



Think Ahead

PROFESSIONAL ACCOUNTANTS CHANGING BUSINESS FOR THE PLANET

Setting the scene for the series 'A Simple Guide to Natural Capital Management'

The call to action for business and professional accountants

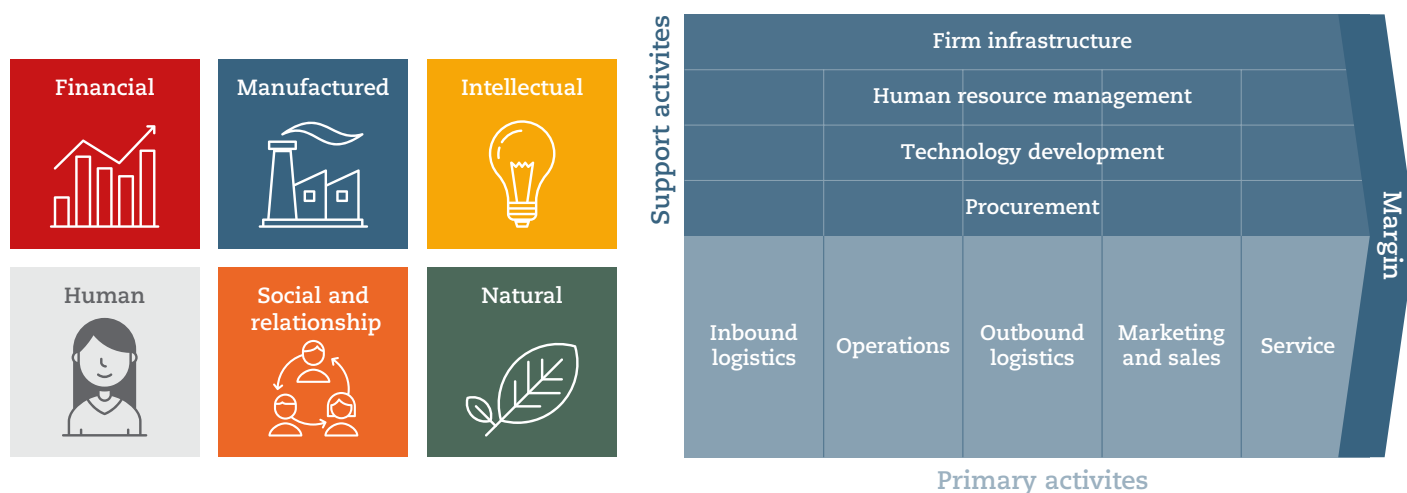
- When over half of global GDP generated by business is moderately or highly dependent on nature, resulting in 83% of wild mammals and over half of all plants being wiped out, then business transformation is central to achieving the care for nature required to ensure society's prosperity.
- Society, supported by the green focus of policymakers and investors, is calling for a transformation that takes better care of nature.
- Businesses are therefore impelled to focus on natural capital strategies that change what they do and how they do it.

- Professional accountants have always been essential to helping businesses set and execute their strategies. But here they must employ integrated thinking, as a minimum, to connect nature with business and finance.

The strategic actions that business should take

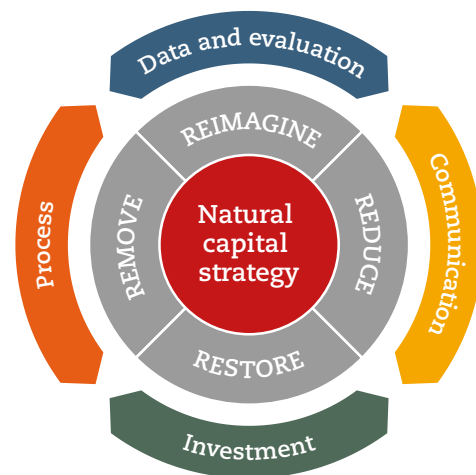
- To take better care of nature, one of the six interconnected and interdependent capitals, often requires strategies related to transformation of business models, supply and value chains, and sometimes also a reassessment of purpose and vision.
- Natural capital strategies are based on one or a combination of the 4Rs: **remove** and **reduce** impact; **restore** what has been damaged; but most importantly, **reimagine** success.

FIGURE 1: The interconnected and interdependent ('integrated') capitals



- All the '4Rs', but especially 'reimagining success', demand a changed mindset, one that considers success, as a minimum, for the material of the six interconnected and interdependent capitals, of which finance will almost certainly be one.
- Implementing the 4Rs strategy, changing business models, supply and value chains to link them to a reframed purpose, requires business activities associated with data and evaluation to:
 - create the strategy
 - obtain the investment required to adapt business systems and processes, and
 - assess progress and performance
 then communicate the strategy and objectives to stakeholders invested in the business.

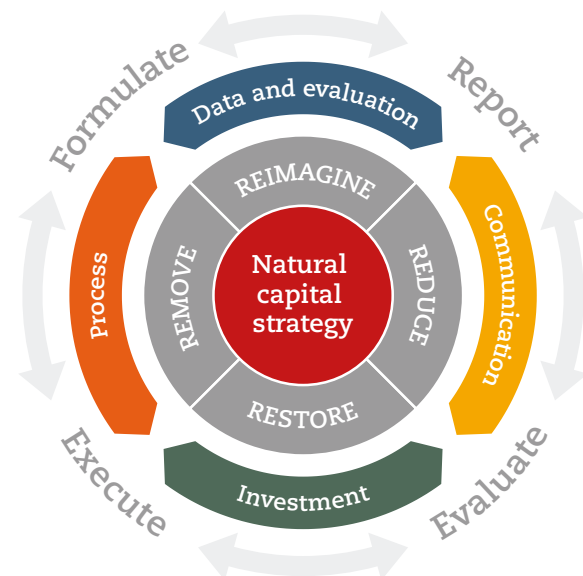
FIGURE 2: Natural capital strategy



The role of the professional accountant in bringing to life the 4Rs required for business, nature and society's sustainable prosperity

- Professional accountants, with their specialist business and finance skills, hold a multitude of roles in business and on behalf of society. They perform the interwoven functions of evaluating data to create strategy, formulating and executing systems and processes; plus gaining and servicing investment to finance the strategy; and, of course, relevantly and reliably communicating strategy and performance in assured reports to stakeholders.
- Professional accountants, acting in the public interest, must use integrated thinking to connect the capitals to each other, especially to financial capital. They must recognise how natural capital is related to the other capitals in the capacity relevant to their role and perform their interwoven functions accordingly.
- Their qualification and continued professional development opportunities equip professional accountants with the technical and professional expertise to appreciate and manage the capitals.
- To develop enhanced integrated thinking that takes into account the relationship between nature and the other capitals, many businesses and professional accountants have the opportunity to learn from others: for example, by consulting the plethora of frameworks and standards, and collaborating with stakeholders with a special interest in natural capital, such as natural capital experts and many employees.

FIGURE 3: The professional accountant's role in the natural capital strategy



What this series does

- This series helps professional accountants to change business for the benefit of the planet by providing:
 - a practical guide to natural capital management, supported by examples for professional accountants relatively new to the topic
 - links to supplementary information to find out more.
- There is a separate guide for each of the four roles:

BUSINESS LEADER	PERFORMANCE MANAGER	CORPORATE REPORTER	AUDITOR AND ASSURER
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