral and value chain collaboration can help to identify the opportunities, unlock innovation and align around the policy enablers needed in a given sector.

- The financial sector also has an important function here, ensuring that capital is allocated to businesses that are minimising their impact on nature as well as those that are delivering nature restoration.

The A-Track project is helping to deliver many of these enablers. It does so alongside other initiatives across the public, private and voluntary sectors. While there is still much work to do, we hope that this contribution will act as a stimulus to progress. In particular, it is our hope that it will allow businesses and those that support them to adapt their business models so they are fit for a nature positive future.

1 Introduction and context

The global economy is entirely dependent on the natural world. The increasing recognition of this fact is re-framing nature from an environmental issue into the bedrock of economic prosperity[1]. Ecosystem services, which include everything from crop pollination and water purification to climate regulation and flood protection, provide an estimated US$125 trillion in economic value annually. To give a sense of its significance, this figure is larger than global gross domestic product[2]. Yet, the global economy's relationship to nature is both complex and contradictory. As stated, economic activity is highly dependent on nature. However, the global economy is underpinned by unsustainable practices that cause nature and biodiversity to decline dramatically.

In response to the urgent need to tackle the nature crisis, a range of responses from policymakers, businesses and financial institutions have emerged in recent years. These have been catalysed by the 2022 Kunming-Montreal Global Biodiversity Framework, a global agreement that sets global targets for halting and reversing nature loss by 2030.

Businesses are increasingly aware of nature as a source of physical, transitional and reputational risks, all of which translate into commercial risk. On the flipside, awareness is also growing around the opportunities for companies to increase resilience, sustainability and competitiveness[3] by changing their operations, practices and business models. A growing body of sector-specific guidance, developed by Business for Nature, the World Economic Forum and the World Business Council for Sustainable Development and others, offers tailored pathways for businesses according to their sector[4]. At a high level, the Assess, Commit, Transform, Disclose (ACT-D) framework provides a harmonised, strategic roadmap for corporate action on nature[5]. This helps businesses to navigate the various frameworks, guidance and policies that have emerged to aid the transition to a nature positive economy.

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[1] More than half of the world's Gross Domestic Product (GDP)—estimated at between $44 trillion and $58 trillion—is moderately or highly dependent on nature and the services it provides. [More than half of global GDP is exposed to material nature risk without immediate action]

[2] Changes in the global value of ecosystem services - ScienceDirect, 2014

[3] Competing in the Age of Disruption | Cambridge Institute for Sustainability Leadership (CISL)

[4] Sector actions for nature — Business For Nature

[5] ACT-D: High Level Business Actions on Nature - Capitals Coalition

Similarly, the **financial sector** recognises nature as a material risk[6]. Corporate disclosures and instruments such as the EU Sustainable Finance Taxonomy are helping to inform the investment, lending and underwriting decisions of financial institutions. The sector's leading players are also developing new financial products to de-risk nature positive investments. Recent years have also seen many start to use their leverage to drive corporate action[7].

Prompted by Target 15 of the Global Biodiversity Framework, corporates and financial institutions have given considerable focus to date on the **assessment** and **disclosure** of nature-related dependencies, impacts, risks and opportunities. Voluntary reporting frameworks, such as the Taskforce on Nature Related Financial Disclosures (TNFD), have emerged to drive this process. The same is true for mandatory regulations, with notable examples including the EU's Corporate Sustainability Reporting Directive (CSRD) and its Corporate Sustainability Due Diligence Directive (CSDDD).

The Science Based Targets Network has also released guidance on setting credible, science-aligned targets for nature, allowing companies to make and track their **commitments**.

Despite this focus on managing nature related risks and restoring nature, **policymakers** are increasingly looking to simplify regulations concerning the environment. Their justification for doing so is to spur economic activity, which they argue is being held back by environmental legislation. Such a view is sparked by the economic turbulence of recent years, coupled with an increasing political polarisation around environmental issues. The tense political debate accompanying the EU's Nature Restoration Law in 2024[8] epitomised this shift in attitude. A similar pattern is now playing out with the Omnibus 1 Package, which aims to tighten corporate reporting and accountability regulations (including the CSDDD and CSRD). As a result of this political pushback, the latter now faces a combination of delays to implementation and a narrowing of scope[9].

This swing towards a lighter regulatory touch does not alter the physical, ecological and economic case for action on nature. Nor has it stopped the private sector from taking action. Leading business are continuing on a multitude of fronts, in fact; from investing in nature-alignment strategies and carrying out TNFD assessments, through to proactively managing their long-term risks and to taking steps to build resilience.

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[6] TNFD research reveals clear evidence of financial materiality of nature-related risks

[7] Scaling Finance for Nature: Barrier Breakdown | Cambridge Institute for Sustainability Leadership (CISL)

[8] EU passes nature restoration law in knife-edge vote | European Union | The Guardian

[9] A-Track Policy brief: A-Track-PolicyBrief01-20Oct2025-A4-12pp_SCREEN.pdf

Above all, there is one fact that has not changed: the importance of a transition to a nature positive economy to meet the global targets of the Global Biodiversity Framework. Such an economy must not only operate within planetary boundaries; it must also incentivise the protection and restoration of the natural world. This will require the fundamental **transformation** (the 'T' in ACT-D) of sectors, systems and markets. Only then will we have an economy that can deliver better outcomes for nature[10].

Existing frameworks and policies go some way to supporting corporate assessment, disclosure and target-setting. However, there is far less certainty about how to achieve the transformations needed to meet these targets within businesses. In part, this is because transformative change hits up against the limits of what individual businesses can achieve alone. Efforts at such change bring to light the systemic barriers that prevent solutions reaching scale and curb the pace of change needed for nature. The system as it currently stands is not set up to support the transition to nature positive. This is true across the board, for policies, regulation, market incentives, and the finance ecosystem. As a result, actions that harm nature continue to be incentivised (and, in some cases, subsidised), while innovations that restore nature struggle to compete[11].

A necessary part of this transformation is a shift in business strategy and business models to align business value with environmental value. However, a lack of clarity currently exists over what such a re-alignment of business models and strategies looks like. To complicate matters further, numerous barriers also stand in the way of its effective implementation. The first step to address these challenges is to properly understand what kinds of business models best support a nature positive economy. Gaining such an understanding is made difficult by a lack of data and impact measurement. As such, companies need to work hard to address problems related to the acquisition of data and the limitations of current tools. As the quality of ecological data improves so should the quality of insights that can inform business decision-making.

The question of scope is also important for the design of these new business models. To date, companies' focus has primarily centred on their direct site-based operations. Going forward, it is important to design models that encompass the much larger nature-related impacts embedded in the supply chains, landscapes, sectors and systems on which they depend. Critically, this expansion in scope also demands a shift beyond incremental improvements toward the fundamental transformation of how businesses capture, create and deliver value—and what type of value this applies to. In some cases, companies may not even be aware that this final step is needed. For those that are aware, they may be reluctant to act or struggling due to challenges at an organisational or systemic level.

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[10] For example, SBTN's Action Framework AR3T (Avoid, Reduce, Restore & Regenerate, Transform) encourages companies to go beyond site-based mitigation and harm reduction towards systemic change. [Act – Science Based Targets Network]

[11] https://www.cisl.cam.ac.uk/news-and-resources/publications/survival-fittest-esg-competitive-sustainability

Targeted research and innovation into nature positive-aligned business models are valuable for a variety of reasons. Most obviously, they can combine to help define and explore the practical archetypes[12] of financially sustainable enterprises that actively align with or prioritise nature, biodiversity and ecosystem restoration. They can also serve as a useful bridge between theory and practice, providing companies with a blueprint for conceiving and implementing new business models. Supported by concrete examples and change methodologies, such a blueprint can act as a catalyst for companies to rethink their value propositions, operational models and revenue streams.

This report is the second output from A-Track's Work Package 5, which focuses on how to scale, finance and integrate business models that deliver nature positive outcomes.

It builds on the work of the previous working paper, which laid out theoretical thinking about what nature-aligned transitions in businesses could look like[13]. Drawing on expert validation and business focus groups, it seeks to understand how nature positive-aligned business models can be implemented in practice.

The main objectives of this report are to:

- Build the case for **why nature positive-aligned business models are needed** and clarify how they support the transition to a nature positive economy. (Section 2)
- **Identify the key challenges for businesses** in undertaking nature-aligned transitions/transformation (Section 3)
- **Outline how nature positive-aligned business models can be developed and delivered in practice** expanding on the business model archetypes previously presented with further examples of business practices (Section 4)
- **Present case studies** to document how businesses are approaching their nature transitions and where further opportunities lie (Section 4)
- **Identify the key enablers that can accelerate the scale and pace of business action** (Section 5)
- Use insights from the ongoing research and engagement to **lay the groundwork for targeted business, policy and finance engagement in the future** (Section 6)

[12] A prototype or a perfect example, as per the Merriam Webster Dictionary. In this context, the term is used as an exemplar or prototypical way for a business to align with nature positive outcomes

[13] Better business: Re-thinking business models for nature positive outcomes | Cambridge Institute for Sustainability Leadership (CISL)

2 Why we need new business models

This section starts by outlining why we need new nature positive-aligned business models before situating business model transformation within the wider context of a systemic shift to a nature positive world.

A fundamental recalibration of how businesses interact with nature is needed to avoid overshooting planetary boundaries. The private sector has a vital role to play in halting and reversing the decline of nature. This role arises for various reasons. Most obvious is the responsibility of business activities for precipitating this decline. Another reason is the significant impacts that such a decline is having, and will increasingly have, on businesses. A third reason is the positive contribution that the private sector can potentially make to reversing nature's decline. As the chief protagonists in today's market-based economy, companies are unique in having the capital, innovation and market influence to contribute to nature's recovery. To realise this potential, however, it is necessary to change the current system of incentives and the tension that exists between long-term sustainability and short-term commerciality.

For decades, the degradation of natural capital has been treated as an "externality": i.e. as a cost borne by society, not by corporate balance sheets. If this is to be reversed, businesses need to move beyond thinking about tackling the nature crisis as a cost centre (as in traditional corporate social responsibility). Instead, they need to view it as the core of enterprise risk management and strategic opportunity, recognising it in its rightful place as a primary driver of long-term value.

Such a scenario is very different from the present reality. Today, companies are faced by intense market competition, driving them to cut any expense that does not appear directly competitive. Environmental and social initiatives are often wrongly identified as commercial barriers. As such, organisations frequently fail to understand how such programmes create long-term value, reduce risk, and build resilience. At best, this short-sightedness leads businesses to prioritise **produced capital** (such as machinery and financial assets) over essential **human, social, and natural capital**. At worst, when market forces and policy interventions fail to provide guardrails, relentless cost-cutting and the pursuit of short-term returns can result in active environmental degradation and the exploitation of people. However, this is gradually changing. With the convergence of economic data, financial risk analysis and regulatory mandates, the view that a company's relationship with nature is a direct and material determinant of its long-term viability and profitability is gathering force[14].

[14] Assessing the materiality of nature-related financial risks for the UK, Green Finance Institute REPORT; Evidence-review-on-the-financial-effects-of-nature-related-risks_Digitsl.pdf TNFD; Embedded in Nature: Nature-Related Economic and Financial Risks and Policy Considerations in: Staff Climate Notes Volume 2024 Issue 002 (2024); Nature-related financial risks | Cambridge Institute for Sustainability Leadership (CISL); unlocking-a-better-future.pdf; Business Investment in Nature | WWF; Economic and financial

As mentioned in the introduction, global economic activity is highly dependent on natural capital and the ecosystem services that it provides[15]. This macro-economic dependency on nature can translate into specific, material financial risks for individual corporations[16]. The World Economic Forum consistently ranks biodiversity loss and ecosystem collapse (alongside climate risks) among the most severe global risks, on a par with armed conflict and societal polarisation. These manifest across a multi-faceted risk matrix that includes physical, financial, market, reputational, legal and social risks[17]. The risk-based case for action is matched by an equally powerful opportunity-based narrative. Pivoting to nature positive business models could generate over $10 trillion in new annual business value and create 395 million jobs globally by 2030[18]. Economic analyses also show that every $1 invested in ecosystem restoration (specifically forest and landscape restoration) can yield between $7 and $30 in economic benefits[19].

But while the overarching macro-economic rationale for a nature positive-aligned economy is clear, such clarity is not always true for the business case at the micro-economic level. Individual businesses struggle to make the transition as current markets and economic incentives are not set up to reward nature positive-aligned business practices and models. Although the risks and benefits relating to nature are material, they are unevenly distributed across time, geography and organisations. Complicating the picture is the inclusion in any nature-related scenario of cascading or systemic risks. As a result, those investing in nature restoration (or contributing to its degradation) may not be the ones who benefit (or suffer) from the economic consequences. Risks are also inherently uncertain as they rely on predicting future outcomes. Moreover, the business case for investing in the mitigation of nature risks relies on robust evidence, yet such evidence is often not readily available or not easily calculable. The difficult task of calculating the financial value at risk from biodiversity loss provides an illustrative case in point.

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impacts of nature degradation and biodiversity loss; Nature positive business strategy: Why and how | EarthFinance; Your company's impact on biodiversity loss: PwC

[15] Nature positive business should be everyone's bottom line | World Economic Forum

[16] How the world's largest companies depend on nature and biodiversity | S&P Global; Biodiversity Loss: An Introduction for Risk Professionals; Biodiversity Crisis: Business Implications & Strategic Responses

[17] World Economic Forum, 'Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy', 2020.

[18] 395 Million New Jobs by 2030 if Businesses Prioritize Nature, Says World Economic Forum > Press releases | World Economic Forum

[19] The economics of ecosystem restoration (TEER) initiative; Roots of Prosperity: The Economics and Finance of Restoring Land | World Resources Institute

Achieving a truly **nature positive economy**—where we halt and reverse nature loss by 2030—requires a new systemic context, changing the way decisions are made across the economy to reflect and respond to nature-related risks and opportunities. Incremental changes are not sufficient. Instead, "transformative change" is needed. This is described by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services as a "fundamental, system-wide reorganisation across technological, economic and social factors, including paradigms, goals and values"[20]. While businesses and financial institutions will play a vital role in this transformation, the required changes go beyond what they can achieve alone within their organisations. A systems-wide approach is needed instead. This involves collaboration across sectors and value chains, as well as fundamental changes to the economic system driven by policy. The physical impacts of nature loss will continue to have economic consequences as we break through various environmental planetary boundaries, making some form of transition inevitable. The question is how this transition will unfold. Will companies be the passive recipients of the changes ahead, or can they work together to help shape new markets and the rules that govern them, drive innovation and secure the long-term advantages that arise from doing so?[21]

For the latter to become a reality, a change in conventional business models will be necessary. Such a change will contribute to kickstarting the transition as well as sustaining it over time. Innovative nature positive business models can demonstrate and pioneer new approaches, indicating what types of business activity are most suited to the new economy we need. By aligning economic and ecological value creation, they can point towards commercial opportunities and provide reassurance to decision-makers that a nature positive economy is achievable. When pioneering companies adopt such models, this can also drive change across the system, creating new demand for sustainable materials, innovative low-impact technologies and ecosystem restoration services. This process reconfigures supply chains, forcing transparency and rewarding suppliers who can verify their positive (or non-negative) impacts on nature and biodiversity. With investors, lenders and insurers recognising nature-related risk as a material financial risk[22], these shifts in business models and strategy offer an opportunity to redirect capital towards businesses that manage risk effectively.

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[20] 20241001 Transformative Change Primer ENGLISH.20241001102757283.pdf; Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) .:. Sustainable Development Knowledge Platform

[21] See Hooper, L, & Gilding, P (2025). Competing in the Age of Disruption. Cambridge, UK: University of Cambridge Institute for Sustainability Leadership. Competing in the Age of Disruption | Cambridge Institute for Sustainability Leadership (CISL)

[22] Risk and Resilience: Embedding resilience to environmental risk in routine financing decisions | Cambridge Institute for Sustainability Leadership (CISL)

Ultimately, enabling businesses to make nature positive-aligned choices can help create tipping points in sectors and system. This same dynamic has been seen in other areas of the economy, most notably in how power suppliers and consumers have got behind an increasingly dramatic transition in the energy sector. Reaching such a tipping point for nature involves a combination of internal and external drivers. Examples of internal drivers include putting nature on the corporate balance sheet, and embedding nature in organisational leadership and decision-making. As for external drivers, key components for change comprise an enabling policy framework, the right nature information pathways, metrics that support effective decision-making, the availability of capital, and the creation of consumer demand, among others. The barriers and enablers to achieving this twinned approach are explored in this report and will be the focus of future activity as part of the A-Track project.

Our previous working paper "*Better Business: Rethinking business models for nature positive outcomes*"[23] defined a nature positive-aligned business model as **a financially viable business entity whose value proposition and rationale incorporate nature positive principles**[24]. This model captures, creates and delivers value in harmony with natural, economic and social capital within given landscapes, seascapes, ecologies or ecosystems. In the first instance, it aims to avoid, minimise, restore and offset its impact on nature in line with the mitigation hierarchy. Its end goal ultimately is to contribute positively to nature conservation and restoration at both organisational and systemic levels. This requires businesses, alongside governments, financial institutions and regulators, to expand how they perceive "value". Continuing to interpret the term in narrowly financial terms and on a short-time horizon will rule out decision-making with nature at its core. Approaches such as the Capitals Protocol[25] part of the Framework for Integrated Decision-making[26] help businesses expand their conception of value to include natural, social and human capital in addition to produced capital (that includes financial and manufactured capitals).

