About Nature Action 100 and the Company Benchmark

Nature Action 100 is a global investor-led engagement initiative that aims to support greater corporate ambition and action on reversing nature and biodiversity loss to mitigate financial risk and to protect the long-term economic interests of investors' clients and beneficiaries. Investors participating in the initiative engage companies in systemically important sectors to achieve this goal by 2030.

The initiative's Secretariat and Corporate Engagement Working Group is co-led by Ceres and the Institutional Investors Group on Climate Change (IIGCC), and the initiative's Technical Advisory Group is led by the Finance for Biodiversity Foundation. For more information on Nature Action 100, visit natureaction100.org.

The Nature Action 100 Company Benchmark assesses company progress towards the Investor Expectations for Companies. Assessments rely upon publicly available company disclosures. The results of the Company Benchmark are public and investors are able to use them to inform their engagement strategies with companies.

This document lays out the methodology of the Nature Action 100 Company Benchmark, including the indicators, sub-indicators, metrics, and assessment criteria. For additional information on the rationale behind the Company Benchmark structure, see the Nature Action 100 Benchmark Overview.

Nature Action 100 does not require or seek collective decision-making or action with respect to acquiring, holding, disposing and/or voting of securities. Investor participants are independent fiduciaries responsible for their own investment and voting decisions and must always act completely independently to set their own strategies, policies and practices based on their own best interests. The use of particular engagement tools and tactics, including the scope of participation in Nature Action 100 engagements, is at the discretion of individual investors. Participants may not claim to represent other participants or make statements referencing other participants without their express consent. Any decision by participants to act with respect to acquiring, holding, disposing and/or voting of securities shall be at their sole discretion and made in their individual capacities and not on behalf of Nature Action 100, its partners or their other signatories or members.

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Nature Action 100 participants must not coordinate views or their actions in such a way that could restrict competition (e.g., a joint refusal to deal with a specific company or companies) or result in participants facilitating the exchange of competitively sensitive information among companies, or the investment companies acting in concert (this includes the one-way disclosure of information). Even the exchange of information can achieve the same end as, or be viewed as evidence of, an unlawful agreement. It is important to avoid exchanging information which might result in, or give the appearance of, a breach of corporate or competition law.

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The terms of engagement, responsibilities, rights and other information contained elsewhere herein are intended to be interpreted in a manner consistent with the foregoing

The research underlying this benchmark does not constitute, and should not be construed as, the issuance of ESG ratings, ESG scores or market facing ESG opinions within the meaning of Regulation (EU) 2024/3005 or any other applicable ratings regime. The research results are provided solely in support of the objectives of the Nature Action 100 initiative.

Contents

About Nature Action 100 and the Company Benchmark 1

Acknowledgements 3

Assessment terminology and methodology 4

Glossary 5

Acronyms 9

Benchmark methodology 10

- **Indicator 1: Ambition** 10
- **Indicator 2: Assessment** 11
- **Indicator 3: Targets** 19
- **Indicator 4: Implementation** 25
- **Indicator 5: Governance** 30
- **Indicator 6: Engagement** 33

Acknowledgements

The Company Benchmark was developed by the Nature Action 100 Corporate Engagement Working Group, with support from the Nature Action 100 Technical Advisory Group and Steering Group.

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Assessment terminology and methodology

Indicator: The indicators are based on the six [Nature Action 100 Investor Expectations for Companies](#).

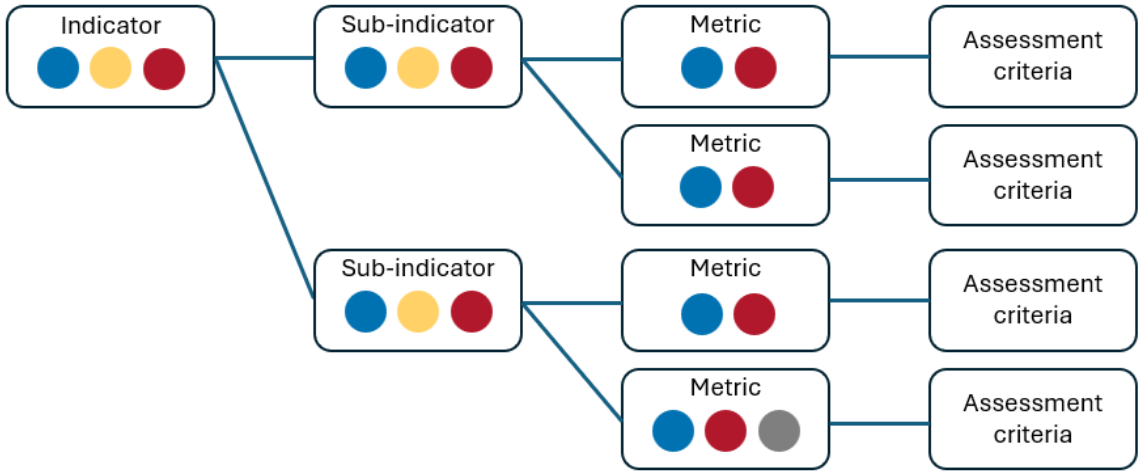
Sub-indicator: Sub-indicators are components of indicators. There may be multiple sub-indicators for each investor expectation. Collectively they provide insights into whether companies are taking appropriate actions towards fulfilling the indicator.

Metric: Metrics are a more granular assessment of the sub-indicator. There may be multiple metrics for each sub-indicator. Metrics measure whether companies are taking the requisite actions to satisfy each of the sub-indicators.

Assessment criteria: Each metric has corresponding assessment criteria. Assessment criteria are detailed descriptions of precisely what information must be present or which actions companies must have undertaken, to determine whether companies satisfy the corresponding metric.

Companies will be assessed against each **metric**, as follows:

Yes = When assessment criteria for the metric are satisfied.
No = When assessment criteria for the metric are not satisfied.
Not relevant = When the metric is not relevant for the company in question. Only applies to certain metrics.



Having assessed company performance against each metric, an overall determination will be made for each **sub-indicator**, as follows:

Yes = When all metrics for a sub-indicator are either 'Yes' or 'Not relevant.'
No = When all metrics for a sub-indicator are 'No.'
Partial = When at least **one** metric for a sub-indicator is 'Yes,' but not all metrics are a 'Yes.'

Finally, having assessed company performance against each sub-indicator, an overall determination will be made for each **indicator**, as follows:

Yes = When all sub-indicators for an indicator are 'Yes.'
No = When all sub-indicators for an indicator are 'No.'
Partial = When at least **one** sub-indicator for an indicator is 'Partial' or 'Yes,' but not all sub-indicators are 'Yes.'

Glossary

Afro-descendant peoples	Individuals, groups of individuals, or people descended from African persons—most commonly in the context of post-slavery populations in Central and South America but not restricted to there—who traditionally and primarily hold resource rights at the community level. The UN human rights system has elaborated on the rights of these individuals, groups, and peoples through a dedicated Working Group on Persons of African Descent, among other processes (Rights and Resources, The Land Rights Standard).
Biodiversity	The variability among living organisms from all sources, including inter alia, terrestrial, marine, and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species, and of ecosystems (Convention on Biological Diversity (CBD) (1992), Article 2).
Dependency	An aspect of environmental assets and ecosystem services that a person or an organization relies on to function. A company's business model, for example, may be dependent on the provision of suitable habitat for pollinators, which in turn provide a service directly to economies, and carbon sequestration (adapted from Taskforce on Nature-Related Financial Disclosures (TNFD) (2023), Glossary and Science Based Targets Network (SBTN) (2023), SBTN Glossary of Terms).
Direct operations	All activities and sites (e.g., buildings, farms, mines, retail stores) over which the enterprise has operational or financial control. This includes majority-owned subsidiaries (SBTN (2023), SBTN Glossary of Terms).
Downstream	One of the two main elements of a value chain. All activities that are linked to distribution channels and the sale of products and services produced by the company. This includes the use and re-use of the product and its end of life, including recovery, recycling, and final disposal (adapted from TNFD (2023), Glossary and SBTN (2023), SBTN Glossary of Terms).
Ecologically sensitive locations	Locations where the assets and/or activities in an organization's direct operations and, where possible, upstream and downstream value chain(s) interface with nature in: • Areas important for biodiversity (including areas home to species classified as threatened by the IUCN Red List), and/or • Areas of high ecosystem integrity, and/or • Areas of rapid decline in ecosystem integrity, and/or • Areas of high physical water risks, and/or • Areas of importance for ecosystem service provision, including those that provide benefits to or are of cultural, spiritual, or economic importance to Indigenous Peoples, local communities and other stakeholders (adapted from TNFD (2023), Glossary).