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[23] Better business: Re-thinking business models for nature positive outcomes | Cambridge Institute for Sustainability Leadership (CISL)

[24] See the 10 principles in EU Business and Biodiversity Platform (2023). *Nature positive in a business context: Current working definition*, https://circabc.europa.eu/ui/group/da655eff-acfa-4b21-a366-2795d0e7de39/library/e758f73e-c2bb-4b53-92ec-34c5af804a1e/details; University of Cambridge Institute for Sustainability Leadership (CISL), Capitals Coalition, WBCSD and Tecnalia. (2024). *Better business: Re-thinking business models for nature positive outcomes*. A-Track. Cambridge, UK: University of Cambridge Institute for Sustainability Leadership

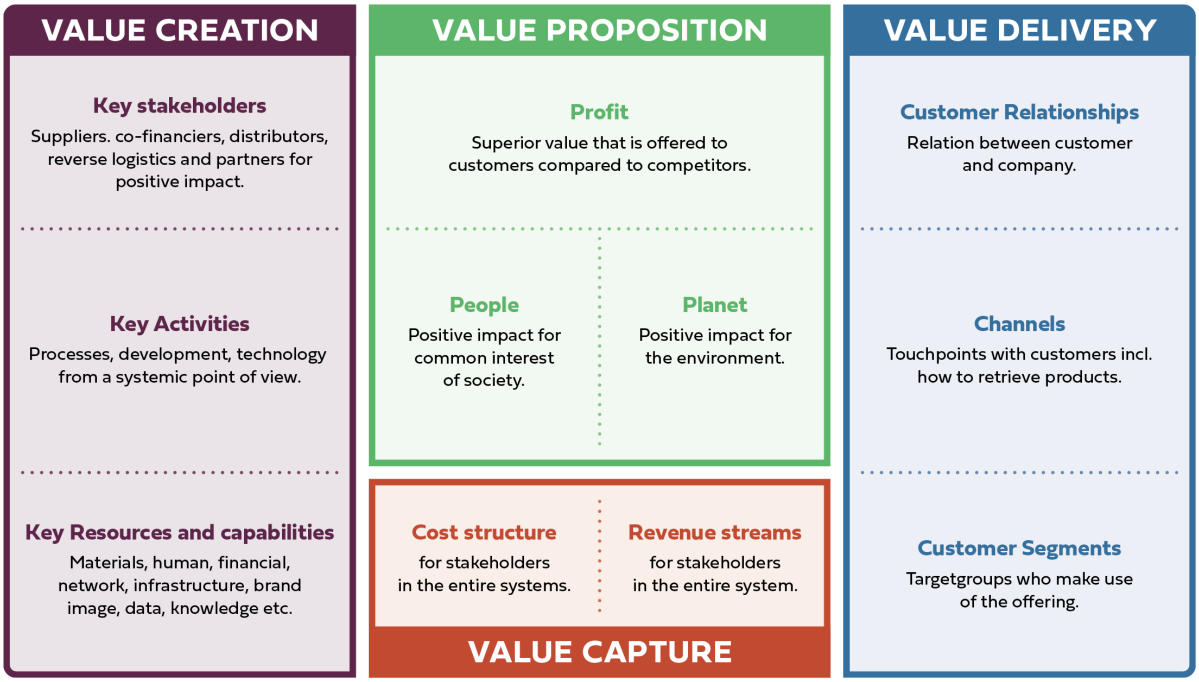
[25] Capitals-Protocol.pdf

[26] Framework for Integrated Decision-making – Capitals Coalition

It is also pertinent to distinguish between the shift in a business *practice* and a new business *model*. A business model is the underpinning architecture of how a business operates and achieves its objectives. It is centred around its core value proposition, as well as how it captures, creates and delivers this value. In contrast, changes to business practices place their focus on incremental or piecemeal improvements to existing business models. That said, where these changes in practice alter an entity's value proposition, the potential also exists for that entity's business model to become transformed[27]. Importantly, our analysis has shown that changes at the business-model level represent the best opportunity to unlock the scale and pace of the macro-change needed to achieve a nature positive economy. Again, the comparison with the energy transition in response to climate change is illuminating. Modelling shows that conventional business models across energy, transport and infrastructure are incompatible with achieving net zero. Rather than attempting to reduce emissions within existing business models, therefore, leading companies in the energy sector are now moving towards alternative models that have lower or zero emissions at their core.

The following figure illustrates the relationship between business practices and business models, showing how a range of practices aggregate to produce the overall business model.

Figure 1: **The Business Model Canvas.** Reproduced from 'Experimenting with a circular business model: Lessons from eight cases' (Bocken *et al.*, 2018, p.82)



[27] For more detail, an in-depth exploration of all these concepts can be found in CISL's previous paper: Better business: Re-thinking business models for nature positive outcomes | Cambridge Institute for Sustainability Leadership (CISL)

2.1 Situating business model transformation within the landscape of corporate nature action

In response to the urgent need for corporate action on nature, a sophisticated ecosystem of frameworks, standards, and platforms has emerged. This landscape is sometimes perceived as a confusing "alphabet soup" of initiatives[28]. However, it is now rapidly converging into a coherent and interoperable set of frameworks and guidance for businesses. These include through the work of the A-Track project, which aims to synthesise, amplify and scale up the use of existing tools to accelerate action for nature. This evolution mirrors the development of the corporate climate ecosystem but is occurring on a significantly accelerated timeline[29].

> Some of these frameworks are designed with intentional synergies. For instance, the TNFD's assessment process generates data needed to set targets under the Science Based Targets Network. Because the network's target-setting process is widely accepted as highly rigorous, the information then provided for TNFD disclosures is seen as credible. However, significant disparities and gaps within the set of frameworks now emerging still remain. These are examined in more detail in Section 3 below, which looks at the challenges to nature positive transition.

The A-Track conceptual framework maps the project's work onto the ACT-D framework, showing how the different elements of existing guidance and future developments can work together to shift the systemic context towards nature positivity (Figure 2).[30]

The *foundational* layer of this approach deals with how to "**Assess**". Its primary function is to equip businesses with a structured process for internal assessment, answering the following two critical questions; 'What are our material nature-related dependencies, impacts, risks, and opportunities?' and 'How do we effectively capture them?'

The second layer is the *ambition* layer: i.e. "**Commit**" or "How much is enough?" If frameworks such as TNFD help a company identify and understand its nature-related issues, then the Science Based Targets Network helps it define a credible, evidence-based response.
The objective is to enable companies to set measurable, actionable, and time-bound targets for nature that are aligned with the limits of the planet's systems and broader societal goals.
It provides the scientific rigour to answer the crucial question; "Are our commitments and actions sufficient to contribute our fair share to the global goal of halting and reversing nature loss by 2030?"[31]

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[28] Navigating Nature: The 'alphabet soup' of biodiversity initiatives | World Benchmarking Alliance

[29] Climate and nature disclosure - what you need to know | Climate Governance Initiative

[30] A_Track_ConceptualFramework_Report_A4Landscape_32pp_LoRes_SCREEN.pdf

[31] The Science Based Targets Network (SBTN) - Science Based Targets Initiative

The "**Disclose"** element is the *transparency* layer of this guidance. It allows actors in the system to evaluate corporate actions on nature and make decisions accordingly. This capacity to evaluate is as relevant to companies themselves as it is to external parties such as governments, financial institutions and citizens.

The rapid development and convergence of the frameworks detailed above represents a step forward in corporate environmental accountability. Together, they provide the essential tools for diagnosis, ambition-setting, and transparency.

However, a critical analysis reveals a significant gap between the current focus of this guidance and the goal of a nature positive economy. While the frameworks are adept at helping companies measure and report on existing nature-related dependencies, risks, impacts and opportunities, they provide less clarity on what businesses can proactively do in response. This lack of clarity can stem from insufficient precedent or an immature understanding of the business case for change. Systemic barriers can further compound the problem as the required changes may be difficult for businesses to achieve in practice. We refer to this dilemma as the "Transformation Gap". Bridging this hap lies at the frontier of corporate strategy, marking the difference between incremental improvement and genuine regeneration.

Enter the "**Transform**" element of ACT-D. This provides the crucial *contextual* layer, focusing on translating high-level principles into actionable, industry-specific strategies and fostering the multi-stakeholder collaboration needed to drive systemic change. Progress can be seen here. A notable example, for instance, is the TNFD's work on nature transition plans[32], which sets out how a business might plan for the transition. Another example is the guidance on creating a nature strategy provided in Business for Nature's Nature Strategy Handbook[33]. As part of its strategy-building advice, the handbook helps businesses think about how to identify and manage changes. Initial guidance on how sectoral transformation could take place is also beginning to emerge. These provide a useful indication of the types of actions needed within specific sectors. Good examples here include WWF's work on 'Nature Positive Pathways'[34] and the sector-based 'Nature Action' plans developed by the World Business Council for Sustainable Development, the World Economic Forum and Business for Nature's[35]. Similarly, the Response Option Database produced by the Science Based Targets Network sets out a menu of actions that businesses can take to meet specific nature targets[36]. This focus on specific actions marks an important step forward. However, such thinking remains at a relatively early stage, meaning that more detail is needed.

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[32] Nature transition plans – TNFD

[33] Nature Strategy Handbook | Now For Nature

[34] Nature Positive Pathways | WWF

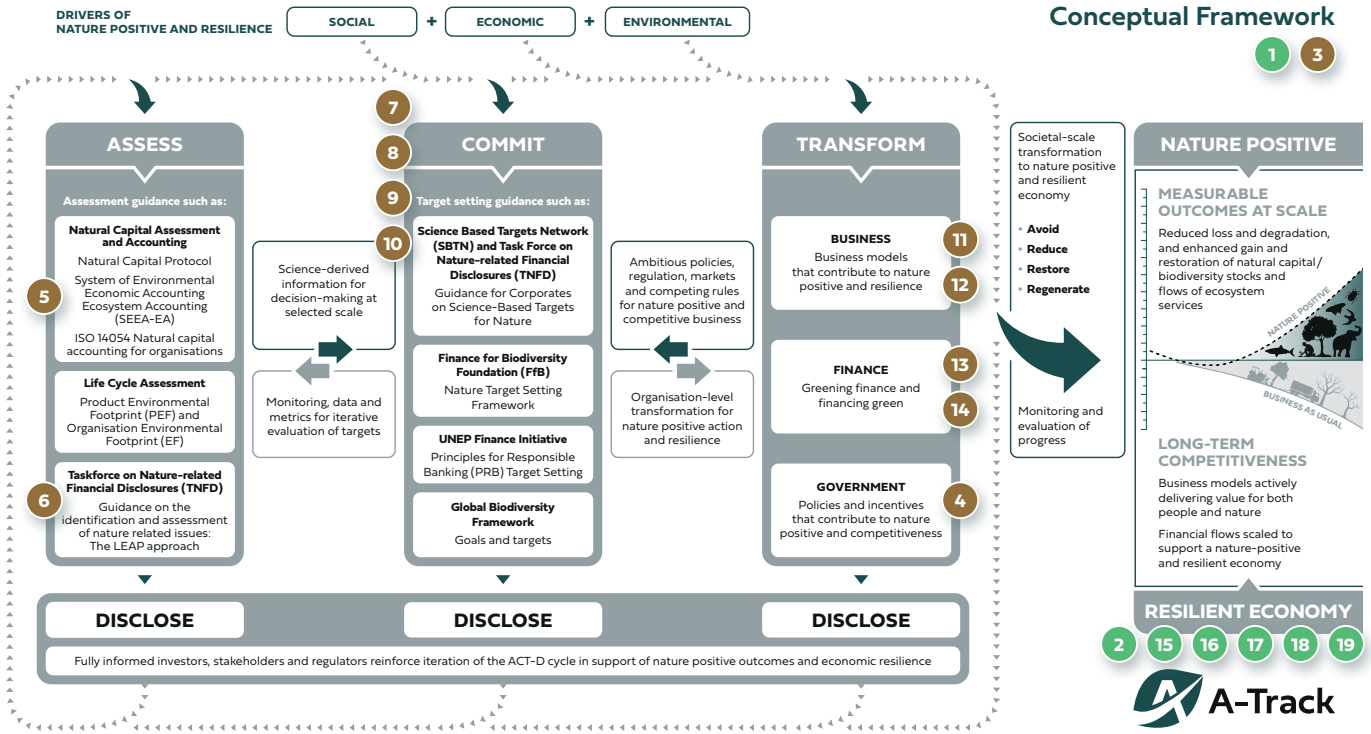
[35] Sector actions for nature — Business For Nature

[36] Act – Science Based Targets Network

Figure 2: A-Track's work mapped against the ACT-D framework

= Available on the A-Track website: **a-track.info**

= Internal outputs



1. A-Track Conceptual Framework (interim) [D1.1]
2. A-Track Overview of A- Track pilots and demonstrations [D1.2]
3. A-Track Conceptual Framework (final) [D1.3]
4. A-Track synthesis outputs with policy brief(s) (interim) [D1.4]
5. Nature information pathways – User needs assessment [D2.1]
6. The BES footprint - approach [D3.1]
7. Natural capital assessment and accounting – business needs assessment [D4.1]
8. Summary guide on use of natural capital data for business decision-making [D4.2]
9. Guidance on mainstreaming natural capital assessments and accounting in business decision-making, with related outreach and training materials [D4.3]
   - Embed Nature and Onboard Nature
   - What nature means for your business role: A primer on location-focused decision making
   - Embedding nature into business: A primer for finance teams
10. Lessons from practical use cases and novel applications of natural capital; assessments and accounting in business decision-making [D4.4]
    - Case studies
11. Business models that contribute to nature positive outcomes: state of play and best practice [D5.1]
12. Business model archetypes for nature positive outcomes [D5.2]
13. Briefing on diagnosis of the problem of scaling finance that contributes to nature positive outcomes [D6.1]
14. Briefing on exploring solutions to scaling finance that contributes to nature positive outcomes [D6.2]
15. Initial plan for dissemination, exploitation and communications (DEC) with brand guidelines, branding and template pack [D7.1]
16. Updated DEC plan with first interim report on reach and impact [D7.2]
    - A-Track Website
17. Innovation management framework [D8.1]
18. Open science and data management plan (DMP) [D8.2]
19. Open science and data management plan (DMP) (mid-term) [D8.4]

2 Note: Deliverables shown under their official titles.

Significant work has also been happening on nature positive finance. Central to these efforts is exploring how capital flows can be re-oriented towards nature positive outcomes[37]. As a first step here, attention has focused primarily on financial institutions, inquiring how they can best conduct robust assessments to evaluate the nature-related risks and impacts of their lending and investments. Using the results of these assessments, it is hoped that these institutions will be better placed not only to formulate their own nature-aligned investment strategies, but also to engage companies in their portfolios concerning the risks and impacts identified.

The subject of this paper and A-Track's subsequent work is to address what is missing; namely, a clear understanding as to the delivery mechanisms for nature positive actions within a business. Key questions here include how such changes can be funded (aiming to bridge the gap between corporate and finance sector nature strategies and actions) and how to integrate nature positive outcomes within a commercial context. Nature positive-aligned business models offer an approach to doing this. However, while there is consistent recognition of the need for new business models as part of the transition, what these look like and how they can be developed and scaled up remains largely unchartered territory.

These twin questions about design and implementation are where the work within A-Track on nature positive-aligned business models intends to move the discussion forward. We acknowledge that business model innovation and transformation will not be relevant to all businesses. Indeed, to some, it may seem unachievable or risky. These perceptions are discussed in Section 3 below. However, this does not detract from the salient fact that business model innovation represents a vital next step in the corporate journey on nature—and one that to date has been underexplored (see Figure 3).

[37] Link to relevant sources e.g. Finance-for-Nature positive_FfB-Foundation-and-UNEP-FI_Discussion-Paper.pdf and WP6 papers

Figure 3: Corporate journey on nature with typical questions[38]

The first step in this workstream was the previously published working paper, "Better Business: Re-thinking business models for nature positive outcomes"[39]. This culminated in a typology of seven business model archetypes, as summarised in Figure 4 below.

These archetypes are described in more detail below in Section 4. This additional material supplements the desk-based research and theoretical grounding of the previous working paper with expert validation, business feedback and real-world case studies and examples. In doing so, it provides clear and practical overview of how business model innovation would contribute to a nature positive economy.

[38] A-Track, 2025: https://a-track.info/sites/default/files/2025-08/A-Track_D4.1_SUMMARY-Report-A4-40pp_SCREEN.pdf

[39] Better business: Re-thinking business models for nature positive outcomes | A-Track

Figure 4: **Typology of seven business models archetypes**

Archetype	Core value proposition
 **Products and services to minimise nature impact**	Reduced impact through material and process efficiency and increase circularity
 **Service models to minimise nature impact**	Access over ownership; maximised asset utility
 **Regenerative products and services**	Verifiable, net-positive ecological impact
 **Regenerative value enablers**	Scaled access to, and verification of, regenerative outcomes
 **Value chain reconfiguration**	Collective efficiency and resilience through collaboration
 **Supplementary service provision**	Tools and knowledge for nature positive transformation
 **Purposeful stewardship**	Building social and cultural capital for nature

3 What are the key challenges in nature positive transitions?

This section presents key challenges to the transition to nature positive-aligned business models. The findings are based on focus group discussions with businesses, drawing on their perception of, and experience with, nature-related transitions. The section focuses on the respective challenges facing two types of business: (i) established (usually larger) businesses that looking to transition from current to new business models; and (ii) start-ups that are created with nature as a core purpose from the start.