Ecosystem	A dynamic complex of plant, animal, and microorganism communities and the non-living environment interacting as a functional unit. Within this definition, the term 'unit' relies on the identification of a distinct function, as well as a dynamic grouping of biotic and abiotic factors. When using an ecosystem approach to conservation, the United Nations Convention on Biological Diversity suggests an ecosystem can refer to any functioning unit, regardless of scale. Thus, the term is not necessarily synonymous with biome or ecological zone and is better determined by the problem that is being addressed (SBTN (2023), SBTN Glossary of Terms).
Financial materiality	A sustainability topic is material from a financial perspective if it triggers financial effects on undertakings, by generating risks or opportunities that influence or are likely to influence the future cash flows and therefore the enterprise value of the undertaking in the short, medium, or long term (adapted from SBTN (2023), SBTN Glossary of Terms).
Impact	Changes in the state of nature (quality or quantity) may result in changes to the capacity of nature to provide social and economic functions. Impacts can be positive or negative. They can be the result of an organization's or another party's actions and can be direct, indirect, or cumulative. A single impact driver may be associated with multiple impacts (TNFD (2023), Glossary).
Impact materiality	A sustainability topic or information is material from an impact perspective if the undertaking is connected to actual or potential significant impacts on people or the environment and is related to the sustainability topic over the short, medium, or long term. This includes impacts directly caused or contributed to by the undertaking, and impacts that are otherwise directly linked to the undertaking's upstream and downstream value chain (SBTN (2023), SBTN Glossary of Terms).
Indigenous Peoples	Nature Action 100 does not promote a single definition of Indigenous Peoples and recognizes the right of Indigenous Peoples to self-identify. Indigenous Peoples who identify as such may be characterized as tribal peoples whose social, cultural, and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations. Non-exhaustive lists of characteristics often shared by Indigenous Peoples can be found in the United Nations Permanent Forum on Indigenous Issues, The Study on the Problem of Discrimination Against Indigenous Populations (UN Doc. E/CN.4/Sub.2/1986/7/Add.4), Working Paper by the Chairperson-Rapporteur, Mrs. Erica-Irene A. Daes, on the concept of "indigenous people" (UN Doc. E/CN.4/Sub.2/AC.4/1996/2), and Chapter 4: Land rights of indigenous peoples and local communities of the Land Gap Report. Indigenous Peoples have distinct and differentiated rights as affirmed by the United Nations Permanent Forum on Indigenous Issues, the International Labor Organization Indigenous and Tribal peoples Convention (ILO Convention 169), and the United Nations Declaration on the Rights of Indigenous Peoples.
Local communities	Nature Action 100 acknowledges that there is no single agreed definition of local communities. In general terms, local communities may encompass communities that do not identify as indigenous, but who share similar characteristics with

	Indigenous Peoples. Article 8(j) of the United Nations Convention on Biological Diversity characterizes local communities as 'embodying traditional lifestyles relevant for the conservation and sustainable use of biological diversity.' The rights of local communities are affirmed under the United Nations Declaration on the Rights of Peasants and Other People Working in Rural Areas. A non-exhaustive list of characteristics that may be shared by groups that identify as local communities are set out in the Report of the Expert Group Meeting of Local Community Representatives within the Context of Article 8(j) and Related Provisions of the Convention on Biological Diversity. Parallel with local communities, Nature Action 100 also acknowledges Afro-descendant Peoples as a distinct, often marginalized social group.
Material (materiality)	A nature-related dependency, impact, risk, or opportunity that satisfies the criteria for impact materiality, financial materiality, or both (based on the definition of double materiality set out in the SBTN (2023), SBTN Glossary of Terms).
Material locations	Locations where an organization has identified material nature-related dependencies, impacts, risks and opportunities in its direct operations and upstream and downstream value chain (TNFD (2023), Glossary).
Natural capital	The stock of renewable and non-renewable natural resources (e.g., plants, animals, air, water, soils, and/or minerals) that combine to yield a flow of benefits to people (Capitals Coalition (2016), Natural Capital Protocol).
Natural resources	Natural assets (raw materials) occurring in nature that can be used for economic production or consumption (TNFD (2023), Glossary and Organisation for Economic Co-operation and Development (2008), OECD Glossary of Statistical Terms).
Nature	The natural world, with an emphasis on the diversity of living organisms (including people) and their interactions among themselves and with their environment. Nature comprises the living (biotic) and non-living (abiotic) components of the physical world, including biodiversity, climate, and geological features (adapted from TNFD (2023), Glossary and Díaz, S et al. (2015), The IPBES Conceptual Framework – Connecting Nature and People).
Non-operated assets	An asset in which the entity in question has an equity stake, but another company assumes the role of asset operator, overseeing all decision-making and standards (adapted from EDF and Rockefeller Asset Management (2020)).
Non-operated joint ventures	A corporate entity in which the entity in question has an equity stake, but another company assumes the role of asset operator, overseeing all decision-making and standards (adapted from EDF and Rockefeller Asset Management (2020)).
Opportunity	An activity that yields beneficial outcomes for organizations and nature by creating positive impacts on nature or mitigating negative impacts on nature. A nature-related opportunity is the result of addressing impacts and dependencies on nature, and can occur: • When organizations avoid, reduce, mitigate, or manage nature-related risks, such as those, for example, connected to the loss of nature and ecosystem services that the organization and society depend on.

	• Through the strategic transformation of business models, products, services, markets, and investments that actively work to reverse the loss of nature, including by restoration, regeneration of nature, and implementation of nature-based solutions (adapted from TNFD (2023), Glossary and WWF (2022), Biodiversity Guide for Business).
Physical risk	Risks resulting from the degradation of nature (such as changes in ecosystem equilibria, including soil quality and species composition) and consequential loss of ecosystem services that economic activity depends upon. These risks can be chronic (e.g. a gradual decline of species diversity of pollinators resulting in reduced crop yields, or water scarcity) or acute (e.g. natural disasters or forest fires). Physical risks arise as a result of changes in the biotic (living) and abiotic (non-living) conditions that support healthy, functioning ecosystems. These risks are usually location specific (adapted from TNFD (2023), Glossary and Network for Greening the Financial System (2023), Nature-related Financial Risks: A Conceptual Framework to guide Action by Central Banks and Supervisors).
Risk	A potential threat posed to an organization that arises from its and/or wider society's dependencies and impacts on nature (adapted from TNFD (2023), Glossary). Nature-related risk may be further subcategorized into physical, transition, and systemic risks, each of which are defined in this glossary.
Stakeholders	People or groups directly or indirectly affected by a project, as well as those who may have interests in a project and the ability to influence its outcome, either positively or negatively (TNFD (2023), Glossary, adapted from UN Guiding Principles Reporting Framework). The term stakeholders also includes rightsholders. Under the Universal Declaration of Human Rights, all human beings are rightsholders. However, not all individuals will have their human rights put at risk or impacted by a project or its associated activities. It is important to identify human rights risks related to project activities among stakeholders and recognize such stakeholders as rightsholders in the context of engagement (adapted from TNFD (2023), Glossary).
Systemic risk	Risks arising from the breakdown of the entire system rather than the failure of individual parts. Nature-related systemic risks are characterized by modest tipping points combining indirectly to produce large failures and cascading interactions of physical and transition risks. One loss triggers a chain of others and stops systems from recovering their equilibrium after a shock. Nature-related systemic risk covers more than only risk to a financial system (i.e., financial stability risk). It also covers the risks from the breakdown of natural systems (i.e. ecosystems) (TNFD (2023), Glossary).
Transition risk	Risks that result from a misalignment between an entity's strategy, management, or business practices and the changing regulatory, policy, or societal landscape in which it operates pertaining to the protection, restoration, or reduction of negative impacts on nature. Transition risks could carry financial implications for an entity prompted by changes or advancements in policy, law, technology, investor sentiment, or consumer preferences (adapted from TNFD (2023), Glossary and IFRS (2023), S2 Climate-related Disclosures).

Upstream	One of the two main elements of a value chain. All activities associated with direct or indirect suppliers, such as production or cultivation, sourcing of commodities of goods, and transportation of commodities to manufacturing facilities (adapted from SBTN (2023), SBTN Glossary of Terms).
Value chain	Production of economic value along a series of activities, sites, and entities. The value chain can be divided into three segments upstream, direct operations, and downstream. Each of these segments involve places where economic activities managed or relied upon by the company occur. Most value chain frameworks cover a suite of activities starting with the raw materials and extending through end-of-life management, that (a) supply or add value to raw materials and intermediate products to produce final products for the marketplace and (b) are involved in the use and end-of-life management of these products (SBTN (2023), SBTN Glossary of Terms).

Acronyms

CBD	Convention on Biological Diversity
FPIC	Free, prior, and informed consent
ICCPR	International Covenant on Civil and Political Rights
ICESCR	International Covenant on Economic, Social and Cultural Rights
SBTN	Science Based Targets Network
TNFD	Taskforce on Nature-related Financial Disclosures
WBA	World Benchmarking Alliance
UDHR	Universal Declaration of Human Rights
UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples

Benchmark methodology

Indicator 1: Ambition **Investor Expectation:** Publicly commit to minimize contributions to key drivers of nature loss and to conserve and restore ecosystems at the operational level and throughout the value chain by 2030.	
Sub-indicator	**Metric and assessment criteria**
1.1. The company has a commitment to avoid and reduce key drivers of nature loss and/or to restore and regenerate ecosystems throughout its value chain.	**1.1.a.** The company commits to avoid and reduce its contributions to key drivers of nature loss and/or restore and regenerate ecosystems. To be assessed 'Yes' on this metric, the company commitment statement must pertain to: a) Avoiding and reducing contributions to at least one of the four drivers of nature loss addressed by the Nature Action 100 Company Benchmark (changes in land and sea use, direct exploitation of natural resources, pollution, and invasive alien species),* AND/OR b) Achieving positive outcomes for nature (e.g. restoration and regeneration of ecosystems). The Company will also be assessed 'Yes' on this metric if: a) The company is assessed 'Yes' on Metric 3.1.a, AND b) The company is assessed 'Yes' on one or both of Metrics 3.1.b and 3.1.c. Corporate commitments to contribute to nature positive goals may be accepted for the purposes of this metric, provided they are clearly framed in a manner that requires action to be taken to avoid or reduce key drivers of nature loss within the company's value chain, before taking action to restore and regenerate ecosystems or before acting outside of their value chain. Statements that pertain to taking action solely outside of the company's direct operations and/or value chain shall not be considered for the purposes of this metric. Similarly, the company will be assessed 'No' for this metric if its

	commitment statement uses vague aspirational language such as “strive to achieve”, "committed to pursuing", "aim to eliminate", “to the extent possible”, or “continue to work toward”. *Nature Action 100 recognizes climate change as one of the five key drivers of nature loss, as set out by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. However, action on climate change is not a primary area of focus under Nature Action 100. Corporate action on climate change is generally more advanced than action to address the other four drivers of nature loss. For this reason, a company statement pertaining exclusively to climate change will not be considered for this metric. However, a statement that pertains to climate change and nature loss in an integrated manner would be considered for the purposes of this metric.
	1.1.b. The company commitment explicitly extends to the company’s value chain. To be assessed ‘Yes’ on this metric, the company must satisfy BOTH of the following criteria: a) The company is assessed ‘Yes’ on Metric 1.1.a, AND b) the language of the company ambition statement must make it clear that actions to achieve its ambition extend beyond its direct operations and include its value chain (upstream, downstream, or both). If the company uses vague or imprecise language that renders it unclear as to whether its commitment extends to its value chain, it shall be assessed ‘No’ on this metric. Statements that pertain to taking action solely outside of the company’s direct operations and/or value chain shall be assessed ‘No’ for this metric.
Indicator 2: Assessment **Investor Expectation:** Assess and publicly disclose nature-related dependencies, impacts, risks, and opportunities at the operational level and throughout the value chain.	
Sub-indicator	**Metric and assessment criteria**
2.1. The company publicly discloses the location of all assets and activities in its direct operations, and upstream and	**2.1.a.** The company publicly discloses all locations where it has assets and activities within its **direct operations** that are situated in or adjacent to ecologically sensitive locations. To be assessed ‘Yes’ on this metric, the company must publicly disclose the locations of current or proposed assets and activities in its direct operations that interface with ecologically sensitive locations.*

downstream value chain locations with material dependencies or impacts that are situated in or adjacent to ecologically sensitive locations.	Location data should be provided at the most geographically specific level possible and should be sufficiently granular to facilitate identification of both ecosystems and Indigenous Peoples and local communities that may be affected by such assets and activities. Location data disclosed at the region or country level are not sufficient to meet this metric. *'**Ecologically sensitive locations'** include: • Areas important for biodiversity (including areas home to species classified as threatened by the IUCN Red List), AND/OR • Areas of high ecosystem integrity, AND/OR • Areas of rapid decline in ecosystem integrity, AND/OR • Areas of high physical water risks, AND/OR • Areas of importance for ecosystem service provision, including those that provide benefits to, or which are of cultural, spiritual, or economic importance to Indigenous Peoples, local communities and other stakeholders. A company may be assessed 'Not relevant' if it is also assessed 'Not relevant' on Metrics 2.2.a AND 2.2.d below, i.e., if it has disclosed that an assessment revealed no material dependencies or impacts on nature in its **direct operations** against which to disclose location data. Further details on identifying ecologically sensitive locations can be found in TNFD's Guidance on the identification and assessment of nature-related issues: the LEAP approach. Where relevant, the company should also publicly disclose the locations of current and proposed assets and activities of its **non-operated assets** that are situated in or adjacent to ecologically sensitive locations.
	2.1.b. The company publicly discloses locations of all assets and activities with material dependencies or impacts within the **upstream portion of its value chain** that are situated in or adjacent to ecologically sensitive locations. To be assessed 'Yes' on this metric, the company must publicly disclose the locations of all assets and activities with material dependencies or impacts in the **upstream portion of its value chain** that interface with ecologically sensitive locations (including planned developments or activities). This data should extend to the entire upstream portion of the company's value chain and should not be restricted only to tier 1 suppliers.

	A company may be assessed 'Not relevant' if it is also assessed 'Not relevant' on Metrics 2.2.b AND 2.2.e below, i.e., if it has disclosed that an assessment revealed no material dependencies or impacts on nature in the **upstream portion of its value chain** against which to disclose location data. Location data should be provided at the most geographically specific level possible and should be sufficiently granular to facilitate identification of both ecosystems and Indigenous Peoples and local communities that may be affected by such assets and/or activities. Location data disclosed at the region or country level are not sufficient to meet this metric.
	2.1.c. The company publicly discloses locations of all assets and activities with material dependencies or impacts within the **downstream portion of its value chain** that are situated in or adjacent to ecologically sensitive locations. To be assessed 'Yes' on this metric, the company must publicly disclose the locations of all assets and activities with material dependencies or impacts in the **downstream portion of its value chain** that interface with ecologically sensitive locations (including planned developments or activities). This data should extend to the entire downstream portion of the company's value chain and should not be restricted only to tier 1 customers. Companies that only sell products or services to end consumers (rather than corporate customers) shall be assessed as 'Not relevant' on this metric. A company may be assessed 'Not relevant' if it is also assessed 'Not relevant' on Metrics 2.2.c AND 2.2.f below, i.e., if it has disclosed that an assessment revealed no material dependencies or impacts on nature in the **downstream portion of its value chain** against which to disclose location data. Location data should be provided at the most geographically specific level possible and should be sufficiently granular to facilitate identification of both ecosystems and Indigenous Peoples and local communities that may be affected by such assets and/or activities. Location data disclosed at the region or country level are not sufficient to meet this metric.
2.2. The company assesses and publicly	**2.2.a.** The company undertakes and publicly discloses the results of an assessment of its material **dependencies** on nature in its **direct operations**.

discloses its material dependencies and impacts on nature within its own operations and throughout its value chain.	To be assessed 'Yes' on this metric, the company must satisfy BOTH of the following criteria: a) The company publicly discloses a description of all material dependencies on nature in its **direct operations**, including: • The location of the dependency (where relevant, companies should also disclose whether these are in or adjacent to any ecologically sensitive locations), AND • Measurement and valuation of the dependency using appropriate indicators and metrics (such as the TNFD core and additional global disclosure indicators and metrics and TNFD suggested assessment metrics), AND b) The company publicly discloses the methodology used for assessing its existing and emerging nature-related dependencies in its **direct operations** in a systematic and evidence-based manner, with robust justification for any narrowing of scope. Regarding criterion b) above, assessments based exclusively on stakeholder interviews shall not suffice. A company may be assessed 'Not relevant' if it discloses that it has conducted an assessment in accordance with the above assessment criteria, and that the assessment revealed no material dependencies on nature in its **direct operations**. Where relevant, the company should also assess the material dependencies of its **non-operated assets**.
	2.2.b. The company undertakes and publicly discloses the results of an assessment of its material **dependencies** on nature in the **upstream portion of its value chain**. To be assessed 'Yes' on this metric, the company must satisfy BOTH of the following criteria: a) The company publicly discloses a description of all material dependencies on nature in the **upstream portion of its value chain,** including: • The location of the dependency (where relevant, companies should also disclose whether these are in or adjacent to any ecologically sensitive locations), AND • Measurement and valuation of the dependency using appropriate indicators and metrics (such as the TNFD core and additional global disclosure indicators and metrics and TNFD suggested assessment metrics), AND

	b) The company publicly discloses the methodology used for assessing its existing and emerging nature-related dependencies in the **upstream portion of its value chain** in a systematic and evidence-based manner, with robust justification for any narrowing of scope. Regarding criterion b) above, assessments based exclusively on stakeholder interviews shall not suffice. A company may be assessed 'Not relevant' if it discloses that it has conducted an assessment in accordance with the above assessment criteria, and that the assessment revealed no material dependencies on nature in the **upstream portion of its value chain**. The scope of the assessment should extend to the entire upstream portion of the company's value chain and should not be restricted to tier 1 suppliers.
	2.2.c. The company undertakes and publicly discloses the results of an assessment of its material **dependencies** on nature in the **downstream portion of its value chain**. To be assessed 'Yes' on this metric, the company must satisfy BOTH of the following criteria: a) The company publicly discloses a description of all material dependencies on nature in the **downstream portion of its value chain,** including: • The location of the dependency (where relevant, companies should also disclose whether these are in or adjacent to any ecologically sensitive locations), AND • Measurement and valuation of the dependency using appropriate indicators and metrics (such as the TNFD core and additional global disclosure indicators and metrics and TNFD suggested assessment metrics), AND b) The company publicly discloses the methodology used for assessing its existing and emerging nature-related dependencies in the **downstream portion of its value chain** in a systematic and evidence-based manner, with robust justification for any narrowing of scope. Regarding criterion b), assessments based exclusively on stakeholder interviews shall not suffice.