The discussions reveal a complex landscape where businesses grapple with defining, measuring and integrating nature's value, while at the same time navigating economic realities, organisational inertia, and an evolving policy environment. This section also considers whether the size and scale of a business have an impact on the nature of the challenges it faces. It also interrogates the specific challenges that start-ups might face at the outset of their venture.

The findings in this section also draw on qualitative research. This includes a range of focus groups with businesses and start-ups, as well as validation workshops with subject matter experts and interviews with experts and businesses. Direct quotes and insights from focus groups and expert interviews are included in the 'Business Voice' sections below.

3.1 Barriers to nature-aligned business model transition

The practice-to-model continuum

While a business model describes how and why a company creates revenue and value, a business practice relates to the action(s) it uses to do this. If businesses do not understand this distinction, then it is highly unlikely that they will consider changes that are truly transformational. This is true even if they are taking actions related to nature.

As we set out in our previous working paper, changes to practices alone are unlikely to be sufficient to deliver the scale and pace of change needed. Typically, changes to practices are likely to be incremental and reactive, such as when a company responds to a nature-related risks either because of its immediacy or because it threatens to become unmanageable. This approach is also more likely to result in corporate nature action being conceived as a cost and a perceived harm to competitiveness and the bottom line. With more proactive approaches, in contrast, companies are more disposed to see new business models as aligned with the creation of commercial and natural value.

Changing to a new business model with nature at its core describes a more fundamental change, one that keeps revenue generation central while also addressing nature impact as a core element of business strategy. While this is a clear ideal to work towards, its practical dimensions can be difficult to conceptualise or understand. As a result, the end goal can be unclear.

The business voice

The distinction between changing business practices and transforming an entire business model was unclear to most of the focus group participants. Most participants candidly placed their companies in the former category, undertaking valuable but often peripheral projects without altering the core logic of their business. As one participant noted, their company invests millions of dollars each year in nature-based solutions, **"but they aren't tied to our business model; it ... is basically a CSR [corporate social responsibility] thing".**

The language of a complete "business model shift" was often seen as misaligned with corporate reality, especially for established players. The focus is more on evolving and aligning the current model to deliver better outcomes. As a representative from an energy company said: "No one is looking to build a new business model. We're looking to kind of align our business model with delivering a whole bunch of societal benefits ... that's done within ... the business model that we have."

Businesses – particularly large, established ones – often found themselves spanning multiple archetypes within the proposed typology (e.g. "supplementary service provision, value chain reconfiguration and purposeful stewardship", as one company put it). They acknowledged that while they might adopt business practices that align with components of each of those categories, they would not yet claim to have a fully "nature positive-aligned business model". This highlights the iterative and often hybrid nature of real-world business transitions. The suggestion for larger entities in particular is that the journey ahead is more about gradual evolution and integration rather than a wholesale and immediate overhaul.

One expert respondent compared business model change to the 'Ship of Theseus' thought experiment, which concerns itself with the point in a process of metamorphosis when the new replaces the old[1]. This led the focus group participants to consider whether piecemeal improvements can translate into a sufficiently substantive and embedded difference to denote a qualitatively different business model. The group concluded that the feasibility of such change would be dependent on the nature, scale and depth of changes to business practices.

The data quagmire: difficulty in defining and measuring impact

A key challenge is the current lack of quality data. As with other nature efforts, transforming business models relies on two factors related to data: first, possessing data about the interactions between businesses and nature that is detailed and robust; and, secondly, having the ability to transform this data into decision-useful information for businesses, financial institutions and governments[40]. This demands granular, location-specific data from deep within corporate value chains, which are notoriously opaque and difficult to trace. The current data gap problem is compounded by a quantification gap. Existing methods (particularly life cycle assessment-based footprinting) often rely on models with broad assumptions. These can lack the specific ecological context needed for robust strategy design, making them useful for high-level screening but insufficient on their own[41].

The data landscape for nature is rapidly improving. Initiatives such as the Nature Positive Initiative's State of Nature framework aim to develop a core set of standardised 'State of Nature' metrics. There is also ongoing work to bring different tools and approaches into alignment. Examples here include the appropriately namely Align project, which aims to better align accounting approaches for nature[42]. Another case in point is work by colleagues in the A-Track project to produce a biodiversity and ecosystem services footprint by harmonising approaches within life cycle assessments and natural capital assessments. As for now, however, a universal standard has still yet to be developed.

An important gap relates to how nature data and information is overlayed with business information. As already mentioned, a nature positive-aligned business model must consider different types of value, including natural capital and financial capital. Financial data can easily be incorporated into the frameworks traditionally used to develop business models. This can then help evaluate whether a business model is fundamentally profitable, as well as indicate what can be changed to improve make it more profitable. The outcome of such a process often reflects directly on balance sheets and on profit and loss calculi.

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[40] This is also the subject of work by A-Track partners to develop nature information pathways to help decision-makers access the nature-related data they need in the appropriate format. For example: Integrating nature information into decision-making | A-Track

[41] Common approaches for assessing business impact on biodiversity are powerful, but often insufficient for strategy design | Department of Biology

[42] Aligning Accounting Approaches for Nature - Capitals Coalition

The same is not yet true for nature impact. Many of the methods and metrics developed do not produce business-critical information that can be incorporated into corporate decision-making and accounting frameworks. This makes it difficult to evaluate a business model's contribution to nature positive outcomes and subsequently how to better align with nature. It also leaves the door open for greenwashing in the case of business models that generate limited value for nature but are presented as sustainable solutions. Some initial steps on how to overcome this challenge are provided in the A-Track publication, "Embedding nature into business – a primer for finance teams"[43].

Future work within this project aims to develop practical tools to understand and evaluate a business model's impact on nature. The intention is to draw on natural capital approaches that can help to integrate finance-and nature-related information. This should help to identify the trade-offs and synergies between different types of value generation, thereby equipping decision-makers to strike the right balance between creating financial and ecological value.

The business voice

One of the most frequently cited barriers was the inherent **complexity of defining and measuring impact on nature.** Unlike climate change, which often relies on a single metric for greenhouse gas emissions, nature's impact is multifaceted. It involves water, land, oceans, and biodiversity at various levels. This makes quantification incredibly difficult, as measuring nature and biodiversity outcomes is not as simple as measuring emissions. Businesses expressed frustration over the "woeful lack of information" regarding supply chain impacts, plus the complexity of understanding nature itself.

The **lack of standardised and interoperable methodologies** exacerbates this challenge. As one participant noted, "We just need an agreed upon methodology, but you've got all these different methodologies coming out, which is quite frustrating". This proliferation of frameworks leads to confusion, "hindering businesses from concentrate[ing] on what is really important", the participant added. The result is a dilution in corporate efforts as well as greater difficulty in comparing performance or demonstrating clear progress. Furthermore, there is a challenge in aggregating local data into a meaningful corporate-level narrative.

[43] A-Track - Embedding nature into business - a primer for finance teams.pdf

The perceived economic impasse

The **perceived absence of a clear business case** for nature positive actions presents another critical barrier to business action.

Businesses' profit and loss accounting mechanisms still rely on traditional conceptions of value (manufactured and/or financial) but do not account for other forms of capital (such as natural, social and human). Because these other forms of capital are not reflected on the balance sheet or in the bottom line, they are not adequately considered in business strategies and decision-making. This is a reflection on the wider economy, which similarly fails to account for or value natural capital. In turn, this oversight influences corporate decision-making. Most obviously, publicly traded companies are accountable to shareholders, the vast majority of whim prioritise financial value over other types of value.

There is also a misalignment in how decisions are made in terms of timescales, geographies, certainties and beneficiaries or those who bear the costs. Corporate decisions are usually driven by a clear understanding of commercial benefit (e.g. cost saving or revenue generation), including when and how this benefit will accrue to the business. Nature positive actions adhere to a different pattern. They may take longer to deliver beneficial outcomes than traditional business investment cycles; the benefits may be unevenly distributed (e.g. generating both business resilience and wider public good); and the certainty of achieving financial benefits is harder to demonstrate (e.g. if the main benefit is from avoiding costly risks, then proving the counterfactual and attributing cause is hard).

These challenges are not insurmountable but resolving them will require different ways to think about, measure and demonstrate value. This is the case within businesses as well as across society, the economy and policy. Multi-capital approaches can go part of the way to achieving this. As well as allowing businesses to consider and measure other values, such approaches permit them to integrate these other values into decision-making. These approaches can also be used to identify business models that have the most opportunity to deliver across multiple outcomes. However, it will also require governments and investors to take similar approaches and consider non-financial value in their own decision-making.

The business voice

For businesses operating in the current economy, decisions are "made based on the quickest return on investment". This means that nature initiatives are often relegated to a "side hustle". Businesses find it a "very hard sell" to pay more for materials derived from regenerative practices if there is no immediate financial return, as seen with farmers adopting regenerative agriculture without better yields.

The difficulty in quantifying the impact of nature risks comes to the fore when trying to convince boards, internal leadership and financial institutions of the value of nature positive action. The complexity of translating ecological risks into tangible financial numbers means that "if (the traditional) business case and P&L [profit & loss] is massively impacted, it [becomes] very difficult for many companies to move forward".

Securing recurring **funding and investment** is another barrier to nature positive action by business, especially for initiatives that do not promise immediate economic gains. The "boring" but necessary innovations (e.g. chemical processing for water pollution) struggle to attract investment because "it's not sexy".

Organisational inertia and cultural change

Undertaking transformative change within a large organisation is a difficult task. In its Transformative Change Assessment, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services argues that the change required to meet the targets of the Global Biodiversity Framework is challenging but possible. It also notes that success is conditional on efforts from across society[44]. Businesses' role will involve both organisational change (especially in sectors contributing most to nature's decline) and contributions to systemic change and the transformation of economic systems.

This can feel overwhelming to those working in businesses (as set out below). Business model change may be, implicitly or explicitly, outside the remit of those tasked with delivering a company's nature strategy, i.e. the environment or sustainability function. This disconnect can be addressed by identifying the specific roles, agency and approaches for different functions within the business. Doing so will require internal advocacy and collaboration. For example, commercial, research and development, and finance teams will need to work through the risks, opportunities and change process presented by new business models. A-Track's Embed Nature programme[45] is addressing this issue head-on by tailoring nature action to different parts of a business. The programme is supported by similar projects such as the 'Every Job is a Nature Job' initiative, run by the United Nations Environment Programme's World Conservation Monitoring Centre[46].

Building capacity and leadership throughout organisations is an ongoing challenge, including ensuring full board and executive ownership of nature as a material issue to the company.

[44] Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES).:. Sustainable Development Knowledge Platform

[45] Embed Nature | A-Track

[46] Every Job is a Nature Job: How companies can protect nature and build resilience - UNEP-WCMC

The business voice

The **complexity within large, multinational organisations** further complicates matters. It is difficult to implement a "universal business model change" given diverse regional contexts, varying levels of awareness, and different operational realities. The gap between "what's happening on a corporate level and what's happening on the ground" makes it challenging to translate broad strategies into local, actionable plans.

For large corporations, described as **"oil tankers"** where change is slow, organisational culture represents a major barrier. A key issue is that knowledge and accountability for nature are often siloed within sustainability teams. One representative opined that "a key barrier is (lack of) knowledge and awareness beyond the sustainability teams. A lot of the change required needs to be coming from teams outside of that". Internal **buy-in and awareness** beyond dedicated sustainability teams also remains a significant hurdle. Many employees and middle managers question the relevance and importance of nature action. It was widely noted that a general resistance to change exists within large corporations, with people preferring to stick with established methods.

Resistance to change is compounded by a fear of scrutiny: the risk of being accused of greenwashing for well-intentioned but imperfect voluntary actions can lead to "greenhushing" whereby it feels safer for a company to do nothing than to risk public criticism. As one representative from a multinational company noted, after some companies were "slammed or sued for green claims... it just shies companies away from doing voluntary things".

Change as the only constant: the policy and regulatory landscape in flux

It is widely commented that we live in an age of change and uncertainty, with recent years seeing geopolitical upheaval and resulting shifts in focus from the public and private sectors[47]. It may have appeared several years ago that there was a clear trajectory for nature policy, similar to that of climate policy, and that businesses would be able to rely on increasing policy ambition to support them to deliver nature goals.[48] This assumption no longer holds true. Political and economic realities—including squeezed corporate, household and public finances and a rising backlash against the sustainability agenda—have undermined policy and regulatory stability in many jurisdictions. This produces specific problems, such as when governments roll back targeted policies that have driven corporate or financial action. At the same time, it knocks business confidence more generally in the feasibility of a nature positive transition. Often, this then leads to a weakening of corporate commitment to the transition. The resulting low risk appetite and lack of investment do not create the enabling conditions for widespread transformation[49].

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[47] Building Something Better: Confidence, Coalitions and Change | Cambridge Institute for Sustainability Leadership (CISL)

[48] Business for Nature's adaptation of the Ambition Loop shows both the theory and is illustrative of the assumption that the tools, frameworks and approaches used to tackle climate change could be adapted to address the nature crisis. Ambition loop — Business For Nature

[49] In addition, the very impacts that well-crafted nature policy is designed to avoid are increasingly being felt. This risks a negative feedback loop, where dealing with climate and nature impacts prevents businesses and governments from focusing on addressing their root cause. In the context of climate change, this has been referred to as 'derailment risk' and applies similarly to nature-related impacts: 'Derailment' warning as world faces threats to its ability to act on climate change - University of Exeter News

The business voice

Uncertainty and inconsistency in policy are major impediments to the adoption of nature positive-aligned business practices and business models. As a business focus group participant noted, "certainty is the clarion call from businesses normally", yet policy changes and delays create an unstable environment. Furthermore, there is a perceived lack of pressure from regulations to drive fundamental change, unlike the historical shift seen in health and safety.

Geopolitical differences in regulatory ambition present another barrier. Some regions, like the United States, are seen, as one business representative put it, as "generationally behind in some regards" compared to Europe. This makes global alignment difficult. Attempts by jurisdictions such as the European Union to impose green legislation through import bans are criticised, another participant noted, for "just exporting the problem to other countries". Such moves are blamed for not addressing the underlying economic needs of resource-rich emerging and developing economies and jurisdictions with even less developed regulatory frameworks.

Issues with innovation and scaling

A final set of challenges relates to how innovative, nature positive-aligned business models can be scaled and implemented. Many of the problematic issues outlined above prevent businesses from considering truly transformative changes to their business models. But even where nature innovation is taking place, familiar challenges with market building, scaling and financing also present themselves.

The business voice

Company representatives noted challenges in **innovation and scaling** in respect to the market for nature positive solutions faces. Concerns were expressed by a representative from one large, established business that many innovations are only "incrementally better rather than truly revolutionary". This makes it hard for large companies to justify the significant investment required for implementation. The lack of concrete financial numbers on market sizes for long-term nature positive technologies also makes building a compelling business case difficult.

3.2 Size matters: start-up specific challenges

In our previous working paper (p.50), we explored how the size, scale and maturity of business would influence how it might operationalise a nature positive-aligned business model. Many of the challenges outlined in this section so far could apply equally to all businesses. That said, many relate in particular to the inherent struggles that large, established businesses face when trying to transform existing business models or create new ones. But the undertaking of more fundamental transformations by companies already at an advanced stage of their nature journey and innovations in only one route to a nature positive-aligned economy. Another important route comes from newer challengers. High on this list are entrepreneurs with specific solutions to help address the nature crisis. This group present the possibility of integrating nature positive-aligned business models into a company at its very formation. Nature positive principles and purpose can be written into the business's founding documents or strategy, for instance. In this way, a defined set of values can shape the business's trajectory as it grows.

While start-ups that aim for nature positive outcomes have opportunities stemming from their nascent stage and specialised focus, they also face a unique set of challenges compared to larger and more established companies. In particular, they must navigate the complexities of entering the market and scaling as well as establishing trust.

The business voice

A primary challenge for these nature-oriented start-ups is **market adoption and proving their value proposition at scale.** Several companies participating in the focus group offered highly specialised data, assessment, or regenerative value creation tools. Their success depends on convincing larger, often traditional organisations to integrate these novel solutions into their existing, complex operations. This requires not only demonstrating the scientific rigour and accuracy of their services (e.g. environmental DNA analysis). It also involves translating complex ecological data into clear, actionable business insights that resonate with diverse corporate stakeholders. The inherent complexity of nature metrics means these start-ups bear the burden of educating their potential clients on the why and how of nature data, which can slow down adoption. Further, they must bear this burden without any guarantees about adoption from major players.

Another significant challenge is **securing consistent funding and achieving financial viability.** The focus group participants identified a need for accelerators and for "more capital [and] more financial flows [to be directed] towards nature, regeneration and conservation". Participants stressed that securing investment for nature-focused ventures comprises a continuous effort. Unlike large corporations that might allocate internal budgets for sustainability initiatives, start-ups are often reliant on venture capital, grants, or early-stage impact investors. The long-term nature of ecological impacts and returns can make the financial case less immediate or tangible for traditional investors, contrasting with the often shorter-term profit expectations.

Start-ups also face the challenge of **building trust and credibility** in a relatively new and evolving market. As new players, they need to establish their expertise and reliability in providing robust, high-integrity data and solutions. This requires significant effort in stakeholder engagement and scientific validation. In addition, it potentially involves their navigation of evolving reporting standards to ensure their methodologies are accepted and trusted by a wide range of users. This could include stakeholders ranging from corporate sustainability teams to financial institutions looking to "have the confidence to actually put money behind … nature positive claims", as one start-up employee put it.

In contrast to start-ups, larger organisations typically have established market presence, financial resources, and existing client relationships. On the flipside, they are often grappling with the **inertia of existing business models and internal cultural shifts.** For this reason, their challenge is often one of **transforming from within.** This takes the form of retrofitting sustainability into legacy systems and overcoming internal resistance to change (as explored in the previous section). Start-ups, on the other hand, can conceive and design for being nature positive from the outset. Their challenge then it to demonstrate the value of their innovations and create a market for them.

3.3 Conclusion

The barriers to adopting nature-aligned business models are multiple. Moreover, these multiple barriers are systemic and deeply interconnected. This means that businesses face a reinforcing loop of challenges. This requires different strategies than if they were isolated challenges with no connection between them. The approaches adopted by companies differ depending on their size and scale, as well as on their organisational and market contexts. Some businesses see this as a journey rather than a revolutionary shift, making piecemeal changes to key aspects of the business. Others see the opportunity for innovation to respond to market opportunities.

Research by A-Track has highlighted the challenges and gaps that prevent the value of nature being embedded within business decision-making.[50] These align with our own findings on challenges related specifically to business model change. Currently, the lack of clear data, coupled with traditional accounting mechanisms, makes it hard to build a business case for nature positive action internally. This emphasises the need to put nature on the balance sheet and to embed it within corporate decision-making. Other factors feeding into organisational inertia include siloed knowledge within larger organisations, apprehension of greenwashing, and an uncertain policy landscape. Even purpose-built start-ups, while agile, face their own struggles in securing funding. Convincing larger, slower-moving players to adopt their innovations also marks a habitual challenge. Both these realities spotlight the need for nature finance.

Subsequent engagement with business, policy and finance must take these challenges into account. When working with companies on transforming their business models, there is a need to reinforce the fact that nature-aligned transitions come in many shapes and sizes. Equally, it needs to be stressed that all transition efforts should be working to the goal of nature positive. As part of this, all company targets on nature should be aligned with the Science Based Targets Network's action framework. The need also exists to bridge the knowledge gap beyond sustainability departments, helping to translate complex ecological risks into the financial and operational language that resonates with boards and senior management. For policymakers, the key message is that **voluntary action alone is insufficient**. The transition will not happen at the necessary scale or speed without a clear, stable, and ambitious regulatory environment. Policymakers must create the non-negotiable "pressure"—akin to historical shifts in health and safety—that levels the playing field and forces natural capital onto the strategic agenda. These enablers for nature positive-aligned business models are explored in more detail in Section 5 of this report.

[50] A-Track_D4.1_SUMMARY-Report-A4-40pp_SCREEN.pdf

4 How businesses can transform to align with nature: A practical overview of business model archetypes

This section revisits the nature positive-aligned business model archetypes presented in our previous paper, giving further details on what the transition to these business models could look like in practice. It includes examples of the types of business action needed, plus case studies illustrating these business models in practice.

Our previous work described seven nature positive-aligned business model archetypes. The following table provides a comparative overview of the archetypes.

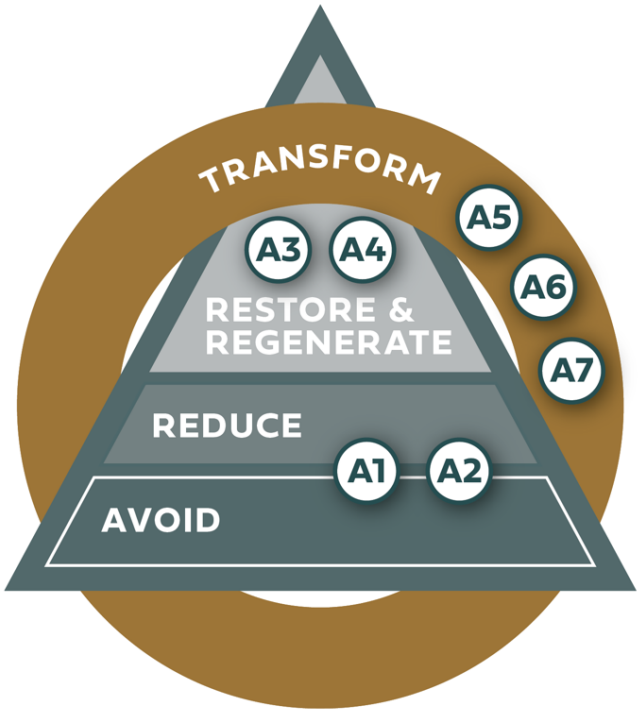
Table 1: **Overview and key features of business model archetypes**

Archetype	Primary business model canvas focus	Alignment with AR3T framework[51]	Core value proposition
Products and services to minimise nature impact	Value Creation/ Capture	Avoid/reduce	Reduced impact through material and process efficiency and increase circularity
Service models to minimise nature impact	Value Delivery	Avoid/reduce	Access over ownership; maximised asset utility
Regenerative products and services	Value Creation/ Capture	Restore/regenerate	Verifiable, net-positive ecological impact
Regenerative value enablers	Value Delivery	Restore/regenerate and Transform	Scaled access to, and verification of, regenerative outcomes
Value chain reconfiguration	Value Creation (Partnerships)	Avoid/reduce, Restore/regenerate and Transform	Collective efficiency and resilience through collaboration
Supplementary service provision	Enablement (across all elements)	Transform	Tools and knowledge for nature positive transformation
Purposeful stewardship	Value Creation/ Delivery	Transform	Building social and cultural capital for nature

[51] The Science Based Targets Network's AR3T (Avoid, Reduce, Restore & Regenerate, Transform) framework, a framework for corporate nature action based on the mitigation hierarchy Act – Science Based Targets Network

There are important constraints and requirements that determine when and how business model transitions can take place. These include sectoral positioning, technological readiness, availability of capital finance, market incentives, and policy context, as well as organisational drivers for change. It should be noted that this typology remains a work in progress, with refinements expected as our work continues. Despite these boundary conditions (plus the challenges outlined in the previous section), scope exists for businesses to align their operational practices and the business models that underpin these with the nature positive goal.

Figure 5: **Business model archetypes mapped onto the AR3T framework**



The archetypes presented in this paper were developed in alignment with the Science Based Targets Network's AR3T (Avoid, Reduce, Restore & Regenerate, Transform) framework. AR3T marks a crucial development in translating the site-based mitigation hierarchy into a system-level framework.[52] The mitigation hierarchy clarifies the importance of avoiding and minimising negative impacts are important, but its aim is to restore and regenerate natural ecosystems. Mapping business models onto the AR3T framework can help identify these more ambitious, yet nascent, nature positive-aligned business models. Archetypes 1 and 2 align with "Avoid and Reduce", Archetypes 3 and 4 with "Restore and Regenerate", and Archetypes 5, 6 and 7 with "Transform". Figure 5 above presents the archetypes mapped onto the AR3T framework and their relational contribution to the nature positive goal.

[52] Act – Science Based Targets Network

The remainder of this section looks at each archetype in turn. It suggests the types of business practice that make up the business model in question and how its contribution to the nature positive goal can be demonstrated. For each archetype, we have also presented the most appropriate metrics and measurement methods for demonstrating improved outcomes for nature. These will be important to demonstrate that business model innovations and transformations deliver genuine improvements for nature, avoiding the risk of greenwashing that was raised in our expert validation workshop early in 2025.

4.1 Archetype 1: Products and services to minimise nature impact

This archetype is centred on the 'avoid' and 'minimise' step of the mitigation hierarchy[53]. It focuses on redesigning existing products and services to reduce their negative impact on nature. It is a foundational approach that addresses the environmental footprint of essential economic activities, from agriculture to manufacturing. It achieves this by innovating in value creation and capture. While this archetype may not fundamentally change consumption patterns, it systematically reduces the harm associated with each unit of consumption.

It is important to note that this archetype is inherently limited in its contribution to achieving a nature positive world. While it has been the focus of much activity by businesses to date, and is a critical and necessary step towards limiting nature loss, the goal for economic activity should be to achieve neutral or regenerative/restorative impact on nature and biodiversity. For some businesses, however, this archetype may be the only option available to them due to capital or technology constraints or because of their need to provide products and services essential for basic human survival.

The model focuses on improving the efficiency of a product or service on a per-unit basis. However, if a company's growth model relies on selling an increasing volume of units, these efficiency gains can be quickly overwhelmed. This is especially true if these gains do not come from displacing a more harmful practice from the market.

Business practices in action

- **Sustainable material sourcing and innovation**

The most direct method for reducing intrinsic footprint of a product and/or service is to change its raw materials and feedstocks[54]. This involves a systematic substitution of conventional, high-impact materials with alternatives that have a lower impact on natural capital.

[53] https://www.ipieca.org/resources/a-cross-sector-guide-for-implementing-the-mitigation-hierarchy

[54] https://www.sciencedirect.com/science/article/pii/S2949750724000993

A clothing brand, for instance, might switch from conventional cotton (which is heavily reliant on pesticides and intensive irrigation) to more sustainably produced cotton (which reduces chemical inputs and delivers better environmental and social outcomes)[55]. These switches can mitigate some of the harm that the use of conventional irrigation methods and pesticides can have on natural capital, biodiversity and ecosystem services. This would also necessitate that any metric used to monitor these impacts includes the comprehensive measurement of various biodiversity and ecosystem service indicators.

Similarly, a company could replace virgin plastics with recycled equivalents like recycled polyethylene terephthalate. Alternatively, it could invest in novel bio-based materials derived from agricultural waste streams[56]. The outdoor apparel company Patagonia serves as a prominent example of such substitution strategies, having pioneered the use of recycled polyester and organic cotton in its products.

Effective implementation of this practice requires moving beyond simple material substitution to a comprehensive sourcing strategy. This would mean looking at not only *what* a product's constituents are but *where* they are sourced from. A potential example of this could be sourcing raw materials like soyabeans from areas where risk to biodiversity is low[57]. This would include conducting rigorous supplier audits to ensure compliance with environmental and social standards, such as Fair Trade or SA8000 certifications[58]. But certifications can often be limited in scope, meaning that a comprehensive framework for transparency and accountability is needed. Ongoing work under A-Track hopes to address this need. Examples include helping businesses to use location specific data to inform their decisions[59] and developing a biodiversity and ecosystem services footprint for life cycle assessments[60]. This work can help improve business decision-making and inform more robust certification schemes. In addition, investment in research and development is required to discover and scale greener alternatives. Prioritising local sourcing where feasible also comprises an important means of reducing transportation-related emissions.

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[55] https://bidbi.co.uk/blogs/the-journey-of-cotton-farming-and-its-impact/

[56] Becoming an environmentally friendly business | Business Queensland

[57] https://besjournals.onlinelibrary.wiley.com/doi/full/10.1002/pan3.10457

[58] Critical Success Factors of Sustainable Supply Chain Management and Organizational Performance: An Exploratory Study - ScienceDirect

[59] A-Track, 2025, Building narratives through nature data Handbook for applying spatial datasets and metrics to assess locations and tailor nature strategies - A-Track_D4.2_BuildingNarrativesNatureData-Report-A4-56pp_LoResScreen.pdf and A-Track, 2025, A primer on location-focused decision making, Business primer on location-focused decision making.pdf

[60] A Biodiversity and Ecosystem Services Footprint: the A-Track approach | A-Track

- **Circular product design**

Integrating principles of circularity into product design aims to eliminate waste and minimise resource use from the outset. It does so by fundamentally rethinking a product's core architecture. Circular design directly challenges the linear "take-make-dispose" economic model, while also tackling problems associated with planned obsolescence. The concept's central principle is to design products for durability, repairability, modularity, reusability and, ultimately, recyclability[61]. Circular approaches can play a vital role in solving biodiversity issues by reducing the extraction of virgin natural resources and addressing the drivers of biodiversity loss[62].

For example, an electronics company embodying this practice would design smartphones with easily replaceable batteries and screens to extend their lifespan. Other related steps it might take could include providing customers with affordable repair kits and using modular components that can be upgraded over time. These measures and others like them extend the product's functional life and reduce e-waste[63].

Another tangible example is IKEA's redesign of its iconic BILLY bookcase. The Swedish furniture and home accessories retailer replaced traditional nails and fasteners with snap fittings, thereby making the bookcase easier to assemble, disassemble and repair. In this way, the potential for the product to have a longer life was improved, as was the likelihood of its component materials being eventually recovered. As a further prompt, IKEA has made the replacement fittings free. It also offers recycling options in-store, enabling customers to buy and sell used furniture. Importantly, implementing circular design requires a profound shift in corporate philosophy away from planned obsolescence. Other recommended steps include using materials that can be easily separated and recycled, providing clear end-of-life instructions to consumers, and creating the necessary infrastructure to handle returned products[64].

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[61] Six examples of circular economy concepts in action | SAP

[62] See for example Sitra (2024), 'Circular solutions for nature Handbook for businesses'. Circular solutions for nature – Sitra and Sitra (2022), 'Tackling root causes: Halting biodiversity loss through the circular economy'. Tackling root causes - Sitra

[63] Repairable electronic products for the circular economy: a review of design for repair features, practices and measures to contrast obsolescence | Discover Sustainability

[64] Circular Economy Toolkit

- **Operational and process efficiency**

Beyond the core product offering of a business, operational and process efficiency focuses on minimising the environmental impact of manufacturing and operational processes and their wider footprint on biodiversity and ecosystems. Key areas of focus include energy, water, and waste. Although operational and process efficiencies may be driven by broader environmental and sustainability assessments, overuse of them contributes to the degradation of ecosystems.

Companies can achieve significant reductions by upgrading facilities with energy-efficient technologies, such as LED lighting, which can reduce energy use by up to 75 percent[65]. Another critical step is transitioning to renewable energy sources. This can be done either through on-site generation like rooftop solar panels or by purchasing green energy credits.

Water conservation is addressed through measures like installing low-flow fixtures and implementing water recycling systems within manufacturing plants. As for waste reduction, possible measures include comprehensive recycling and composting programmes, the use of clearly labelled household bins, and training for employees on how to sort waste properly. The journey typically begins with a thorough sustainability or environmental impact audit to identify operational "hotspots"; that is to say, areas where the real or potential impacts on nature are disproportionately high due to resource consumption or waste generation. This data-driven approach allows for targeted interventions and investments that yield the greatest environmental and financial returns[66].

Metrics and methods to support implementation and monitoring

A cornerstone measurement method for this archetype is **life cycle assessments**. These provide a holistic view of a product's environmental footprint from "cradle-to-grave"[67], which can allow impacts on biodiversity and ecosystems to be identified and can help to demonstrate the extent to which a new business model reduce nature-related impacts (relative to a baseline). Key impact categories within a life cycle assessment include global warming potential, biodiversity levels, freshwater use, land use, acidification of soil and water, particulate emissions, depletion of abiotic resources and ecotoxicity, among other measures.

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[65] Energy Efficiency in Sustainable Buildings: A Systematic Review with Taxonomy, Challenges, Motivations, Methodological Aspects, Recommendations, and Pathways for Future Research - ScienceDirect

[66] On the Interplay Between Behavior Dynamics, Environmental Impacts, and Fairness in the Digitalized Circular Economy with Associated Business Models and Supply Chain Management

[67] ISO 14040:2006 - Environmental management — Life cycle assessment — Principles and framework

Life Cycle Assessment (LCA) – Everything you need to know | Ecochain

Life cycle assessments are often used to provide a Product Carbon Footprint, which can identify carbon “hotspots in the value chain. While this is relevant to nature (as climate change is a key driver of nature loss), there is the potential to expand the use of life cycle assessments to identify biodiversity impacts.

Another approach that can be used to document change in impact is natural capital accounting. This measures the changes in the ‘stocks’ (extent and condition) of natural capital (ecosystems) at a variety of scales. Helping to guide organisations in this process are standards such as ISO 14054:2025[68] (on natural capital accounting for organisations) and ISO 17298:2025[69] (on biodiversity strategy and operations). Natural capital accounting can also be used to integrate the flow and value of ecosystem services into accounting and reporting systems in a standardised way. In addition, it can be a powerful tool for monitoring whether a business has successfully lowered the nature impact of its products and services over an extended timeframe by tracking changes to ecosystem stocks and flows. Subsequent accounting efforts can then track these same metrics, allowing the business to observe quantifiable reductions (e.g. less water used per unit produced, decreased deforestation in supply chains, or improved ecosystem health in areas of operation). One way of doing this is via the use of integrated profit and loss accounts[70].