	A company may be assessed 'Not relevant' if it discloses that it has conducted an assessment in accordance with the above assessment criteria, and that the assessment revealed no material dependencies on nature in the **downstream portion of its value chain**. Companies that only sell products or services to end consumers (rather than corporate customers) shall not be required to disclose the locations of their material dependencies in order to be assessed 'Yes' on this metric. The scope of assessment should extend to the entire downstream portion of the company's value chain and should not be restricted only to tier 1 customers.
	2.2.d. The company undertakes and publicly discloses the results of an assessment of its material **impacts** on nature in its **direct operations**. To be assessed 'Yes' on this metric, the company must satisfy ALL of the following criteria: a) The company publicly discloses that it applied a double materiality lens when identifying its material impacts on nature in its **direct operations**, AND b) The company publicly discloses a description of all material impacts on nature in its **direct operations**, including: • The location of the impact (where relevant, companies should also disclose whether these are in or adjacent to any ecologically sensitive locations), AND • Measurement and valuation of the impact using appropriate indicators and metrics (such as the TNFD core and additional global disclosure indicators and metrics and TNFD suggested assessment metrics), AND c) The company publicly discloses the methodology used for assessing its existing and emerging nature-related impacts throughout its **direct operations** in a systematic and evidence-based manner, with robust justification for any narrowing of scope. Regarding criterion c) above, assessments based exclusively on stakeholder interviews shall not suffice. A company may be assessed 'Not relevant' if it discloses that it has conducted an assessment in accordance with the above assessment criteria, and that the assessment revealed no material impacts on nature in its **direct operations**.

	Where relevant, the company should also assess the material impacts of its **non-operated assets**.
	2.2.e. The company undertakes and publicly discloses the results of an assessment of its material **impacts** on nature in the **upstream portion of its value chain**. To be assessed 'Yes' on this metric, the company must satisfy ALL of the following criteria: a) The company publicly discloses that it applied a double materiality lens when identifying its material impacts on nature in the **upstream portion of its value chain**, AND b) The company publicly discloses a description of all material impacts on nature in the **upstream portion of its value chain**, including: • The location of the impact (where relevant, companies should also disclose whether these are in or adjacent to any ecologically sensitive locations), AND • Measurement and valuation of the impact using appropriate indicators and metrics (such as the TNFD core and additional global disclosure indicators and metrics and TNFD suggested assessment metrics), AND c) The company publicly discloses the methodology used for assessing its existing and emerging nature-related impacts in the **upstream portion of its value chain** in a systematic and evidence-based manner, with robust justification for any narrowing of scope. Regarding criterion c), assessments based exclusively on stakeholder interviews shall not suffice. A company may be assessed 'Not relevant' if it discloses that it has conducted an assessment in accordance with the above assessment criteria, and that the assessment revealed no material impacts on nature in the **upstream portion of its value chain**. The scope of assessment should extend to the entire upstream portion of the company's value chain and should not be restricted only to tier 1 suppliers.
	2.2.f. The company undertakes and publicly discloses the results of an assessment of its material **impacts** on nature in the **downstream portion of its value chain**. To be assessed 'Yes' on this metric, the company must satisfy ALL of the following criteria:

	a) The company publicly discloses that it applied a double materiality lens when identifying its material impacts on nature in the **downstream portion of its value chain**, AND b) The company publicly discloses a description of all material impacts on nature in the **downstream portion of its value chain**, including: • The location of the impact (where relevant, companies should also disclose whether these are in or adjacent to any ecologically sensitive locations), AND • Measurement and valuation of the impact using appropriate indicators and metrics (such as the TNFD core and additional global disclosure indicators and metrics and TNFD suggested assessment metrics), AND c) The company publicly discloses the methodology used for assessing its existing and emerging nature-related impacts in the **downstream portion of its value chain** in a systematic and evidence-based manner, with robust justification for any narrowing of scope. Regarding criterion c), assessments based exclusively on stakeholder interviews shall not suffice. A company may be assessed 'Not relevant' if it discloses that it has conducted an assessment in accordance with the above assessment criteria, and that the assessment revealed no material impacts on nature in the **downstream portion of its value chain**. Companies that only sell products or services to end consumers (rather than corporate customers) shall not be required to disclose the locations of their material impacts to be assessed 'Yes' on this metric. The scope of assessment should extend to the entire downstream portion of the company's value chain and should not be restricted to direct customers.
2.3. The company assesses and publicly discloses the risks and opportunities stemming from material dependencies and impacts on nature.	**2.3.a.** The company undertakes and publicly discloses the results of an assessment of the material **risks** stemming from material dependencies and impacts on nature. To be assessed 'Yes' on this metric, the company must satisfy ALL of the following criteria: a) The company is assessed 'Yes' on BOTH: • At least one of Metrics 2.2.a, 2.2.b, and 2.2.c, AND • At least one of Metrics 2.2.d, 2.2.e, and 2.2.f, AND b) The company publicly discloses a description of all material nature-related risks (if any), including:

	• The time horizon during which the risk may materialize, AND • Measurement and valuation of the risk using appropriate indicators and metrics (such as the TNFD core and additional global disclosure indicators and metrics and TNFD suggested assessment metrics), AND c) The company publicly discloses the methodology used to assess its existing and emerging nature-related risks, including the metrics and indicators used to assess, measure, and value risks.
	2.3.b. The company undertakes and publicly discloses the results of an assessment of its material **opportunities** stemming from material dependencies and impacts on nature. To be assessed 'Yes' on this metric, the company must satisfy ALL of the following criteria: a) The company is assessed 'Yes' on BOTH: • At least one of Metrics 2.2.a, 2.2.b, and 2.2.c, AND • At least one of Metrics 2.2.d, 2.2.e, and 2.2.f, AND b) The company publicly discloses a description of all material nature-related opportunities, including: • The time horizon during which the opportunity may materialize, AND • Measurement and valuation of the opportunity using appropriate indicators and metrics (such as the TNFD core and additional global disclosure indicators and metrics and TNFD suggested assessment metrics), AND c) The company publicly discloses the methodology used to assess its existing and emerging nature-related opportunities, including the metrics and indicators used to assess, measure, and value opportunities. If, having undertaken an assessment, the company discloses that it has not identified any nature-related opportunities, this metric will be assessed as 'Not relevant'.
Indicator 3: Targets **Investor Expectation:** Set time-bound, context-specific, science-based targets informed by risk assessments on nature-related dependencies, impacts, risks, and opportunities. Disclose annual progress against targets.	
Sub-indicator	**Metric and assessment criteria**
3.1. The company has comprehensive and	**3.1.a.** The company publicly discloses targets to manage nature-related dependencies, impacts, risks, and/or opportunities.

measurable targets to avoid and reduce key drivers of nature loss and to restore and regenerate ecosystems.	To be assessed 'Yes' on this metric, the company must satisfy BOTH of the following criteria: a) It must be clear that the company targets are intended to manage nature-related dependencies, impacts, risks, and/or opportunities, AND b) The company targets must be supported by public disclosure of ALL of the following components: • The strategy or risk management objective that the target seeks to address (i.e., which nature-related dependencies, impacts, risks, and/or opportunities the targets relate to), AND • The activities the target covers (if not apparent that all activities are covered), AND • The metric used to quantify the target and monitor performance, AND • The targeted value of the metric, AND • The baseline year and level of the metric (unless the target is expressed as an absolute outcome, such as 0% or 100%, where a baseline is not required to verify completion), AND • The timeframe for achieving the target, AND • At least one interim target or target trajectory for the metric if the target date is after 2030. For example, a company could be assessed 'Yes' if its targets relate to any of the following: a) Targets to reduce at least one of the four key drivers of nature loss addressed by Nature Action 100, b) Targets to halt and reverse nature loss and improve or maintain the state of nature, c) Targets to improve or maintain the flow of ecosystem services, d) Targets for changes to business activities and processes connected to dependencies and impacts on nature, e) Enterprise-level targets that directly affect nature-related dependencies, impacts, risks and opportunities, f) Targets pertaining to species conservation, g) Other targets to address nature-related dependencies, impacts, risks, or opportunities. Nature Action 100 recognizes climate change as one of the five key drivers of nature loss, as set out by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. However, action on climate change is not a primary area of focus under Nature Action 100. Corporate action on climate change is generally more advanced than action to address the other four drivers of nature loss. If climate change were included in the Nature Action 100 Company Benchmark, it could obscure the level of action companies are taking toward the other four drivers of change. For this reason, a company target pertaining exclusively to climate change will not be considered for the purposes of this metric. However, recognizing the high degree of interconnectivity, holistic targets that address climate and nature in an integrated manner would be taken into account for the purposes of this metric.

	3.1.b. The company targets pertain to avoiding and reducing drivers of nature loss. To be assessed 'Yes' on this metric, the company must satisfy ALL of the following criteria: a) The company is assessed 'Yes' on Metric 3.1.a, AND b) As elaborated below, it must be clear that achievement of at least one of the company's targets captured under Metric 3.1.a would avoid and/or reduce at least one of the four drivers of nature loss addressed under Nature Action 100 (changes in land and sea use, direct exploitation of natural resources, pollution, and invasive alien species). While targets pertaining exclusively to climate change will not be considered for this metric, targets that address climate and nature in an integrated manner would be taken into account for the purposes of this metric, AND c) The target pertains to avoiding and/or reducing drivers of nature loss within the company's direct operations or value chain. Targets that pertain exclusively to avoiding or reducing key drivers of nature loss entirely outside the scope of its direct operations or value chain (e.g., through the purchase of biodiversity or carbon credits) are insufficient for the purposes of this metric. Regarding criterion b) above, subject to the exception immediately below regarding deforestation and ecosystem conversion targets, a target will automatically be deemed suitable for the purposes of this metric if the metric used to quantify the target and to assess target achievement explicitly relates to one of the four drivers of nature loss addressed under Nature Action 100. For example, this may include target metrics concerning the reduction of total spatial footprint of business operations or the quantity of specific pollutants released from manufacturing processes, or an increase in the quantity of high-risk natural commodities sourced under a sustainable management plan or certification system. Targets to address commodity-driven deforestation and ecosystem conversion shall be assessed 'Yes' for the purposes of criterion b) if the company commits to no-deforestation and no-conversion for commodities linked to deforestation and conversion, with a cutoff date no later than 2020, and a target date no later than December 31, 2028. Companies that have not met previously established deforestation and conversion targets should guard against the backward creep of target dates. Credible, time-bound action plans are helpful in this context. If the metric used to quantify the target and to assess target achievement does not explicitly relate to one of the four Nature Action 100 drivers of nature loss, a company may still be assessed 'Yes' on this metric if it clearly explains how achievement of the target would avoid and reduce at least one of the four key drivers. For example, this may include target metrics pertaining to sustainable procurement practices, optimizing process efficiency, or achieving circularity.

	3.1.c. The company targets pertain to restoring and regenerating ecosystems. To be assessed 'Yes' on this metric, the company must satisfy ALL of the following criteria: a) The company is assessed 'Yes' on Metric 3.1.a, AND b) As elaborated below, the company must be clear that achievement of at least one of the targets captured under Metric 3.1.a would restore and/or regenerate ecosystems, AND c) The target pertains to restoring and/or regenerating ecosystems within the company's direct operations or value chain. Targets that pertain exclusively to restoring and/or regenerating ecosystems entirely outside the scope of its direct operations or value chain (e.g., through the purchase of biodiversity or carbon credits) are insufficient for the purposes of this metric. Regarding criterion b) above, a target will automatically be deemed suitable for the purposes of this metric if the metric used to quantify the target and to assess target achievement explicitly relates to restoring and/or regenerating ecosystems. For example, this may include target metrics pertaining to erosion control, quantity of wild species extracted for commercial purposes, conservation of native species, revegetation or reforestation, or habitat connectivity. If the metric used to quantify the target and to assess target achievement does not explicitly relate to restoring and/or regenerating ecosystems, a company may still be assessed 'Yes' on this metric provided it clearly explains how achievement of the target would directly restore and/or regenerate ecosystems. For the purposes of this metric, targets that would avoid or reduce the key drivers of nature loss, though possibly allowing indirect/passive restoration and regeneration of ecosystems would not be captured, as these would be captured under Metric 3.1.b above.
3.2. The company's targets pertain to its material nature-related impacts and dependencies, are validated by an impartial and independent third	**3.2.a.** The company publicly discloses evidence that its targets pertain to its material nature-related dependencies and impacts. To be assessed 'Yes' on this metric, the company must satisfy ALL of the following criteria: a) The company is assessed 'Yes' on Metric 3.1.a, AND b) The company is assessed 'Yes' on the metric(s) under Sub-indicator 2.2 that correspond to the scope of the target, AND

party, and are designed in an integrated manner that takes account of the company's climate targets.	c) The company publicly discloses evidence that the selection, scope, and definition of its targets correspond to the company's materiality assessment (using a double materiality lens) of its material nature-related dependencies and/or impacts. Regarding criterion b), the following baseline considerations apply: • Unless explicitly stated otherwise, a target shall be presumed to apply to direct operations. • If the target scope straddles multiple value chain segments, at least one value chain segment must have been assessed in accordance with Sub-indicator 2.2. E.g. if a target pertains to impacts in direct operations and the upstream portion of a company's value chain, the company must be assessed 'Yes' on either Metrics 2.2.d or 2.2.e. • If it is unclear whether the target pertains to impacts or dependencies, the company must have been assessed 'Yes' on the corresponding value chain segment for EITHER impacts OR dependencies. E.g. if a target pertains to reducing water consumption in direct operations but it is unclear whether the objective is to address impacts or dependencies, the company must be assessed 'Yes' on EITHER Metrics 2.2.a or 2.2.d.
	3.2.b. The company's targets have been validated by an independent third party. To be assessed 'Yes' on this metric, the company must satisfy BOTH of the following criteria: a) The company is assessed 'Yes' on Metric 3.1.a, AND b) The company publicly discloses evidence that its targets have been validated by an independent and suitably qualified third party. If the company is assessed 'Yes' on Metric 3.2.a, then only the target(s) qualifying for a 'Yes' under Metric 3.2.a may be considered for this metric. Regarding criterion b), targets validated by SBTN will be assessed 'Yes' for the purposes of this criterion. If targets are validated by any other party, it must be objectively clear that the third party is BOTH independent from the company and possesses the appropriate knowledge to validate nature-related targets (i.e., knowledge of corporate nature-related impacts, dependencies, risks and opportunities). Targets may also be validated by Indigenous Peoples and/or local communities who live or work in the vicinity of affected regions (or historically lived there). Indigenous Peoples and local communities may have different sets of

	priorities and rights, and therefore validation from local communities does not represent validation from Indigenous Peoples. In such instances, to receive 'Yes' on criterion b), the company must satisfy ALL of the following criteria: a) The company is assessed 'Yes' on Sub-indicator 2.1, AND b) The company conducted all engagement with Indigenous Peoples and local communities through free, prior, and informed consent (FPIC). This must be based on a model of consent whereby such communities may decline to participate in accordance with FPIC processes and withhold their consent at any time, AND c) It is clear that the validation is undertaken by representatives freely chosen by Indigenous Peoples or local communities in accordance with their own procedures, AND d) The company discloses the process by which engagement with Indigenous Peoples and local communities occurred, in addition to the outcomes of such engagement. Companies should ensure their FPIC procedures align with requirements set out in the Accountability Framework Initiative's Operational Guidance on FPIC or Securing Indigenous Peoples' Right to Self-Determination: A Guide on Free, Prior and Informed Consent. A company will be assessed 'No' on this metric if it does not disclose the name of the party that validated its nature-related targets.
	3.2.c. The company explains how its nature-related targets support, align, or integrate with its climate change targets. To be assessed 'Yes' on this metric, the company must satisfy ALL of the following criteria: a) The company is assessed 'Yes' on Metric 3.1.a, AND b) The company publicly discloses an explanation of any alignment, integration, mutual supportiveness, or trade-offs between its nature-related targets and its climate change targets. If the company is assessed 'Yes' on Metrics 3.2.a and/or 3.2.b, then only targets that qualify for a 'Yes' under those metrics may be considered for this metric. A company shall be assessed 'No' on this metric if it does not explain how its nature targets and climate targets relate to each other, OR if it does not have climate targets.