Tools based on life cycle assessments and natural capital accounting can be useful in documenting changes in the nature impact of products and services. There are synergies between the two methodologies. Further, frameworks are now being developed to ensure they can be appropriately leveraged[71]. Used together, the methodologies can provide a more comprehensive understanding of biodiversity pressures and impacts associated with product value chains, organisations and territories. There is ongoing work under the A-Track project to advance the incorporation of biodiversity and ecosystem measurements within life cycle assessments by incorporating concepts and approaches from natural capital accounting[72]. These improvements will allow businesses that use life cycle assessments to better understand their impacts and dependencies on nature, thus allowing for better mitigation strategies.

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[68] ISO 14054:2025 - Natural capital accounting for organizations — Principles, requirements and guidance

[69] ISO 17298:2025 - Biodiversity — Considering biodiversity in the strategy and operations of organizations — Requirements and guidelines

[70] Accounting for Value: Emerging Approaches of Integrated Profit & Loss and Impact Statements - Capitals Coalition

[71] Assessing impacts to biodiversity and ecosystems: understanding and exploiting synergies between Life Cycle Assessment and Natural Capital Accounting - ScienceDirect

[72] A Biodiversity and Ecosystem Services Footprint: the A-Track approach | A-Track

Specific guidance from key frameworks like the **Science Based Targets Network** and **System of Environmental Economic Accounting** provides the essential "what" and "how" for businesses to track their impact on nature and biodiversity. These frameworks have lists of specific state-of-nature metrics (such as freshwater, land, ocean, biodiversity and climate) that can help businesses capture how their impact on specific aspects of nature is changing[73]. There is ongoing work to develop and build consensus around the best metrics for companies to track their nature impact[74] and to ensure interoperability, i.e. a common language, across different corporate frameworks and guidance[75]. Using these metrics to guide target-setting (via the Science Based Targets Network) and disclosure (via TNFD) can help companies move from commitments to credible action to reduce their impact on nature.

Other metrics that could potentially be useful include the Material Circularity Indicator.[76] This metric produces a score from 0 (linear) to 1 (fully circular) by analysing the proportion of virgin versus recycled material inputs, a product's durability compared to an industry average, and the percentage of materials recovered at its end-of-life. While this archetype does not aim for a net-positive biodiversity impact, it would still measure a reduced negative footprint by tracking the reduction of pressures on nature and biodiversity.

Finally, the Global Circularity Protocol for Business guides companies in target-setting, measuring, reporting and disclosing progress on resource efficiency and circularity. In addition, it offers comprehensive and targeted policy guidance to accelerate the shift towards circular business models and a regenerative economy. The Protocol aims to cover resource flows both in the 'technosphere' (i.e. machines, factories, computers, buildings, etcetera) and the biosphere[77].

While all these tools can capture key impacts of economic activity, there are currently more than 600 environmental metrics in use. Such proliferation can seem confusing and intimidating to businesses, even when they have substantial resources available to them. A need therefore exists to simplify the current plethora of tools into a unified set that can provide actionable insights for business. There is work across the sustainability industry as well as within the A-Track project to contribute towards this goal. It should be noted that some factors extend beyond the scope of metrics, such as the availability of recycling infrastructure[78].

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[73] The first science-based targets for nature – Science Based Targets Network; Metrics – TNFD

[74] Measuring Nature Positive; Field Notes Newsletter #2 - Corporate Nature Reporting: Why it's Difficult and How it's Changing

[75] Companies start six-month trial of new 'nature positive' metrics - Real Economy Progress

[76] Material Circularity Indicator | Ellen Macarthur Foundation

[77] https://www.wbcsd.org/actions/global-circularity-protocol/

[78] towards-sustainable-packaging-materials-1.pdf

It is also worth remembering that metrics alone cannot help businesses to deal with trade-offs between different environmental outcomes, such as carbon emissions, water usage and biodiversity impact.

Case study: Natura

While real-world scenarios and practices do not (and cannot) neatly map onto theoretical frameworks, this case study of Natura and the others that follow it attempt to demonstrate how these archetypes present pathways and blueprints for businesses looking to align with nature.

Company profile	Natura is a large multinational in the cosmetics and personal care sector, and the world's largest B Corp. The company also operates the Avon Latin America and Avon International business. It is present in 73 countries across all continents, except Antarctica.
Size	19,000 employees globally, of which 14,900 are in Latin America. Natura and Avon work with a combined network of 4.8 million beauty consultants and representatives around the world.
Key locations	Natura is headquartered in Brazil, where it is the leading brand. It is also the leading company in the beauty sector in Latin America.
Archetype	Natura's business model most closely fits **Archetype 1** 'products and services to minimise nature impact'; its business model is still fundamentally to sell beauty products to consumers, but it goes to significant lengths to reduce the impact on nature of providing these products relative to the industry norm.
Strategy	There are several elements of Natura's strategy that address how nature is tackled within the business: • **Regeneration strategy for Latin America (Vision 2050)**: this outlines an aspiration to become a regenerative business, recognising that simply supporting nature is no longer enough as planetary systems have lost their ability for constant self-renewal. Natura proposes to evolve from a compensatory-led approach to sustainability towards systemic regeneration, based on a belief that the source of revenues and profit should be the same as the source of regeneration. • **Commitment to Life**: this includes specific time-bound targets in areas such as the equitable sharing of digital sequence information, 100-percent deforestation-free supply chains, and contributions to the protection and restoration of several million hectares of Amazon rainforest. • **Natura Amazon Programme**: this aims to transform social environmental challenges into opportunities for business and sustainable local development. Launched in 2011, Natura has

	proposed a significant evolution of the programme to position it as a catalyst for an ecosystem of innovative, regenerative businesses and solutions. Focused on diversification of operations and continuous innovation around the bioeconomy and nature, the programme seeks to strengthen leadership around sustainable science and technology in the Amazon region. • **Integrated Profit and Loss**: this pioneering approach mirrors a traditional financial profit and loss account while quantifying, in monetary terms, an organisation's positive and negative performance and impacts across its value chain, beyond financial metrics[79]. Natura uses this approach to produce an annual report that measures the impact of corporate performance in the environmental, social and human dimensions in addition to financial results. The publication of this information reflects the total externalities generated by the company and helps identify areas of focus for future work[80].
Examples	The Living Amazon Mechanism is a blended finance instrument that combines concessional and commercial capital to de-risk nature-related investment, demonstrating how private actors can finance nature-based solutions and positive biodiversity outcomes. Natura guarantees the purchase of raw materials in advance of harvest. this reduces the risk for other investors, creating economic value from standing forests and supporting local communities (over 2500 families through 13 cooperatives as of 2024[81]). The Living Amazon Mechanism has improved financial and natural capital outcomes in the Amazon region. Notably, a zero-default rate on $1.8 million in credit since December 2023 highlights the financial viability of this model, which is aligned with Natura's goal of moving towards a regenerative economy.

[79] https://capitalscoalition.org/publication/accounting-for-value-emerging-approaches-of-integrated-profit-loss-and-impact-statements/

[80] Natura & Co. (2024) "2024 Integrated Impact Report – iP&L (Integrated Profit and Loss)" https://api.mziq.com/mzfilemanager/v2/d/9e61d5ff-4641-4ec3-97a5-3595f938bb75/02d7fe44-1aa4-3649-7c4d-cbe6594f7601?origin=1

[81] Natura & Co. (2024) *Natura &Co Integrated Report 2024* (p.83) available at: https://api.mziq.com/mzfilemanager/v2/d/67c3b7d4-64ea-4c2f-b380-6596a2ac2fbf/6067074e-ae16-50cf-da41-1dd5a7067e81?origin=1

	A 2023 study[82] demonstrated that Natura's system of sustainably sourcing raw materials directly from Amazonian communities (beginning with the Ekos line in the late 1990s) is associated with the preservation of around 730,000 hectares of rainforest and avoided carbon emissions of 58 million tonnes. The company offers premium payments and benefit-sharing for the sustainable harvesting of forest products. These and similar incentives have seen producers shift from deforestation intensive agriculture (like soy and cattle) to forest-compatible crops (such as açaí and cocoa). This model aligns economic incentives with nature protection and restoration activity through the offer of long-term contracts, fair pricing and investments in local infrastructure and training. In summary, it shows how commodity supply chains can be managed in a nature positive-aligned manner.

4.2 Archetype 2: Service models to minimise nature impact

This archetype represents an alternative application of the **avoid** and **minimise** principles within the mitigation hierarchy/AR3T framework, innovating value delivery as opposed to value creation and capture in Archetype 1. It shifts the focus from innovating the product itself to innovating its delivery and use (i.e. the service related to the product). By changing the customer relationship from ownership to access, these models fundamentally decouple revenue from material production. The core logic is to maximise the utility of each physical asset, thereby reducing the total number of products needed to satisfy societal demand. In turn, this reduces impacts on ecosystems through similar mechanisms to Archetype 1, i.e. a reduction in natural resource use, pollution and climate emissions.

Business practices in action

- **Product-as-a-Service**

Product-as-a-Service is the quintessential practice that would support this archetype. The provider retains ownership of the physical product and sells its function or output as a recurring service. This model aligns the provider's financial incentives with the product's longevity and efficiency allowing them to develop closed loop approaches to production and consumption. Where the company is responsible for the product's disposal or recycling (e.g. under Extended Producer Responsibility regulations), this can help to overcome a common barrier to a more circular economy; namely, the motivation and ability of individual consumers to play their part in the final stages of a product's lifecycle.

[82] There Is No Planet B: Aligning Stakeholder Interests to Preserve the Amazon Rainforest | Management Science

Prominent examples span various industries. The multinational lighting company **Signify** offers "lighting-as-a-service" to commercial clients, who pay for a guaranteed level of illumination (lumens) rather than purchasing lightbulbs[83]. The company remains responsible for all installation, maintenance, and energy costs, incentivising them to use the most durable and energy-efficient technology available, especially if the responsibility for recycling and waste management lies with the producers. Similarly, tyre maker **Michelin** provides "tires-as-a-service" to trucking fleets, charging according to the number of kilometres driven[84]. This motivates Michelin to produce the most durable tires possible and to manage their entire lifecycle, including retreading and recycling[85]. In the fashion industry, the Dutch company **Mud Jeans** leases its organic cotton jeans to customers. After a year of use, customers[86] can return the jeans to be repaired for reuse or recycled into new denim, effectively closing the material loop[87].

Successful implementation of Product-as-a-Service requires a profound business transformation. It involves shifting from a model of upfront capital sales to one of predictable, recurring revenue. Operationally, it demands new capabilities in reverse logistics, asset management, maintenance and refurbishment[88]. Crucially, product design philosophy must also change; durability, modularity, and ease of repair are no longer threats to future sales but are direct drivers of profitability[89].

- **Sharing and pooling platforms**

These business models use digital platforms to facilitate the sharing of underutilised assets, either in a peer-to-peer or business-to-consumer context **asset utilisation rate**, i.e. the proportion of time that an asset is in productive use[90]. A privately owned car, for example, sits idle for an estimated 95 percent of its life. A car-sharing service like Zipcar can increase that utilisation rate from 5 percent to 40 percent or higher. This means a single shared vehicle can meet the transportation needs of dozens of people, drastically reducing the overall number of cars required and the associated nature and biodiversity impacts of manufacturing them[91].

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[83] https://www.signify.com/global/signify-services/managed-services/light-as-a-service

[84] https://www.iotworldtoday.com/iiot/a-look-at-michelin-s-product-as-a-service-strategy

[85] https://www.atlantis-press.com/proceedings/mtde-19/125908835

[86] Waste Framework Directive - Environment - European Commission

[87] MUD Jeans saved 1,5 million tons of CO_2. How they did it?

[88] Harnessing-the-power-of-PaaS.pdf

[89] An exploratory study for product-as-a-service (PaaS) offers development for electrical and electronic equipment - ScienceDirect

[90] https://www.weforum.org/stories/2021/05/here-s-how-industries-can-decarbonise-value-chains-while-improving-economics/

[91] Sharing Economy: A Service Enterprise Engineering Perspective

It is worth noting with this example that it still involves people using cars individually for each journey (with a requirement for road infrastructure to facilitate this and no reduction in fuel/energy use per journey). A shift to more active travel and public transport would require business model innovation in other areas.

Other examples of sharing and pooling include community tool libraries, equipment rental platforms, and co-working spaces, all of which provide access to resources without the need for individual ownership.

Implementation of these platforms hinges on three key pillars: a robust and user-friendly digital interface for booking, communication, and payment; strong trust and safety mechanisms, such as user reviews, verification processes, and insurance; and efficient logistics for asset maintenance, cleaning, and redistribution[92]. The success of these platforms also rests on a sufficiently high level of consumer demand. In some instances, this may require a substantial cultural shift.

- **Integrated take-back, refurbishment, and resale programmes**

Take-back, refurbishment, and resale programmes comprise the operational backbone of the circular economy and are essential for enabling Product-as-a-Service models and other related approaches. These programmes involve establishing efficient **reverse logistics** channels to collect products from customers at the end of their use phase. Once collected, products can be refurbished for resale, remanufactured into new products, or disassembled for material recycling.

Patagonia's Worn Wear programme is a leading example[93]. The company encourages customers to return used garments, which are then repaired, cleaned and resold on a dedicated online marketplace. This not only extends the life of the clothing, but also creates a new revenue stream and fosters a brand community around durability and sustainable consumption. Similarly, **IKEA's Buyback & Resell** service allows customers to return used IKEA furniture for store credit[94]. The items are then sold in a dedicated 'second chance' section in their stores, preventing them from ending up in landfills and providing affordable options for other customers. A critical, often overlooked benefit of these programmes is the wealth of data that they generate. Analysing failure points and wear patterns on returned products provides invaluable feedback to design teams, enabling them to improve the durability and repairability of future products.

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[92] (PDF) Sustainability Drives of the Sharing Economy

[93] Worn Wear | Patagonia UK

[94] IKEA Buyback & Resell - IKEA UK

Metrics and methods to support implementation and monitoring

Since a life cycle assessment provide a cradle-to-grave calculation, it can trace products through multiples uses (including second life and end-of-life considerations if the scope and functional unit is defined appropriately). This means life cycle assessments can also be used to measure environmental impacts (specifically those on nature and biodiversity) for service models as well[95]. The traditional product-based life cycle assessment is reframed to a life cycle assessment per functional unit that amortises the fixed environmental costs of manufacturing across a much larger functional output.

From a business perspective, there are other key performance indicators that could capture the success of a service model. These could range from one-time sales value to long-term performance indicators like recurring revenue, customer acquisition cost, and customer churn rate, which are intrinsically linked to the sustainability goal of maximising asset lifespan.

Another key metric for this archetype could be the asset utilisation rate, which measures the percentage of time that an asset is in productive use compared to its total available time. This directly quantifies the model's core efficiency gain, with benchmarks for shared assets being significantly higher than for privately owned ones. Other metrics to support and monitor resource use would be dematerialisation, which calculates the reduction in the societal need for new production by satisfying multiple users' needs with a single product.

4.3 Archetype 3: Regenerative products and services

This archetype represents a paradigm shift from "doing less harm" to actively "doing more good". It moves a business from the “avoid/reduce” to the “restore/regenerate” element of the AR3T framework. The core value proposition of a regenerative product or service is a direct, measurable, and verifiable net-positive impact on natural systems. A business's core activities are designed to rebuild and enhance ecosystem health, creating value from the restoration of natural capital.

Business practices in action

- **Ecosystem Restoration-as-a-Service**

Here, the core business activity is the direct restoration of degraded ecosystem assets or species population. These companies are not just planting trees; they are undertaking projects to rebuild entire ecosystems, measurably increasing ecosystem extent and condition.[96]

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[95] Business model life cycle assessment: A method for analysing the environmental performance of business - ScienceDirect

[96] Restoring the World's Forest

This can include large-scale reforestation with native species, the re-meandering of channelised rivers, the restoration of wetlands to improve flood control and water quality, or the revitalisation of marine ecosystem assets like coral reefs and mangrove forests.

The revenue model for these businesses is not based on selling a physical product, but on selling the **verified outcomes** of their restoration work. These outcomes can be monetised in several ways:

- Direct public payments: such as Pillar 2 of the Common Agricultural Policy and the LIFE Programme.
- Policy enabled markets: such as high-integrity carbon removal credits sold on the voluntary carbon market or biodiversity credits or units sold to developers to meet Biodiversity Net Gain (BNG) obligations[97].
- Private markets: such as Payments for Ecosystem Services (PES) schemes[98], where, for example, a downstream water utility pays the restoration company for upstream watershed reforestation that improves the quality and reliability of its water supply. Biodiversity credit markets can also be used by companies wishing to purchase a given outcome, either to improve their own resilience or as compensation for biodiversity impact elsewhere.

- **Regenerative agriculture and food production**

The practice of regenerative agriculture and food production goes beyond many sustainable approaches to agriculture, which have focused on minimising harm to biodiversity and ecosystems through practices such as minimising chemical inputs. Regenerative agriculture is a holistic approach to land management that aims to rebuild soil health, enhance biodiversity, and reduce pressure on water use[99]. Key practices include **minimising soil disturbance, maintaining soil cover** (e.g. planting cover crops between cash crops to prevent erosion) and **increasing agrobiodiversity** (e.g. complex crop rotations; the integration of different crops and livestock in rotations, etc.). The goal is to create a farm that functions as a self-sustaining, healthy ecosystem, reducing or eliminating the need for external inputs like fertilisers and pesticides. Businesses in this space may operate their own regenerative farms or, more commonly, build dedicated supply chains with a network of partner farms that adhere to rigorous, verifiable regenerative standards.

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[97] Understanding biodiversity net gain - GOV.UK

[98] Markets and payments for environmental services | International Institute for Environment and Development

[99] Four regenerative business models

- **Regenerative architecture and buildings**

Regenerative approaches in the building sector move beyond simply reducing environmental harm and aim to actively **restore and improve** the surrounding ecosystems and communities[100]. Unlike traditional sustainable design, which focuses on efficiency and "doing less bad", regenerative design seeks to create structures that have a **net-positive impact**. This means buildings are designed as part of a larger, living system[101]. As such, they make a positive contribution in a variety of ways, including: producing more energy than they consume; capturing and purifying water; enhancing local biodiversity; and utilising materials that sequester carbon or can be safely returned to the earth. Examples include integrating green roofs that create habitats, using passive design strategies inspired by nature (biomimicry – see example below), and implementing closed-loop water and waste systems[102]. For instance, the **Bosco Verticale** (Vertical Forest) towers in Milan, Italy, integrate over 800 trees, 4500 shrubs, and 20,000 plants onto their facades[103]. This vegetation is equivalent to about five hectares of parkland on flat land, but concentrated on an area of approximately 1,000 square meters (which is around fifty times less land area). The vertical forest filters dust, absorbs carbon dioxide, produces oxygen, and creates a microclimate that reduces the energy needs of the areas' buildings for heating and cooling, all while supporting urban biodiversity.

- **Bio-integrated and biomimetic products**

Bio-integration and biomimetics represent an area of innovation where products are designed to be not just benign, but actively beneficial to the environments in which they are placed. This practice draws heavily on principles of biomimicry—i.e. the practice of learning from nature's own patterns and strategies[104]. Examples could include building materials such as certain types of concrete or wood products that are designed to sequester more carbon over their functional life than the total carbon emitted during their production. Other examples are "living walls" or green roofs that are integrated into building designs to filter air, reduce the urban heat island effect and provide habitat for pollinators. In the consumer goods space, this could manifest as packaging or products that are fully and safely compostable, enabling them to break down into composite material that enriches soil health at their end-of-life.

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[100] Regenerative Buildings & Districts | Holcim Foundation

[101] What is Regenerative Architecture? Limits of Sustainable Design, System Thinking Approach and the Future | ArchDaily

[102] Regenerative design: Going beyond sustainability - Sto Corp.

[103] Vertical Forest | Milan | Stefano Boeri Architetti

[104] What Does it Mean to Mimic Nature? A Typology for Biomimetic Design | Philosophy & Technology

Metrics and methods to support implementation and monitoring

A key measurement method here would include a **life cycle assessment that demonstrates the regenerative or restorative effect** of a product or service across most, if not all, the indicators included within the scope and definition of the assessment. This can benefit from evolving approaches to biodiversity and ecosystem service footprinting within a life cycle assessment. Developing natural capital accounts could also support tracking changes in natural capital stocks and flows from established baselines. This demonstrates not just decreased impact on nature, but also the active restoration of natural capital.

The state of nature metrics mentioned in Section 4.1 above can also support case-by-case monitoring according to the business' main locus of impact/dependency. For instance, for a regenerative farming business, this could potentially include the **Soil Organic Carbon Sequestration Rate**[105], measured in tonnes of carbon per hectare per year, which demonstrates the farm's function as a carbon sink. This could be complemented by a **Soil Health Index**, which combines measures of organic matter, pH, and nutrient levels, and simple **biodiversity indicators**. Established frameworks and associated methodologies for measuring positive outcomes, such as Biodiversity Net Gain, could also support assessing whether an uplift has been achieved in standardised units of habitat size, condition and distinctiveness.

There are also standard tools and metrics that have been developed to measure specific ecosystem service restoration impact (such as flood risk reduction, heat stress reduction, and air quality improvement) and can be used as appropriate to monitor activities relevant to respective businesses[106]. A good example would be the Regen Agriculture Metrics framework[107], which provides a consolidated "short list" of key regenerative agriculture outcomes and metrics from a cross-sectoral lens. It was developed by WBCSD with 52 member companies and 33 business-focused partners, together with input from more than 1,100 other businesses. The framework now stands as the main reference for the agriculture sector.

Case study: Spains Hall Estate

Company profile	Spains Hall Estate is a small land management and farming company focused on delivering a sustainable future land use and financial model.
Size	Small business with 6 full-time equivalent employees

[105] Soil Carbon Sequestration: What Is It And How To Measure

[106] All Tools - Ecosystems Knowledge Network

[107] https://www.wbcsd.org/actions/a-global-framework-for-regenerative-agriculture/

Key locations	Based in Essex, United Kingdom (spatially specific context)
Archetype	Spains Hall Estate exhibits elements of both **Archetypes 1 and 3**. This is because the company produces agricultural outputs that have a relatively lower impact on nature compared to the previous system, while also directly carrying out restorative activities and implementing regenerative farming practices.
Strategy	Although a formal nature strategy is not in place, the business recognises that nature is central to its successful operation as current and future agricultural and environmental outcomes are reliant on soil health, water availability and climatic impacts (including pests and diseases), to name just a few. A Natural Capital Assessment in 2019 that quantified risks and opportunities in the existing land use model paved the way for investment in a more diverse and nature positive-aligned model. A water modelling study in 2022 further exposed the land's vulnerability and the potential for on-farm water management.
Examples	The Estate's approach to land management is based on their published **Ecological Landscape Plan**, which serves as the overarching framework against which plans are made and monitored. In collaborated with Kings College London and other partners, the business is developing an ad-hoc set of data sources to monitor the landscapes that it manages, utilising metrics such as Biodiversity Net Gain and condition assessments to monitor success. This has resulted in a change from a conventional approach focused on arable commodity crops to a mixed system that incorporates: • Permanent food crops (nuts) grown in a low intensity layout • Permanent ground cover under the nut trees (as opposed to bare ground cultivations as is common in intensive systems) • Large-scale wildlife habitats; some rotational or short-term, some permanent • Woodland creation • Wetland creation using beavers and man-made systems While still within the transition period, early indicators of progress include published evidence from the Environment Agency of reduced flood risk in the local area as a result of the project. Positive indicators of species presence and habitat emergence can also be seen. A barrier encountered by the Estate was the difficulty of securing transition

	finance; to date, the >£500,000 invested in the transition has come from the Estate's own sources, capital and revenue grant support, together with sales of nature credits.

4.4 Archetype 4: Regenerative value enablers

Regenerative value enablers describe those companies that conduct critical actions in their wider value chain that enable others to deliver regeneration directly. Such companies are facilitators of nature positive solutions rather than direct producers of regenerative goods or providers of nature restoration services. This archetype focuses on the **value delivery** and **enablement** aspects of the regenerative economy, building market infrastructure to scale up nature positive outcomes from regenerative goods and services. The intermediary function of businesses that conform to this archetype manifests itself in the connections they create between regenerative producers and a broader audience of consumers and businesses. It can also be seen in the way they ensure that the integrity of regenerative value is maintained at the regenerative producer's scale. This archetype recognises that innovation in how nature value is delivered will play a role in the transition to a nature positive economy. As part of this, it assumes that new regenerative goods and services sometimes require new service delivery models.

Regenerative service models could play an indispensable role in market creation. They effectively solve the "last mile" problem for regenerative products and outcomes. As an example, while a farmer can successfully implement regenerative practices on their land (Archetype 3), they often face significant barriers in accessing a market that recognises and rewards these efforts. They may still be forced to sell their regenerative products into the undifferentiated, low-margin commodity market. Companies within this archetype can address this by helping to build markets, converting consumer preferences into active demand and ensuring that regenerative outcomes are backed by evidence and delivered to the right end users.

Business practices in action

- **Subscription and curation services**

Subscription and curation service models create a direct, stable, and predictable channel between regenerative producers and the end market, bypassing inefficient and opaque traditional supply chains. A common example is **community-supported agriculture**[108].

[108] 77086242.pdf

An illustrative example is the **Flamingo Estate**. This Los Angeles-based venture curates a regenerative farm box on a weekly or bi-weekly basis. The box contains a selection of fruits, vegetables, eggs, and other goods sourced exclusively from a network of verified regenerative farms. Flamingo Estate then delivers the curated boxes directly to subscribers' homes[109]. This model provides a critical service to both sides of the market. For farmers, it guarantees a predictable income stream, de-risking their operations and providing the financial stability needed to invest in long-term soil health. For consumers, it provides convenient access to high-quality, nutrient-dense, and ethically produced food, together with a compelling story and assurance that the producers are assessed and monitored to verify their claims. Importantly, Community-supported agriculture may be better suited to delivery of regenerative products because it can better cope with fluctuations in supply and quality (e.g. providing seasonal, or imperfect but edible products, alongside a narrative for consumers on how to use these). Traditional value delivery (i.e. supermarkets) often relies on a consistent, standardised supply to meet (perceived) consumer demand, which results in additional risk on producers and does not fit well with regenerative farming principles.

Implementation of this model requires a variety of key building blocks to be in place. These include: strong, trust-based relationships with a network of regenerative producers; efficient and low-impact regional logistics for collection and delivery; and a powerful brand narrative that communicates the value of regeneration to attract and retain subscribers.

- **Ecotourism and experiential services**

This practice of ecotourism and experiential services monetises the restored natural capital generated by Archetype 3 businesses through the creation of high-value experiences. A company that manages a large-scale reforestation or rewilding project can develop a service-based revenue stream by offering guided nature tours, wildlife watching expeditions, educational workshops, or wellness retreats within the restored landscape. It is essential that all activities have a neutral or net-positive effect and that the services are provided in a manner that causes no damage to the regenerated ecosystems.

The revenue generated from these ecotourism services could potentially create a self-sustaining financial loop, with profits being reinvested directly into the ongoing conservation and restoration work. This model transforms a restored ecosystem from a potential cost centre into a productive economic asset. Successful implementation requires a delicate balance between providing public access and protecting the fragile, recovering ecosystem. Examples include landscapes from across the Rewilding Europe network[110] and the Knepp Estate in England which offers wildlife safaris[111].

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[109] The Estate – Flamingo Estate

[110] Tag: ecotourism | Rewilding Europe

[111] Wildlife Safaris and Workshops - Knepp

Metrics and methods to support implementation and monitoring

The metrics to monitor and track this archetypal business transformation would be necessarily layered. When it comes to a company's core product or service (i.e. those mentioned for Archetype 3), there would be a need to track and report its underlying net-positive impacts; in particular, whether the organisation creates and captures that value itself or through a partner. An additional level of monitoring to measure the effectiveness and impact of the service model and/or value delivery mechanism (i.e. those mentioned for Archetype 2) would also be needed. This would help to demonstrate how innovations in value delivery are benefiting biodiversity above and beyond the benefits from producing regenerative goods and services. These could be covered under a single life cycle assessment or a natural capital accounting assessment (or an integrated framework that combines both). The ongoing development by A-Track of an approach to biodiversity footprinting that integrates methods from both these assessment methodologies is key to helping businesses effectively document their impact and thus facilitating their transitions. A more holistic measurement of nature and biodiversity not only helps with monitoring and evaluation; it also identifies levers for change and better alignment with overall goals.

It is important to note that these methodologies have limitation when the functional unit of analysis is a more complex product-service system such as a service model[112] (and the logistical and data availability constraints in applying them in the current context). As such, businesses might need to supplement these with additional key performance indicators and metrics specific to their particular business model and/or operations. For instance, an ecotourism business could document the total market value of the regenerative products and services that are accessed through its platform. Such a business could also track the effectiveness of its service models compared to conventional models (e.g. increased customer retention and higher premium for products). Additionally, this could help in building a business case for such products and service models more widely.

Case Study: Environment Bank

Company profile	Environment Bank is an ecologically minded finance institution based in the United Kingdom that channels private finance into nature at scale. It achieves this through creating so-called 'Habitat Banks' that generate Biodiversity Net Gain units and Nature Shares. These serve both compliance-driven and voluntary nature markets.
Size	~ 80 full-time equivalents

[112] Challenges when evaluating Product/Service-Systems through Life Cycle Assessment - ScienceDirect

Key locations	Work is currently focused in the United Kingdom (with national legislation on Biodiversity Net Gain being a key driver of business), although the model offers useful lessons for those operating in other geographies.
Archetype	Environment Bank's business model most closely reflects Archetype 4 (i.e. Regenerative value enabler) as its value creation and capture is linked directly to restorative activities that are delivered directly to their clients. In simple terms, it makes money from improving the ecological value of a site, with clients paying for this outcome and Environment Bank act as an intermediary involved in value delivery.
Strategy	Environment Bank has evolved its business since being founded in 2006, transitioning from a focus on shaping UK biodiversity policy and as a niche consultancy offering bespoke offsets towards long-term, landscape-scale habitat recovery. This represents a shift from a fragmented and transactional offsetting model to more durable, proactive restoration efforts. The strategy creates co-benefits including: carbon sequestration and soil health improvements; new revenue streams for landowners; and biodiversity uplifts of at least 200 percent across diverse ecosystems, including grasslands, wetlands, woodlands and riparian corridors. By aligning business growth with ecological recovery, Environment Bank demonstrates a commercially viable model for moving from mitigation to regeneration.
Examples	**Habitat Banks** Habitat Banks are defined geographical areas that are legally secured, professionally managed sites for nature restoration. They generate revenue through two main channels: 1. **Biodiversity Net Gain Units** are sold to developers to meet statutory planning obligations, ensuring measurable biodiversity improvements as part of land development projects. 2. **Nature Shares** are a voluntary, non-offset product that allows businesses to invest in nature recovery with long-term, reportable ecological outcomes tailored to material nature-related risks and dependencies. In turn, Habitat Banks serve compliance-driven and voluntary nature markets. Features of this model include: every site being fully funded for a minimum of 30 years upfront (covering design, delivery, monitoring, management); legal protection through binding

	conservation covenants ensuring permanence and additionality; supply of annual reports with verified data aligned to major reporting frameworks; and scientifically rigorous projects designed by in-house ecologists and verified through independent monitoring.

4.5 Archetype 5: Value chain reconfiguration

Value chain reconfiguration adopts a systemic perspective, focusing on redesigning the fundamental structure of interactions, partnerships, and resource flows across an entire value chain to generate nature positive outcomes. This archetype focuses on changes or innovations in how value is created across key activities, stakeholders, resources and capabilities along a value chain in a manner that leads to nature positive outcomes. These kinds of transformations could also potentially create space for collective action and collaboration to optimise the performance of sectors and systems.

Business practices in action

- **Sustainable supply chain management**

The practice of sustainable supply change management involves moving beyond compliance-based relationships with suppliers to collaborative partnerships. A large corporation, such as a global food and beverage company, might initiate a programme to help its key agricultural suppliers transition to regenerative practices[113]. Instead of simply mandating new standards, the corporation in question co-invests with farmers in its supply chain, providing financial incentives, access to agronomic expertise, and long-term purchasing agreements to de-risk the transition process. This creates a shared commitment to a common goal, such as reducing the entire value chain's water use or indirect carbon emissions.

- **Industrial symbiosis**

Industrial symbiosis is the practice of creating a closed-loop ecosystem of co-located businesses where the waste streams of one company become the valued inputs for another[114]. This practice is the epitome of value chain reconfiguration, turning an unrelated collection of independent entities into a circular, interdependent system.

[113] See for example: https://www.nestle.com/sustainability/nature-environment/regenerative-agriculture

[114] Industrial Symbiosis for Sustainable Management of Meat Waste: The Case of Śmiłowo Eco-Industrial Park, Poland - PMC

A well-cited example is the industrial park in **Kalundborg, Denmark**[115]. In this network, a power plant provides its excess steam to a pharmaceutical company and an oil refinery. Its surplus heat is piped to warm local homes and a nearby fish farm. The fly ash from its coal combustion is used as a raw material in cement production, while the gypsum produced by its desulphurisation process becomes an input for a wallboard manufacturer. This intricate web of exchanges drastically reduces the collective need for virgin resources and eliminates vast quantities of waste[116].

The development of such a system requires several key enabling factors[117]. These include the geographic proximity of diverse industries with complementary resource needs, as well as significant upfront investment in shared infrastructure (like pipelines and processing facilities). They might also include a neutral facilitating entity, such as a public-private partnership, that can help with identifying potential synergies, brokering agreements, and managing the complex network of exchanges.

- **Regionalisation and onshoring**

Regionalisation and onshoring refer to the intentional shortening of supply chains by moving production and sourcing closer to a company's end market. For example, a European apparel brand might decide to shift its manufacturing base from Southeast Asia to a facility in Portugal or Turkey. While this may increase labour costs, it can generate significant nature positive outcomes. For example, a shorter supply chain can drastically reduce transportation-related greenhouse gas emissions from ocean freight. It may also enable easier monitoring, helping companies to guarantee that certain social and environmental standards are enforced during the production process. While this strategic shift may generate net positive environmental gains, however, it also involves a complex analysis of trade-offs. In particular, companies must balance the advantage of production efficiency, costs, logistics, on the one hand, and the strategic benefits of increased resilience, transparency, and a lower carbon footprint, on the other.