3.3. The company publicly discloses its progress toward its targets on an annual basis.	**3.3.a.** The company publicly discloses its progress toward its nature-related targets within the last reporting year, with reference to the baseline or reference condition. To be assessed 'Yes' on this metric, the company must satisfy BOTH of the following criteria: a) The company is assessed 'Yes' on Metric 3.1.a, AND b) The company publicly discloses its progress toward at least one of its nature-related targets in the last reporting year, relative to the baseline or reference condition. While the disclosure of progress must have been made within the last reporting year, the reported data must not be more than two years older than the last reporting year. Disclosed progress must also build on the previous reporting cycle, unless the target was introduced during the last reporting year.
Indicator 4: Implementation **Investor Expectation:** Develop a company-wide plan on how to achieve targets. The design and implementation of the plan should prioritize rights-based approaches and be developed in collaboration with Indigenous Peoples and local communities when they are affected. Disclose annual progress against the plan.	
Sub-indicator	**Metric and assessment criteria**
4.1. The company publicly discloses a strategy for achieving its nature targets.	**4.1.a.** The company publicly discloses a strategy setting out the actions it intends to take to achieve its nature-related targets. To be assessed 'Yes' on this metric, the company must satisfy BOTH of the following criteria: a) The company is assessed 'Yes' on Metric 3.1.a, AND b) The company publicly discloses a description of the actions it is/will take to achieve at least one of its targets (such as phasing out products or processes with high nature impacts or reducing land use change in their supply chain). The manner in which this information is set out could take several forms, including a series of actions outlined within the company's sustainability report, website, other holistic strategy document, or a stand-alone strategy document. The actions specified must be concrete and specific to the company's direct operations and/or value chain. It is insufficient for the company to frame actions in conditional language such as "we may do X". Similarly, actions described in vague terms (such as "modernize our operations" or "leverage green solutions") will not be accepted.

	4.1.b. The company publicly discloses progress on its strategy in the last reporting year. To be assessed 'Yes' on this metric, the company must satisfy BOTH of the following criteria: a) The company is assessed 'Yes' on Metric 4.1.a, AND b) The company publicly discloses actions that it has taken in the last reporting year that contribute to achievement of at least one of its nature-related targets. The company will be assessed 'No' if it reports that it has taken no action in the last reporting year towards achievement of its targets.
	4.1.c. The company explains how the actions it intends to take on nature support, align, or integrate with its actions on climate. To be assessed 'Yes' on this metric, the company must satisfy BOTH of the following criteria: a) The company is assessed 'Yes' on Metric 4.1.a, AND b) The company publicly discloses an explanation of how the actions it intends to take to achieve at least one of its nature-related targets support, align, or integrate with the company's climate change targets, strategies, and/or transition plans.
4.2. The company respects and upholds the rights of Indigenous Peoples and local communities.	**4.2.a.** The company commits to recognize and respect the rights of Indigenous Peoples and local communities. To be assessed 'Yes' on this metric, the company must satisfy BOTH of the following criteria: a) The company publicly commits to respect and uphold the minimum standards of respecting the rights of Indigenous Peoples and local communities by committing to adhere to: ○ The United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), AND ○ The International Labor Organization Indigenous and Tribal Peoples Convention, 1989 (also referred to as ILO Convention 169), AND ○ EITHER • The Universal Declaration of Human Rights (UDHR) OR • BOTH the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the International Covenant on Civil and Political Rights (ICCPR).

	b) The company publicly commits to recognize and uphold the sovereignty and governance structures of Indigenous Peoples and local communities, and the right to FPIC and self-determination of Indigenous Peoples. Commitments made by third party entities to which a company is a member (e.g. trade associations) will only be relevant for this metric if the company explicitly endorses the third party commitment pertaining to Indigenous Peoples and local communities. General endorsements, such as a company commitment to be bound by all position statements of their trade association, will not suffice.
	4.2.b. The company facilitates full, meaningful, and effective participation through free, prior, and informed consent (FPIC) of Indigenous Peoples and local communities in the planning and implementation of activities that have the potential to impact their rights. To be assessed 'Yes' on this metric, the company must satisfy ALL of the following criteria: a) The company publicly discloses how it identifies Indigenous Peoples and local communities, AND b) The company publicly discloses how it engages with identified communities and that it does so in modes of communication and languages that such communities are proficient in or prefer, AND c) The company publicly discloses the actions it has taken to put in place an effective FPIC process in line with the United Nations Declaration on the Rights of Indigenous Peoples. This must be based on a model of consent whereby such communities may decline to participate and withhold their consent at any time. This also includes respecting existing declarations and frameworks where Indigenous Peoples or local communities have expressed that they do not desire, or give their consent, for certain industries as a whole to operate in their territories. Where consent is not granted, companies should refrain from pursuing such activities or withdraw from the project where any action has already been initiated. Companies should ensure their FPIC procedures align with requirements set out in the Accountability Framework Initiative's Operational Guidance on FPIC or Securing Indigenous Peoples' Right to Self-Determination: A Guide on Free, Prior and Informed Consent. Amongst other things, FPIC must be exercised through representatives of Indigenous Peoples' and local communities' own choosing and in a manner consistent with their own customs, values and norms. Furthermore, companies should engage with appropriate government entities, civil society organizations and representative institutions of Indigenous Peoples and local communities to accurately identify such groups.

	Use of vague or conditional language like "seek to achieve" FPIC shall be assessed 'No' for the purposes of this metric.
	4.2.c. The company ensures equitable access for Indigenous Peoples and local communities to land, resources, and territory where they hold rights or interests. To be assessed 'Yes' on this metric, the company must satisfy ALL of the following criteria: a) The company publicly discloses evidence that, before acquiring an interest in land, it assesses and recognizes the nature of any rights or interests that Indigenous Peoples and local communities may have in the land, for example those pertaining to property (including customary land rights), culture, livelihoods, self-governance, and food security, AND b) The company discloses its policy to ensure equitable access for Indigenous Peoples and local communities when it operates on land where they have legal and/or customary land rights or in areas of importance for communities to exercise their rights, including collective rights, cultural rights, and food and water security rights, AND c) The company discloses its policy to ensure its activities do not result in the physical or economic displacement of Indigenous Peoples or local communities without their FPIC and only after agreement on fair compensation. Guidance on assessing the land-related rights and interests of Indigenous Peoples and local communities can be found in the Accountability Framework Initiative's Operational Guidance on Respecting the Rights of Indigenous Peoples and local communities.
	4.2.d. The company ensures equitable benefit sharing with Indigenous Peoples and local communities arising from using land and/or natural resources where they hold rights or interests. To be assessed 'Yes' on this metric, the company must satisfy BOTH of the following criteria: a) The company publicly discloses its policy to facilitate equitable benefit sharing with Indigenous Peoples and local communities, arising from using land and/or natural resources where Indigenous Peoples and/or local communities have rights and/or interests, AND b) The company publicly discloses evidence that it develops benefit sharing mechanisms, led by Indigenous Peoples and local communities, using an FPIC process.

	'Equitable benefit sharing' does not include remediation or compensation for past harms.
	4.2.e. The company publicly discloses that it requires its tier 1 suppliers to recognize and respect the rights of Indigenous Peoples and local communities and to obtain their free, prior, and informed consent. To be assessed 'Yes' on this metric, the company must satisfy BOTH of the following criteria: a) The company publicly discloses clear evidence that it requires its tier 1 suppliers to recognize and respect the rights of Indigenous Peoples and local communities, and obtain their free, prior, and informed consent, AND b) The company clearly states how it addresses instances of non-compliance, including a process for seeking to return suppliers to compliance and conditions under which contracts may be suspended.
4.3. The company's fiscal policies are aligned with achievement of its nature-related targets.	**4.3.a.** The company publicly discloses how it has allocated expenditure to achieve its nature-related targets in the last fiscal year. To be assessed 'Yes' on this metric, the company must satisfy ALL of the following criteria: a) The company is assessed 'Yes' on Metric 3.1.a, AND b) The company publicly discloses the stated value of its total expenditure (whether capital expenditure, operational expenditure, or both) allocated towards achieving its nature targets in the last fiscal year, AND c) The company publicly discloses a quantitative breakdown of this expenditure. To satisfy criterion b), the company disclosure should allow for the calculation of the absolute value of expenditure towards producing or developing solutions to minimize, halt, or reverse nature loss in the last fiscal year. This could include disclosing the percentage share of total expenditure disclosed in absolute terms, the absolute amount, or the share of nature-focused expenditure in a specific product category disclosed as an absolute amount.
	4.3.b. The company publicly discloses forward-looking guidance on how it will allocate expenditure to achieve its nature targets. To be assessed 'Yes' on this metric, the company must satisfy BOTH of the following criteria: a) The company is assessed 'Yes' on Metric 3.1.a, AND

	b) The company publicly discloses the stated value of its total expenditure (whether capital expenditure, operational expenditure, or both) that it intends to allocate towards achieving its nature targets in the future. Criterion b) can be met by publicly disclosing the capital expenditure and/or operational expenditure that the company intends to allocate towards addressing nature-related risks and opportunities within a clear timeframe (e.g., 'in 2023-2027' or 'by 2030'). Note that while the guidance should be clearly quantified and timebound, it can be expressed either as an absolute value (e.g., '$3B by 2030') or as a share of total capital expenditure (e.g., '50% of our total $10B investments'), as long as the latter is disclosed in absolute terms.
Indicator 5: Governance **Investor Expectation:** Establish board oversight and disclose management's role in assessing and managing nature-related dependencies, impacts, risks, and opportunities.	
Sub-indicator	**Metric and assessment criteria**
5.1. The company board has clear oversight over its nature-related dependencies, impacts, risks and opportunities, including implications for and engagement with Indigenous Peoples and local communities.	**5.1.a.** The company publicly discloses evidence of board or board committee oversight of the management of nature-related dependencies, impacts, risks, and opportunities. To be assessed 'Yes' on this metric, the company must publicly disclose that the board or board committee is responsible for overseeing nature-related dependencies, impacts, risks, and opportunities. This may also include language such as 'nature-related issues', 'biodiversity' or 'natural resources' that could include nature-related dependencies, impacts, risks, and opportunities. Broad language like 'sustainability', 'environment', or 'ESG' will not be sufficient. For the purposes of this metric, 'board oversight' can take multiple forms: a) The company publicly discloses that responsibility for nature-related dependencies, impacts, risks and opportunities lies with the board or a specific board committee, OR b) The company publicly discloses that there is a specific entity, such as the chief executive officer, an executive (such as head of sustainability) responsible for nature-related dependencies, impacts, risks and opportunities, or a committee (which is not necessarily board-level), AND there is evidence that this entity reports on this directly to the board or to a board-level committee.

	A company will be assessed 'Yes' on this metric if it satisfies one of the above models for board or board committee oversight.
	5.1.b. The company publicly discloses evidence of board or board committee oversight of the management of its impacts on and engagement with Indigenous Peoples and local communities. To be assessed 'Yes' on this metric, the company must publicly disclose that the board or board committee is responsible for overseeing how the company's actions impact Indigenous Peoples and local communities. For the purposes of this metric, 'board oversight' can take multiple forms: a) The company publicly discloses that responsibility for overseeing company impacts on Indigenous Peoples and local communities lies with the Board or a specific board committee, OR b) The company publicly discloses that there is a specific entity, such as Chief Executive Officer, an executive (such as Chief Impact Officer), or a committee (which is not necessarily board-level) responsible for overseeing company impacts on Indigenous Peoples and local communities, AND there is evidence that this entity reports on this directly to the board or to a board-level committee. Additionally, the mandate of the board or board committee does not need to explicitly reference nature. This may, for example, be a mandate to oversee how the company manages its impacts on stakeholders, including Indigenous Peoples. However, this mandate must not explicitly exclude environmental, sustainability, or nature-related considerations. A company will not meet the requirements of this metric if only 'human rights' or 'stakeholders' in a general sense is covered in relation to board oversight.
5.2. The board has sufficient expertise to oversee issues pertaining to nature-related dependencies, impacts, risks, and opportunities, including how the company's actions on	**5.2.a.** The company publicly discloses evidence that its board has sufficient expertise to oversee issues pertaining to nature-related dependencies, impacts, risks, and opportunities. To be assessed 'Yes' on this metric, the company must satisfy BOTH of the following: a) The company publicly discloses that the board has expertise in nature-related dependencies, impacts, risks, and opportunities. This must be supported by evidence, which may derive from academic or professional training, former experiences in specialized organizations, or proven technical knowledge, AND b) The company publicly discloses an indication of what proportion of the board has such expertise.

nature impact Indigenous Peoples and local communities.	This metric may also be satisfied if the company discloses that the board has direct access to expertise, such as a specialized committee composed of external experts for which a board member is the chairperson. A company will not meet the requirements of this metric if only 'sustainability', 'environment', or 'ESG' is covered in relation to board expertise.
	5.2.b. The company publicly discloses evidence that its board has sufficient expertise to oversee the company's impacts on and engagement with Indigenous Peoples and local communities. To be assessed 'Yes' on this metric, the company must satisfy BOTH of the following criteria: a) The company publicly discloses evidence that the board has expertise in issues pertaining to Indigenous Peoples and local communities and their specific rights (expertise may derive from academic or professional training, former experiences in specialized organizations, or proven technical knowledge), AND b) The company publicly discloses an indication of what proportion of the board has such expertise. This metric may also be satisfied if the company discloses that the board has direct access to expertise, such as a specialized committee composed of external experts for which a board member is the chairperson. A company will not meet the requirements of this metric if only 'human rights' or 'stakeholders' in a general sense is covered in relation to board expertise.
5.3. Responsibility for assessing and managing nature-related issues is assigned at the senior executive level, and executive remuneration arrangements incorporate performance on nature targets.	**5.3.a.** The company's chief executive officer or at least one other senior executive is responsible for assessing and managing the company's nature-related dependencies, impacts, risks, and opportunities. To be assessed 'Yes' on this metric, the company must publicly disclose that responsibility for assessing and managing the company's nature-related dependencies, impacts, risks, and opportunities lies at the level of executive management (e.g., the chief executive officer or head of sustainability). This may also include language such as 'nature-related issues', 'biodiversity' or 'natural resources' that could include nature-related dependencies, impacts, risks, and opportunities. Broad language like 'sustainability', 'environment', or 'ESG' will not be sufficient.

	5.3.b. The company's chief executive officer or at least one other senior executive is responsible for assessing and managing the company's impacts on, and engagement with, Indigenous Peoples and local communities. To be assessed 'Yes' on this metric, the company must publicly disclose that responsibility for assessing and managing the company's impacts on, and engagement with, Indigenous Peoples and local communities lies at the level of executive management (e.g., the chief executive officer or head of sustainability). General language pertaining to 'stakeholders' is not sufficient for the purposes of this metric, and there must be a clear mandate pertaining explicitly to Indigenous Peoples and local communities.
	5.3.c. The company's chief executive officer or at least one other senior executive has **long-term remuneration arrangements** that directly link compensation to achieving the company's nature targets. To be assessed 'Yes' on this metric, the company must satisfy ALL of the following criteria: a) The company publicly discloses that the chief executive officer or at least one other senior executive has remuneration arrangements that are determined by the company's performance against a KPI linked to its nature-related targets captured in Sub-indicator 3.1, AND b) The KPI is quantitative (i.e., qualitative indicators such as "engage with stakeholders on nature" or "release report on the company interface with nature" shall not suffice), AND c) The KPI measures company performance over a timeframe of **at least three years**. Chief executive officer/senior executive objectives that are not incentivized by monetary reward will not meet the requirements of this metric. Further, an incentivized position at a lower level than the senior executive level (e.g., a head of sustainability who is not considered a senior executive) does not meet requirements. The presence of competing, adverse incentives (e.g., annual increase in oil production) which directly contribute to the key drivers of nature loss will also lead to a 'No' assessment.
Indicator 6: Engagement **Investor Expectation:** Engage with external parties including actors throughout the value chain, including trade associations, policy makers, and other stakeholders to create an enabling environment for implementing the plan and achieving targets.	

Sub-indicator	Metric and assessment criteria
6.1. The company engages with its value chain to help achieve its nature targets.	**6.1.a.** The company has nature-related criteria for its tier 1 suppliers. To be assessed 'Yes' on this metric, the company must satisfy BOTH of the following criteria: a) The company publicly discloses evidence that it requires tier 1 suppliers to take actions to manage their nature-related impacts and dependencies, AND b) The company states how it addresses instances of non-compliance.
	6.1.b. The company provides financial and/or technical assistance to suppliers to adopt practices that reduce its impacts and dependencies on nature. To be assessed 'Yes' on this metric, the company must satisfy ALL of the following criteria: a) The company publicly discloses evidence that it provides financial and/or technical support to suppliers with the goal of assisting in the adoption of practices with lower nature-related impacts, AND b) The company publicly discloses the quantity of financial and/or technical support that it provides to its suppliers, AND c) The company clearly specifies the type/format of this financial and/or technical support. Criterion b) may be met by disclosing the number or proportion of suppliers supported, or any other metric that conveys the scale of support provided.
	6.1.c. The company engages its corporate customers on addressing nature-related impacts and dependencies associated with processing, use, or end-of-life treatment of sold products. To be assessed 'Yes' on this metric, the company must satisfy BOTH of the following criteria: a) The company publicly discloses evidence that it systematically engages its corporate customers on at least one of the following three categories, as relevant to the company: • Nature-related impacts and dependencies from processing of sold products, • Nature-related impacts and dependencies from use of sold products, including use by downstream companies as well as end-consumers, OR • Nature-related impacts and dependencies from end-of-life treatment of sold products, AND

	b) The company publicly discloses the actions it is taking to address corresponding impacts and dependencies, such as making items compostable or clearly labeling correct use, disposal or recycling procedures for products and packaging. Companies that only sell products or services to end consumers (rather than corporate customers) shall be assessed 'Not relevant' on this metric. A company may also be assessed 'Not relevant' on this metric if it satisfies EITHER of the following criteria: a) The company is assessed 'Not relevant' on Metrics 2.2.c and 2.2.f signifying that, having conducted an assessment, it has not identified any material nature-related impacts or dependencies in its downstream value chain, OR b) BOTH a. The company is assessed 'Yes' on Metrics 2.2.c and 2.2.f AND b. The company discloses that it identified no material impacts or dependencies associated with its corporate customers.
	6.1.d. The company engages its end-user consumers in a shift towards products, services, and/or behaviors with lower nature-related impacts and dependencies. To be assessed 'Yes' on this metric, the company must satisfy BOTH of the following criteria: a) The company publicly discloses evidence that it is taking actions to systematically engage its end-user consumers in a shift towards products, services or behaviors with lower nature-related impacts and dependencies (such as campaigns promoting products with lower nature impacts, or responsible disposal or recycling of products), AND b) The company specifies the actions it is taking, such as developing products and/or services with lower nature-related impacts and dependencies that are more attractive to consumers. A company may be assessed 'Not relevant' on this metric if it satisfies EITHER of the following criteria: a) The company is assessed 'Not relevant' on Metrics 2.2.c and 2.2.f signifying that, having conducted an assessment, it has not identified any material nature-related impacts or dependencies in its downstream value chain, OR b) BOTH • The company is assessed 'Yes' on Metrics 2.2.c and 2.2.f AND