[115] Home - Kalundborg Symbiosis

[116] Industrial Symbiosis: A Review on Uncovering Approaches, Opportunities, Barriers and Policies

[117] The Potential of Industrial Symbiosis: Case Analysis and Main Drivers and Barriers to Its Implementation

- **Landscape-level approaches**

Landscape-level approaches are a collaborative, multi-stakeholder strategy for managing land and resources across a defined geographical area to achieve a balance of social, economic, and environmental objectives[118]. Unlike traditional, siloed approaches that focus on a single farm or production site, a landscape-level approach recognises that ecosystems are interconnected. As such, it embraces the fact that the actions of one actor—be it a company, a smallholder farmer, or a government agency—can have cascading effects on others and. As such, it acknowledges the vital importance of all actors across a particular system working in unison. Lying at the core of this strategy are efforts to engage all stakeholders (including local communities, indigenous peoples, government bodies, and competing businesses) to co-develop a shared vision and a common set of goals for the landscape[119].

Instead of simply auditing suppliers one-by-one or imposing top-down sustainability requirements, a landscape-level approach compels companies to fundamentally change their relationship with their supply base. For example, in the context of agricultural commodities like palm oil or coffee, companies may move away from a linear, transactional relationship with individual farms. Instead, they might work with a coalition of suppliers, local governments, and civil society to invest in a specific region. Outcomes of such a co-investment approach could be support for programmes that improve farming practices, restore degraded land, build resilience or secure local livelihoods. This approach reconfigures the value chain from a simple linear flow of goods into a network of shared responsibility and collective action. It also moves beyond traditional stakeholder engagement practices, which tend to be oriented to bilateral relationships (e.g. between business and supplier or government and citizen) and driven by regulatory or reputational drivers. Landscape approaches instead allow for a more multidimensional and multidirectional set of relationships within a landscape. By participating in these initiatives, a business not only secures the long-term resilience of its supply chain; it also builds its social license to operate, demonstrating a commitment to creating value beyond its own factory gates and contributing to the health and stability of the entire ecosystem[120].

[118] Meeting Nature Goals: Landscape and Jurisdictional Approaches - CDP

[119] Landscape Action: A Business Imperative for Supply Chain Resilience | WBCSD

[120] Combining landscape and supply chain approaches to protect nature - UNEP-WCMC

Metrics and methods to support implementation and monitoring

Life cycle assessments and natural capital accounting methodologies can both be useful in sustainable/nature-aligned value chain design, management and reporting. However, they are not without their limitations[121]. Supply chain initiatives face similar measurement challenges to those encountered in the cradle-to-grave footprinting of products and services (and their value delivery mechanisms, i.e. service models), as outlined in previous sections. These challenges are particularly acute for supply chains due to their fragmentation and complexity (especially spanning multiple landscapes/ecosystems and legal jurisdictions), as well as the involvement of various stakeholders. Documenting the impact of a reorganisation/reconfiguration of value chains may therefore require a degree of data modelling[122]. Approaches such as organisational environmental footprints could provide a framework through which to analyse value chain reconfiguration[123]. Combining organisational environmental footprints with biodiversity and ecosystem services footprinting could provide an opportunity to identify the specific impact of value chain reconfiguration on biodiversity as well as inform the scale-up of this archetype.

A key factor to consider when documenting value chain-level impact is the measurement of changes in impact or in the state of nature across the value chain. Such changes could be evidenced through measures such as resource flow and optimisation, waste generation and minimisation, and emissions reductions. Taking approaches to Scope 3 (indirect) emissions measurement for climate targets and adapting them for nature outcomes could be a helpful approach here. Other steps that could be useful in monitoring value chain-level impact include supplier audits and assessments, digital product passports and monitoring frameworks based on blockchain and/or the Internet of Things[124].

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[121] Improving the production chain with LCA and eco-design: application to cosmetic packaging - ScienceDirect; The Benefits of Life Cycle Assessment for Sustainable Supply Chain Management — Environmental Impacts Academy; Strategic incentives and natural capital accounting for sustainable supply chain management: Measuring reputational impacts and consumers' perceptions of the use of water through behavioural experimental studies - ScienceDirect; Biodiversity Assessment of Value Chains: State of the Art and Emerging Challenges | Environmental Science & Technology; Mapping Research on Natural Capital Accounting: A Strategic Challenge for Multinational Firms; A Biodiversity and Ecosystem Services Footprint: the A-Track approach | A-Track

[122] Sustainability metrics for real case applications of the supply chain network design problem: A systematic literature review - ScienceDirect

[123] OEF method - Green Forum - European Commission

[124] Sustainability metrics for real case applications of the supply chain network design problem: A systematic literature review; Biodiversity management: A supply chain practice view - ScienceDirect; FIDIC | Playbook expanded to encourage nature positive procurement | International Federation of Consulting Engineers; EU's Digital Product Passport: Advancing transparency and sustainability | data.europa.eu

For landscape initiatives, the Accountability Framework has monitoring guidance that include a wide range of potential metrics[125].

4.6 Archetype 6: Supplementary service provision

Supplementary service provision focuses on the creation, capture and/or delivery of value through providing goods and services that enable nature positive outcomes delivered by others. Businesses operating under this model do not typically produce physical goods or directly manage land for restoration. Instead, they provide the essential tools, data, knowledge and strategic services that allow other companies to successfully design, implement, measure and report on their own nature positive initiatives. These can include offering services such as data analytics, natural capital accounting, knowledge management, and change management, all of which are crucial systemic factors for facilitating a nature positive economy.

Companies engaged in the nature positive transition (including those that fall within the other archetypes outlined in this section) will rely on many supplementary services (such as data, legal or accounting services). For the business model of these service providers to be aligned with nature positive, however, one of its core purposes or principles needs to be the improvement of outcomes for nature. Having this focus would mean that the services a company of this archetype provides aim to influence how services are designed, tailored and delivered so that the outcome is nature positive. It will also inform the types of service user that a company targets. These actions act as a guardrail to ensure quality. Consider a data analytics company set up to support the delivery of nature positive outcomes, for example. Such a company would have an interest in ensuring the robustness and reliability of its data services, rather than offering potentially lucrative nature-related data services that do little to further nature restoration (i.e. greenwashing).

Business practices in action

- **Data & analytics platforms and services**

Data and analytics platforms and service represent a rapidly growing sector. At present, the sector is dominated by Software-as-a-Service companies that provide digital solutions for managing environmental, social, and governance data. These platforms perform several critical functions. Notable among these is the way they integrate with a company's existing enterprise resource planning to automatically collect vast amounts of data. These platforms can then perform complex analyses, such as corporate carbon accounting (across Scope 1, 2, and 3), product-level life cycle assessments, and the footprinting of important natural resources such as water, land and biodiversity.

[125] https://accountability-framework.org/the-accountability-framework/core-principles/11-monitoring-and-verification/

- **Nature-focused consulting, assessment and strategy**

A range of external expertise is necessary to help businesses transition to a nature positive economy. Specialised advice and technical expertise on nature and biodiversity can be more efficient when contracted into a business as a service rather than when provided through in-house capabilities, as these may be limited.

Services provided by such specialist contractors include guiding businesses through the process of measuring and valuing their relationship with nature. Typically, this includes offering **materiality assessments** to help companies prioritise their most significant impacts, dependencies, risks and opportunities as regards nature (as set out in the TNFD framework). **Natural Capital Assessments**, using internationally recognised frameworks—such as the **Natural Capital Protocol** or the **ISO standard on natural capital accounting for organisations**—can be used to assess a company's physical interactions with ecosystems. These interactions can be quantified and expressed in economic terms through natural capital valuation.

Outputs from these technical assessments, together with additional expert guidance, can be used to guide decision-making and set science-based targets for nature. They can also be helpful in developing and implementing nature strategies and transition plans. A crucial part of their work is change management, helping to design the organisational structures, governance processes, and internal systems needed to translate a company's high-level strategy into concrete actions across all its business functions, from procurement and sales to finance and marketing. Programmes such as Embed Nature fall under this bracket[126].

Metrics and methods to support implementation and monitoring

The impact of a supplementary service provider is indirect and therefore measured by the improved performance of its clients. The primary metric here would be aggregating the impact the business has had on its clients, which quantifies the collective positive outcomes enabled by the service. In the case of a nature data platform, for instance, this could look for state-of-nature improvements across its entire client base. In this way, the platform owner could demonstrate the impact of its service.

[126] Building business capacity on nature | WBCSD

Other key metrics could measure the service's influence and effectiveness. These could include market adoption and penetration rates, thereby indicating the service's role in mainstreaming nature positive practices. Metrics might include the number of active corporate users on a platform, for instance, or the platform's market share within a specific high-impact industry. Client success metrics could also help in capturing impact. These could include the percentage of consulting clients that successfully achieve third-party validation for their science-based targets. Another alternative could be the average time saved by clients on their annual sustainability reporting process.

Case study: Intrinsic Exchange Group

Company profile	Founded in 2017, Intrinsic Exchange Group is a financial innovation company that develops market-based solutions (most notably the Natural Asset Company) to enable nature, people and economies to thrive.
Size	13 full-time equivalents
Key locations	Intrinsic Exchange Group is based in the United States but advises natural asset owners, investors, corporations and communities in strategic locations both within and outside North America.
Archetype	The company is most closely aligned with Archetype 6 (supplementary service provision) as its services enable other stakeholders to create and scale Natural Asset Companies that in turn can deliver benefits for nature. However, these companies themselves would be better considered as examples of Archetype 4 due to their unique structure and because of how their value is linked to ecosystem integrity and how this value is then delivered to their client base.
Strategy	Fundamentally, Intrinsic Exchange Group is a service provider. It advises on the formation and structuring of Natural Asset Companies, which is their principal innovation, in order to meet the growing demand for nature positive investment and to address the long-standing market failure that left nature out of the mainstream economy. Intrinsic Exchange Group also develops proprietary Natural Asset Companies and identifies investment opportunities in synergy with these companies. The firm's strategy recognises that existing approaches to financing a nature positive economy are insufficient. In response, it positions the Natural Asset Company model as a scalable

	capital markets solution to closing the “missing trillions” of investment needed.
Examples	**Natural Asset Companies** Natural Asset Companies manage a physical area of land with the objective of maximising the value of natural assets and the production of ecosystem services within in. They have a management team, investors and a board, so display many of the same features as a ‘normal’ company. Crucially, however, they are purpose-driven to direct capital investment into financing conservation, restoration and nature-based solutions at scale. The natural capital value of the Natural Asset Company model is based on the ecosystems’ potential to produce valuable ecosystem services long into the future. Ecosystems managed by a Natural Asset Company can include terrestrial or marine areas and can focus on protection, restoration or both. In turn, degradation that reduces the natural capital value of an area also reduces the company’s equity. Natural Asset Companies are designed to capture the full value of nature into an equity structure that allows direct investment in nature, while delivering a market rate of return for shareholders. This return is tied to the ecological performance of the assets as they are conserved, restored or improved. • Boreal NAC is the first operational Natural Asset Company. It is an indigenous-led initiative in North America that is managing over one million acres of land to safeguard heritage and improve the ecological condition of these natural assets. Boreal NAC’s structure rewards the indigenous group for their sustainable land stewardship practices, including efforts to grow the value of the natural assets under management.

Case Study: NatureMetrics

Company profile	NatureMetrics is a ‘Nature Tech’ company aiming to make biodiversity measurable at scale, to assist clients in their decision-making and to help them navigate nature risks and opportunities.
Size	130 full-time equivalents

Key locations	While based in the United Kingdom, NatureMetrics works in over 100 countries, spanning terrestrial, freshwater and marine ecosystems.
Archetype	NatureMetrics is most closely aligned with Archetype 6 (Supplementary service provision) as it delivers value through providing a service to its clients, rather than benefiting nature directly.
Strategy	NatureMetrics does not have a distinct nature strategy as working to advance progress toward global nature goals is already at the core of its business. This objective is approached through the lens of data, aiming to provide decision-makers within organisations with a better understanding of the nature-related impacts of certain decisions. Its business model is centred around enabling other organisations to better manage their nature impacts. This goal is aligned with the company's impact-driven investors, who require a clear link between business growth and positive nature impact as a condition for continued support. Although the business does not have a significant direct relationship with nature, NatureMetrics recognises that it still has a substantial dependency linked to its clients' ability to continue operating in a system that is increasingly exposed to nature-related risks. Seeking the best outcomes for nature is therefore a short-term business imperative to continue winning work, as well as a long-term necessity for the company's ongoing viability.
Examples	Activities that NatureMetrics carry out might include: • Using on-the-ground nature data (e.g. collected by environmental DNA (eDNA) and bioacoustics) to apply the mitigation hierarchy for industrial clients that are trying to decide where to situate their operations given varying impacts across a wider site. • How a conservation non-profit can best deploy funding (at certain locations or for different purposes (e.g. whether protection or restoration is more likely to achieve the most positive impact in different scenarios) to achieve the most optimal outcomes for nature. • Helping the developer of a nature-based solutions project understand how effectively its restoration work is progressing and whether any additional interventions might be required.

4.7 Archetype 7: Purposeful stewardship

Purposeful stewardship centres around the creation of value not through a physical product or a transactional service, but by influencing the values, mindsets and behaviours of key stakeholders. It builds what can be described as social and cultural credence for nature. While other archetypes build physical or financial capital, stewardship builds the enabling environment—i.e. public demand, political will, employee engagement, and consumer awareness—that makes all other nature positive business models more viable, resilient and successful. In this way, it prepares the ground for systemic change. This archetype focuses on value creation, capture and/or delivery through education, awareness raising, and activities directed at individuals, groups and/or communities, with the intention of either reducing the impact of their activities on nature or positively impacting nature. Entities conforming to this archetype can be for-profit ventures, self-sustaining social enterprises or third-sector advocacy organisations.

Business practices in action:

- **Corporate environmental education and training**

This practice focuses on building internal capacity within corporations and fostering an organisation-wide culture of sustainability. The archetype moves beyond a small, dedicated sustainability team, aiming instead to empower every employee and business function to become an agent of change[127]. A business might develop a mandatory environmental literacy programme for all new hires, for instance, teaching them about the planet's ecological challenges, the company's specific environmental impacts, and its nature positive goals. This can be followed by role-specific training; for example, teaching the procurement team how to evaluate suppliers on environmental criteria or training engineers on circular design principles. A-Track's Embed Nature programme is developing and delivering a range of capacity building activities in this space[128].

- **Public awareness campaigns and corporate advocacy**

This practice leverages a company's significant platform, brand recognition, and resources to drive broader societal and political change. This archetype can range from a consumer-facing brand launching a major marketing campaign to educate the public on the harm of single-use plastics through to a chief executive or board advocating for stronger climate/nature policy[129].

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[127] Every Job is a Nature Job: How companies can protect nature and build resilience - UNEP-WCMC

[128] Embed Nature | A-Track

[129] box-ticking-sustainable-value-creation-summary.pdf

The strategic intent of public awareness campaigns and corporate advocacy is to use the company's influence to shift public opinion, change consumer behaviour, and create a more favourable political environment for nature positive policies. For this practice to be effective and credible, its protagonists must be deeply authentic. For this reason, companies within this archetype should ensure their external advocacy is rigorously aligned with its own internal actions and performance.

- **Community-based conservation and empowerment**

This practice represents a deep form of corporate stewardship that invests in local communities and empowers them to become the primary guardians of their surrounding natural environments. Instead of a top-down, externally driven conservation project, a business or community interest organisation partners with a local or indigenous community to co-design and fund a conservation initiative that is led and managed by the community itself. This approach recognises and respects traditional ecological knowledge and ensures that the project aligns with local cultural values and livelihood needs.

Metrics and methods to support implementation and monitoring

Metrics for this archetype focus on changes in human perception and behaviour. The core framework is structured around **knowledge, attitude, and behaviour** metrics[130]. These use pre- and post-programme surveys to track shifts in what stakeholders know, how they feel, and what they do. For public campaigns, **engagement and reach metrics are key**, tracking social media impressions, media mentions, and petition signatories to gauge influence. Ultimately tracking changes in public attitudes to nature could help to demonstrate impact. Observing **operational and community-level impacts** is also vital[131]. An illustrative example of such impacts could be the measured reduction in a targeted business' energy consumption following an awareness campaign. Another example could be an increase in average household income derived from a community conservation project.

Because quantitative data alone cannot capture cultural shifts and sociological impacts, these metrics must be supplemented with qualitative and narrative evidence. This could include testimonials from community leaders, feedback from focus groups, or relevant case studies.

[130] Is sustainability knowledge half the battle? An examination of sustainability knowledge, attitudes, norms, and efficacy to understand sustainable behaviours | Emerald Insight

[131] Social Impact Measurement: A Systematic Literature Review and Future Research Directions

Assessing the Impact of Community-Level Initiatives | Urban Institute

4.8 Comparative overview of the archetypes

The following table provides a comparative overview of the archetypes.