	• The company discloses that it identified no material impacts or dependencies associated with its end-user consumers.
6.2. The company publicly discloses direct lobbying activities and any expectations for associations that it is a member of which are not aligned with the Kunming-Montreal Global Biodiversity Framework.	**6.2.a.** The company commits to conducting its **direct** lobbying activities in accordance with the goals of the Kunming-Montreal Global Biodiversity Framework. To be assessed 'Yes' on this metric, the company must publicly disclose a commitment/position statement to conduct all of its direct lobbying in line with the goals of the Kunming-Montreal Global Biodiversity Framework. In addition, the scope of this commitment must apply to all subsidiaries and business areas, and all operational jurisdictions. The commitment should refer to the Kunming-Montreal Global Biodiversity Framework specifically, rather than the company's own nature policy or the like. Statements including vague language or caveats on aligning direct lobbying activities (e.g., 'where possible' or 'aim to ensure direct lobbying positions are aligned with The Biodiversity Plan') are not sufficient to meet the requirements of this metric.
	6.2.b. The company reviews **its own** nature policy positions' alignment with the Kunming-Montreal Global Biodiversity Framework and discloses how it has advocated for these positions through its lobbying activities. To be assessed 'Yes' on this metric, the company must satisfy BOTH of the following criteria: a) The company publicly discloses that it has reviewed its own nature policy positions in line with the Kunming-Montreal Global Biodiversity Framework, AND b) The company publicly discloses the nature-related lobbying activities it has carried out in support of, or in opposition to, these specific policies during the most recent fiscal year. This can include activities such as holding meetings with policymakers or regulators, presenting policy submissions, or making political donations. These activities should explicitly link back to the company's nature policy positions. The disclosure should also be clearly sign-posted as nature-related (lists of lobbying activities for a broader set of issues are not sufficient) and include specific details of the stakeholders engaged and focus of engagement.

	Select case study examples cannot be accepted. In addition, only lobbying carried out directly by the company can be accepted.
	6.2.c. The company commits to advocate for lobbying activities aligned with the Kunming-Montreal Global Biodiversity Framework within the **trade associations they belong to**. To be assessed 'Yes' on this metric, the company must publicly disclose a commitment to advocate for lobbying within their trade associations that is aligned with the Kunming-Montreal Global Biodiversity Framework . The commitment should refer directly to the lobbying activities of the company within its member trade associations and should specifically mention the Kunming-Montreal Global Biodiversity Framework, rather than, for example, the trade associations' published policy positions or the company's nature policy. Statements including vague language or caveats on aligning indirect lobbying activities (e.g., 'where possible' or 'aim to ensure trade association's lobbying positions are aligned with the Kunming-Montreal Global Biodiversity Framework') are not sufficient to meet the requirements of this metric. Conducting a review of trade associations' nature positions and alignment to the goals of the Kunming-Montreal Global Biodiversity Framework is not covered by this metric (see Metric 6.2.d).
	6.2.d. The company publicly discloses the actions it has taken to ensure alignment of its **trade associations'** nature policy positions and lobbying activities with the Kunming-Montreal Global Biodiversity Framework. To be assessed 'Yes' on this metric, the company must satisfy BOTH of the following criteria: a) The company publishes a review of its trade associations' nature positions and alignment with the Kunming-Montreal Global Biodiversity Framework goals, AND b) The company publicly discloses the specific actions it has taken as a result of the review. The review should clearly state or show that the company has reviewed alignment with the Kunming-Montreal Global Biodiversity Framework. Reviewing alignment with the company's own nature policy is not sufficient. This review or assessment should be published with clear outcomes and findings. Vague, generalized findings are insufficient to satisfy the requirements of this metric. The review or assessment could have been conducted by a

	third party. The company may use alternative terms for trade associations including 'trade groups', 'business associations', 'industry associations', 'business groups', 'trade bodies' and 'industry trade group'. Listings of trade associations that contain indications that the disclosure is selective (e.g., 'Our most material trade associations are…', 'Our trade associations include…') are insufficient for the purposes of this metric. However, if the company states it has included all associations that take positions on nature-related issues, this can be considered exhaustive disclosure for the purpose of this metric. In terms of actions, the company should indicate what actions, if any, it took as a result of its review of its trade associations' alignment with the Kunming-Montreal Global Biodiversity Framework. This might include a commitment to engage with a trade association found to be misaligned or withdrawal from a trade association found to be misaligned.
6.3. The company identifies and engages with key stakeholders on nature-related issues and incorporates the outcomes of these activities in its strategy and operations.	**6.3.a.** The company publicly discloses the process for identifying relevant stakeholders across its value chain and the process for engaging with stakeholder groups. To be assessed 'Yes' on this metric, the company must satisfy ALL of the following criteria: a) The company publicly discloses a list of relevant stakeholder groups or a process for identifying stakeholders groups to engage with, AND b) The company publicly discloses what channels it used to engage with different stakeholder groups, AND c) The company publicly discloses the frequency with which it engages with stakeholders. Regarding criterion b), it is insufficient for the company to specify a list of channels if they do not indicate how these correspond to each stakeholder group. For the purposes of this metric, stakeholder engagement must be broader than any engagement undertaken for the purposes of completing a materiality assessment.
	6.3.b. The company demonstrates that engagement with stakeholders informs its actions to address nature-related issues.

	To be assessed 'Yes' on this metric, the company must publicly disclose evidence of how issues raised during stakeholder engagement are used to inform its actions to address nature-related issues. The company must disclose specific and concrete outcomes based on its stakeholder engagement during the last fiscal year. A general description of guidelines or a recap of the materiality assessment is insufficient for the purposes of this metric.
6.4. The company has a grievance and redress mechanism through which individuals and communities may raise complaints or concerns that they have been adversely impacted by the company's actions pertaining to nature.	**6.4.a.** The company has a mechanism for individuals and communities to raise complaints or concerns that they are or may be adversely impacted by the company, or for them to raise complaints of adverse impacts to nature. To be assessed 'Yes' on this metric, the company must satisfy ALL of the following criteria: a) The company provides one or more mechanisms or channels, or participates in a shared mechanism, through which individuals and communities may raise complaints that they are or may be adversely impacted by the company (or individuals or organizations acting on their behalf or who are otherwise in a position to be aware of adverse impacts), AND b) The grievance and redress mechanism will also address complaints of adverse impacts to nature, even in the absence of adverse impacts to humans, AND c) The company (or the third party managing the grievance and redress mechanism, if a shared mechanism) publicly discloses formalized procedures for addressing received complaints in a timely manner and providing a fair and just remedy. Regarding criterion a), an explicit reference to human rights in the mechanism is not required, but it must be clear to stakeholders that a mechanism or channel designed to cover other topics (e.g., a corruption hotline) can be used to raise human rights complaints or concerns as well. The mechanism should offer anonymity to complainants, if desired. An exclusively anonymous mechanism may not offer the opportunity to remedy the situation and will not be assessed 'Yes'. Companies should also seek to ensure that their grievance and redress mechanisms satisfy the effectiveness criteria for non-judicial grievance mechanisms set out in the Accountability Framework Initiative's Operational Guidance on Remediation and Access to Remedy.

	6.4.b. The company discloses a list of grievances submitted. To be assessed 'Yes' on this metric, the company must satisfy BOTH of the following criteria: a) The company is assessed 'Yes' on Metric 6.4.a, AND b) The company discloses a list of grievances submitted to the company, including: • A summary of the grievance reported, • The source of the grievance (unless the complainant has opted to remain anonymous), • Date received, • Current status or outcome of the grievance (if resolved), AND • Date closed. The grievance list must retain grievances even once they are closed, to promote transparency.
	6.4.c. The company has a policy of non-reprisal against complainants, including human rights defenders, whistle-blowers, and community spokespersons. To be assessed 'Yes' on this metric, the company must publicly disclose a policy of non-reprisal against individuals or communities that submit a complaint or concern through the company's grievance and redress mechanism.