Table 2: **Overview of business model archetypes with metrics and methods to support implementation**

Archetype	Primary business model canvas focus	Core value proposition	Methodological approaches to support and monitor archetypes
 **Products and services to minimise nature impact**	Value Creation/ Capture	Reduced impact through material and process efficiency	Life cycle assessment-based reduction; Natural capital accounting State of nature metrics for specific impacts and dependencies
 **Service models to minimise nature impact**	Value Delivery	Access over ownership; maximised asset utility	Life cycle assessment per functional unit; Asset utilisation rate; Natural capital accounting
 **Regenerative products and services**	Value Creation/ Capture	Verifiable, netpositive ecological impact	Life cycle assessment-based enhancement; Frameworks for assessing net-positive biodiversity outcomes (e.g. Biodiversity Net Gain) State of nature metrics for specific impacts and dependencies
 **Regenerative service models**	Value Delivery	Scaled access to and verification of regenerative outcomes	Life cycle assessments and Natural capital accounts; supply chain efficiency; business key performance indicators on consumer usage
 **Value chain reconfiguration**	Value Creation (Partnerships)	Collective efficiency and resilience through collaboration	Scope 3 emissions; system-level resource flows
 **Supplementary service provision**	Enablement (across all elements)	Tools and knowledge for nature positive transformation	Aggregated client impact; client success metrics; market adoption rate
 **Purposeful stewardship**	Value Creation/ Delivery	Building social and cultural capital for nature	Changes in knowledge, attitude, and behaviour

5 Key enablers to facilitate a nature positive transition

Having looked at the challenges to nature positive-aligned business models and described in practical terms what these models could look like, this section outlines the critical enablers for the scale-up of these business models. It is based on feedback from businesses and experts as well as our own analysis.

The enablers in this section comprise an initial attempt to outline how to overcome the challenges to a nature positive transition. The focus of the remainder of the A-Track project will be to engage with those who can help to deliver these enablers. There is a need to better understand what the roles of different actors are across business, finance and government. Similarly, it is necessary to refine the asks and recommendations needed to deliver nature positive-aligned business models.

Change is needed concurrently on multiple fronts within businesses, financial institutions and policy frameworks at the systemic level. Leading businesses can continue to push the boundaries of the possible, from measuring and demonstrating their nature impact, to changing organisational culture and structure to secure buy in, through to demonstrating the business case for nature. But these efforts will need to be complemented by action elsewhere in the system to create an enabling environment to scale up good practice.

Economic and financial drivers

One of the most fundamental enablers is to overcome the perceived economic impasse described in Section 3. Doing this will unlock other enablers by providing a clearer rationale for action at the organisational and system levels. It will also depend on further enablers, such as nature positive policy and finance. As set out in Section 2, the material financial risk caused by nature loss is increasingly clear at both the global and macro-economic levels. However, this has yet to translate into a correspondingly clear investment case at the company level.

Businesses recognise that framing nature initiatives around **risk mitigation** is a powerful motivator. A key driver for corporate action is the growing awareness of the material risk that nature loss poses to businesses. Such risks manifest themselves in negative impacts on companies' supply chains or on their operational licenses (such as reduced water access in drought-prone areas), among other ways. The corresponding language or **resilience and security** can help to show the benefits of investing in ecosystem restoration to mitigate nature impacts and risks.

The financial sector has an important role to play here. As with governments, it can see nature-related risk on an aggregated scale. Further, it has a vested interest in reducing this risk when investing, lending or underwriting portfolios[132]. **Rising pressure from investors** therefore constitutes a significant enabler as shareholders and lenders increasingly ask about biodiversity and nature risk management. Sustainability and nature-linked financial instruments could accelerate the scale and pace of action given the better conditionalities they can potentially offer based on nature-related performance.

Focusing on business models as a lever of change recognises businesses' ability to capture, create and deliver value effectively. Understanding value as both financial and natural capital value is vital here. Importantly, this is not just about investing in risk mitigation or lowering nature impact: it goes further than that. While Archetypes 1 and 2 (which focus on avoiding harm) are important, the other archetypes offer **commercial opportunities** that can generate revenues as well as nature positive outcomes.

In some cases, being nature-aligned can offer a **competitive advantage** in a crowded marketplace by enabling companies to differentiate their offering. A business representative posited that it makes companies "quite unique in terms of dealing with our customers" and helps build "trusted relationship with them". However, it should be noted that the competitive advantage is mostly available to first movers and leaders, rather than to all actors across the economy.

Ultimately, rewiring the economy so that it rewards and incentivises nature positive activities is a role for public policy, which brings us to the next enabler.

Supportive policy and regulation

The Global Biodiversity Framework sets global goals for nature and assigns responsibility to national governments to deliver them. Delivering on this objective will require a concerted effort from governments, aligned around National Biodiversity Strategies and Action Plans. The options available to policymakers are extensive, ranging from embedding nature positive policy principles (such as the polluter pays principle) to implementing specific policy measures. Setting ambitious nature policy objectives will be important and these can align with broader policy aims such as resilience, security and competitiveness, as well as having nature-specific targets such as the Global Biodiversity Framework's "30 by 30" flagship goal.

Having set the direction, governments can then work with businesses to establish an agreed pathway. The experience of climate policy shows the benefits of sectoral pathways, identifying what the transition to nature positive looks like for a given sector, aligning national and corporate targets and identifying the policies and incentives needed to meet these[133].

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[132] cisl_a-track_scalingfinancefornature-primer.pdf

[133] National Nature positive pathways to guide policy and private sector action

This would capitalise on governments important role as **conveners**, bringing together stakeholders on key national issues. Such an approach can help overcome the current fragmentation of efforts, while at the same time unlocking investment, innovation and corporate action for nature.

This approach would help provide the **policy certainty and consistent regulatory frameworks** that businesses need. As participants in our focus groups said, "stronger policy in the UK on recycling" or clear regulatory incentives (like those for biodiversity net gain under current UK policy) can "definitely drive change". The idea is to "regulate the target, facilitate the tools", the individual added, which entails raising the ambition floor while providing the means to achieve it.

An approach that considers the role of new business models will allow greater ambition from both governments and businesses. The concept of the “ambition loop” is instructive here. This holds that greater government ambition reinforces and enables greater corporate ambition, and vice versa, thus creating a virtuous circle. The concept rests on the assumption that businesses can deliver nature positive outcomes if they have the right policy framework. For the ambition loop to deliver on its promise, the potential for alignment must exist between the commercial and environmental logics. New business models are central to this. Driven by commercial drivers within re-imagined markets, these move the focus from minimising harm (often by adding costs) towards restoring nature.

Organisational enablement

Even though the role of governments is vital in enabling the transition to a nature positive economy, it is businesses—both collectively and individually—that will deliver this transition in practice. This will require organisations to change the way they operate, including through new organisational structures, internal processes and governance systems.

Education and awareness-raising across all levels of an organisation are crucial. The goal here is to foster the understanding that "every job is a nature job”. Companies are investing in training and courses to help non-sustainability teams understand how nature relates to their specific roles. Work through A-Track’s Embed Nature programme is beginning to deliver this. It is doing so primarily through capacity building aimed at specific elements of a business, such as the role of corporate finance teams[134].

[134] A-Track - Embedding nature into business - a primer for finance teams.pdf

There is already a focus on how risk management teams within a business can better understand and respond to nature-related risk. However, to scale up nature positive-aligned business models, greater awareness of the issue is required among corporate strategy, commercial and research and development teams, as well as among senior leaders and board members. In addition to helping address the risks from nature loss, this scale of company-wide involvement is needed to navigate and shape the transition. Such engagement can help ensure that market-wide change occurs before nature-related problems become existential, while also seeking out and scaling up commercial opportunities in the process[135].

Businesses have an important role in helping to drive and shape the nature positive transition beyond the confines of their own organisation, such as through **responsible policy engagement**[136]. Ultimately, this involves building political and social support for changes to the rules of the game. This allows companies to mitigate the tension between profitability and sustainability. It would also free them up to invest more in building the industries and economies of the future[137].

This is a challenging ask of companies, but it will be easier for those that can **align their business purpose with the nature positive goal**. Adopting a **values-based approach** within their company or embedding it within their business strategy and operational culture can provide a "moral compass", as one company representative described it, to navigate uncertainty and drive cultural change. This approach, similar to the "zero harm" policy in health and safety, can be translated to every decision-making process. Finally, leadership buy-in is essential to turning sustainability into a core company value.

Collaboration and ecosystem building

The need for **cross-sectoral and value chain collaboration** is vital to avoid duplication and maximise impact. This includes cooperating across sectoral boundaries. One goal of such cooperation is to develop and improvise sectoral pathways for nature, as mentioned above. Collaboration within and across value chains is no less important. In the context of the right policy, financial and organisational enablers, such collaboration can help to drive innovation within businesses and the wider system.

Innovation will be a vital component of new business models. These will often arise on the back of new solutions to nature-related problems across sectors, such as food, transport and buildings. **Emerging technologies** are viewed as a promising enabler for better

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[135] Building Something Better: Confidence, Coalitions and Change | Cambridge Institute for Sustainability Leadership (CISL)

[136] Advocating for Nature: A guide for responsible policy engagement — Business For Nature

[137] Building Something Better: Confidence, Coalitions and Change | Cambridge Institute for Sustainability Leadership (CISL)

monitoring and data collection. The rise of new actors, new start-ups, new technologies in biodiversity monitoring (e.g. satellite imagery, artificial intelligence and bioacoustics) is seen as positive, potentially lowering costs and improving data quality in the medium term.

Examples that were mentioned in the focus groups included water companies collaborating with food businesses on catchment management and the glass industry working with schools and local businesses on biodiversity initiatives. Collaboration of this kind helps foster a shared understanding and complementary activities.

Larger businesses can play a significant role in supporting smaller, innovative companies. This can involve creating demand for nature positive materials in their supply chains, investing in start-ups that align with sustainability goals, or providing platforms for smaller innovators to showcase their solutions. This fosters a symbiotic relationship where large companies gain access to new solutions, while smaller companies obtain opportunities to scale and improve their market access.

Clearer definitions and metrics

The value of nature and the economic risk posed by its loss will be better understood with improved data and information. As discussed in Section 4, there is a range of metrics—either already in use or in development—that can be deployed to evaluate or identify new business models that deliver economic and natural capital value. While better metrics and data alone will not deliver a nature positive economy or nature positive-aligned business models, they are an important enabler of the transition. Businesses identified the ongoing work on TNFD frameworks and internal materiality assessments as a positive start, providing a structured approach to identify impacts, dependencies, risks and opportunities.

Data, metrics and standardisation can act as a tool to inform decisions and drive change. Their contribution takes numerous forms, including: identifying risks and impacts; allocating capital or other resources; and informing innovation, design and the choice of goods and services that a company delivers. As well as improvements in nature-related data, it will be important to ensure nature-related data is transformed into commercially relevant information to inform business decisions. Natural capital approaches and efforts to “put nature on the balance sheet” are one solution, as this transforms nature-related data (which may be hard for a non-technical audience to interpret) into the language of business and finance. The A-Track project is working to build nature capacity in corporate finance, product and service design, location focused decision-making and business model innovation. This is helping to provide clarity by signposting companies towards the types of nature-related data and information that are most valuable for these different decision-making contexts[138].

[138] Embed Nature | A-Track

6 Conclusion and next steps: implications for future business, policy and finance engagement

The journey towards a nature positive economy is undeniably complex and multifaceted, requiring transformation across systems and by multiple actors—including business, finance and government. While this fundamental transformation is implicit within several frameworks, policies and goals, what the transition looks like and how it might be achieved are currently underexplored.

This paper has attempted to show how nature positive-aligned business models can contribute to economic transformation, moving beyond minimising the harm to nature from current business models to delivering restorative outcomes at scale through adopting new ones. This offers the promise of using the strengths and capacity of the private sector and market economy to deliver better outcomes for nature, overcoming the current tension between delivering economic value and generating benefits for natural capital.

This objective marks the logical end goal of the Global Biodiversity Framework and other high-level ambitions to restore nature. However, the current trajectory of even the most ambitious businesses does not guarantee such an outcome. Within the ACT-D framework, for example, the focus to date has been on assessment and disclosure of businesses' relationship with nature and commitments to improve this. While these are necessary steps on the way to the end goal of transformation, they are insufficient when done by businesses alone. Our conversations with businesses, including those at the leading edge of corporate action on nature, show that there are structural limits to both nature ambition and implementation. Businesses are grappling with fundamental challenges in defining and measuring nature's value, building compelling financial cases, overcoming internal inertia, and navigating an uncertain policy landscape. The perceived business risk associated with business model change, coupled with the lack of external drivers for it, means that nature action is too often just focused on limiting the harm of existing business models.

Furthermore, while nature-related risk is beginning to motivate the private sector, there are limits to how far this approach can go. From a technical perspective, nature-related risks are hard to quantify, especially in financial terms. They are also inherently uncertain and often unevenly or unclearly distributed between different actors. If a large risk is shared across multiple actors, for example, the potential impact on each individual actor may be too low to catalyse action. The temporal element of risk mitigation is also a barrier. The logic of risk management dictates that action is needed now to prevent risks happening in the future. Even so, off-setting investment now against potential costs in the future does not sit easily with the financial calculus or investment cycles of businesses. By the time the material financial risk becomes obvious, it may be too late (or too expensive) to act. Markets and the financial sector have a vital role to play here in surfacing, aggregating and distributing nature-related risks and their mitigation through the economy.

Nature positive-aligned business models offer a chance to move away from a purely risk-driven, harm-minimisation approach to nature. The archetypes, practical examples and case studies in this report show what is possible. They present opportunities to deliver nature positive outcomes while generating a financial return. They range from the theoretical to emergent and small-scale examples through to more established cases that appear to be on the cusp of delivering change at scale. There is still much work to further define, operationalise and scale these business models. Work on this has already begun through the A-Track project. Our work aims to integrate and scale these business models. This involves moving from individual 'hero projects'—be they pilots, business models serving niche markets, or initiatives that rely on non-commercial capital or philanthropic investment (i.e. rather than generating their own revenue)— to more systemic change.

Many businesses either do not realise that they need to shift at a 'business model level' or find the prospect too daunting. This paper demonstrates that business model transformation can come in various shapes, scales and sizes. It could mean a business needs to re-evaluate its core proposition. It could also require that a business revamps its entire configuration. Alternatively, it could necessitate a shift in a key business practice (or combination of practices) that alters how a company captures, creates or delivers value.

We have set out how the types of business practice that could deliver both economic and ecological value. Further work is needed to measure this value. In particular, it is necessary going forward to improve our understanding of how nature-related data and information can be used in a commercial context. Nature data alone will rarely be a motivation for change unless it is translated into the language of business: risk, resilience, cost and revenue. Continuing efforts to get nature on the balance sheet will help here. Again, the A-Track project is making an important contribution via its work on life cycle assessment, natural capital assessment and the development of nature information pathways.

The other enablers outlined in this report are interlinked and will stem from changes in how value is conceived across the economy. Business models that deliver value for natural capital will not be commercially viable unless the economy as a whole—including governments and financial institutions—recognise and reward this value. The business case for nature action becomes far stronger when markets are transformed to do this. The financial risks of nature degradation and benefits of restoring ecosystems can provide market signals and incentivise action, allocate capital and equitably distribute risk and reward. This will help bridge the gap between the increasing evidence at the macro level that these risks and benefits have real financial consequences, on the one hand, and the difficulty at the micro level for individual businesses to justify nature action commercially, on the other hand. In turn, this will require policy changes, something that businesses should be advocating for.

Governments have already made commitments to meet ambitious nature targets, at both the global and national levels. However, too few of the necessary policies to meet these goals have been put in place. Collaboration across sectors and value chains will be key to resolving this. Innovation should be harnessed, both within large businesses and from new challengers, start-ups and scale-ups. Larger, established businesses can champion and support new businesses in their supply chain as well as support innovation in their own operations. Businesses can commit to this journey by investing in organisational capacity, establishing new systems of governance and putting the value of nature at the centre of their business strategy. Those that adopt this approach will be excellently placed to reap the commercial benefits of the transition to a nature positive economy.

Next steps for this work

Building on the current and previous working papers, we intend to undertake more extensive work with businesses to understand and test the barriers and opportunities for adopting and integrating nature positive-aligned business models. This task will be structured around the following key pillars:

- Improving the ability to evaluate existing business models for nature positive alignment
- Understanding financial barriers and opportunities: convening corporate and financial institutions to understand the pathways for investment into nature positive-aligned business models
- Identifying policy recommendations that will support adoption of nature positive-aligned business models
- Developing and testing a change methodology for business model innovation

We intend to do this through different activities, including:

- An innovation sprint with a small group of businesses to deep dive into these issues and identify solutions
- An accelerator programme with nature-oriented start-ups to show how nature positive-aligned business models can solve specific problems
- A piloting programme for businesses to adopt or integrate nature positive-aligned business models

A-Track

A-Track is a four-year, €11 million project that will accelerate action for nature by business, financial institutions and government.

A-Track brings together leading thought leaders and practitioners who have been driving change in the measurement and valuation of natural capital and biodiversity in business, finance and government.

Partners have led the development or implementation of guidelines and standards for measurement of nature impacts and dependencies for improved decision-making, including: biodiversity footprinting, natural capital assessment and accounting, and business models and finance that contribute to nature positive outcomes.

Find out more at: **a-track.info**

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