

# The Evolution from Net Zero to Nature-Positive Enterprises

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## Synopsis

- Over the past decade, the corporate sustainability agenda has undergone a profound shift. Early strategies primarily focused on achieving net-zero emissions, aiming to balance greenhouse gas emissions through energy efficiency, the adoption of renewable energy, offset mechanisms, and carbon capture technologies.
- Net-zero remains a vital global target in mitigating climate change. However, businesses, policymakers, and investors alike are realising that carbon neutrality on its own is insufficient to address broader ecological risks.
- This recognition has catalysed the emergence of nature-positive enterprises—business models that go beyond mitigation to actively restore natural systems, protect biodiversity, and regenerate essential resources.
- In regions where agriculture, forestry, and water-intensive industries are central to local livelihoods, ecosystem health is inextricably linked to economic stability. When natural systems deteriorate, risks such as supply chain disruptions, resource scarcity, and community vulnerability intensify, directly affecting business performance.
- The transition from net-zero to nature-positive goes beyond a policy initiative, reflecting a fundamental shift in how organisations approach sustainability, build resilience, and generate long-term value.

## The Nature-Positive Imperative

Natural ecosystems serve as the invisible infrastructure supporting economies and societies. Fertile soils sustain agricultural productivity, forests regulate water cycles and serve as long-term carbon sinks. Freshwater systems are vital for industrial uses and human consumption, while fisheries are crucial for global food security. Collectively, these natural assets underpin economic stability and community well-being.

In resource-dependent economies, the degradation of these systems has direct financial and social costs:

<b>Supply chain instability</b>	Deforestation, soil erosion, and declining water availability reduce crop yields and commodity outputs, jeopardizing industrial inputs.
<b>Resource constraints</b>	Declining soil fertility, reduced biodiversity, and scarcity of clean water threaten production system in agriculture, manufacturing, and energy.
<b>Community vulnerability</b>	Populations reliant on natural resources experience livelihood insecurity, increasing risks of poverty and inequality.

Beyond short-term economic effects, biodiversity loss undermines ecosystems' capacity to deliver essential services like carbon capture, water management, and soil fertility. These widespread failures can lead to ripple effects in industries and communities, highlighting the importance of integrating nature-positive strategies into business practices.

## Corporate Responses and Emerging Practices

In response to increasing ecological risks, many organisations are integrating ecosystem restoration into their operational strategies. This shift is evident in efforts like adopting sustainable agricultural methods that preserve soil health and lower water stress, implementing extensive afforestation and reforestation projects to revive degraded lands and reinforce watersheds, and adopting circular economy approaches that focus on waste reduction, resource recycling, and decreasing dependence on virgin materials.

Furthermore, companies are investing in biodiversity initiatives such as watershed management and species conservation to ensure long-term ecosystem health. These efforts show that nature-positive strategies are not confined to one sector but are applicable across various industries, including consumer goods, financial services, energy, and manufacturing infrastructure.

## Nature-Based Solutions and Their Strategic Role

A key driver of the nature-positive agenda is the adoption of solutions that leverage natural processes to address climate and ecological challenges while simultaneously generating social and economic benefits. By integrating ecosystem restoration with community development, these initiatives offer a pragmatic and scalable approach to achieving sustainable outcomes. Key approaches include:

- **Afforestation and Reforestation:** Restoring degraded forests to enhance biodiversity, stabilise soils, and mitigate desertification.
- **Wetland Restoration:** Rehabilitating rivers, lakes, and marshes to improve water quality, regulate floods, and support aquatic ecosystems.
- **Agroforestry Systems:** Incorporating tree cultivation within agricultural landscapes to improve soil health, diversify production, and increase resilience to climate variability.
- **Regenerative Agriculture:** Employing practices such as reduced tillage, cover cropping, and organic soil amendments to restore fertility, sequester carbon, and enhance long-term productivity.

Together, these interventions strengthen ecosystems and deliver tangible socio-economic benefits, including job creation and enhanced community resilience. In developing economies, such practices are particularly effective in achieving both ecological restoration and sustainable development goals, underscoring their strategic role in modern business and environmental practices.

## The Economic Case for Nature-Positive Enterprises

Adopting nature-positive practices has emerged as both an environmental imperative and a strategic economic opportunity. Companies that incorporate restorative approaches into their operations are increasingly able to achieve multiple financial and operational benefits while strengthening resilience against climate- and ecosystem-related risks. Among the primary advantages are:

- Generation of new revenue streams through ecosystem services, sustainable product offerings, and biodiversity credits.
- Attraction of ESG-focused investors, as capital markets place growing emphasis on corporate performance in biodiversity and ecosystem stewardship.
- Enhanced operational efficiency by optimising the use of water, energy, and raw materials, while minimising waste.

- Mitigation of risk, since healthy ecosystems contribute to stable supply chains and reduce vulnerability to climate-related disruptions.

The economic potential of nature-positive strategies is highlighted by investment trends. Private sector funding in these projects has increased from \$9.4 billion to over \$102 billion in emerging markets over the past decade. Furthermore, studies estimate that initiatives such as ecosystem restoration and regenerative agriculture could generate more than \$10 trillion in annual business value and create millions of jobs worldwide by 2030.

### Frameworks and Reporting Mechanisms

To ensure credibility and accountability in implementing nature-positive strategies, enterprises are increasingly aligning with globally recognised frameworks that guide measurement, disclosure, and target-setting. These standards help organisations systematically assess their ecological impact, track progress, and communicate outcomes to stakeholders.

- **Business Responsibility and Sustainability Reporting (BRSR):** Valuable tool for nature-positive organisations—helping measure, disclose, and ultimately improve their nature-related impacts, while supporting regulatory, investor, and market-driven demands for robust sustainability leadership. BRSR aligns with global nature-positive frameworks and benchmarks, facilitating international recognition and compliance with regulations like the Global Biodiversity Framework and EU standards. BRSR supports integrating environmental responsibility into the core business strategy, turning sustainability initiatives into a competitive advantage, and aligning internal policies with national and international standards such as TNFD and SBTN. Organisations can track their progress toward nature-positive goals using standardised metrics, thereby strengthening their legitimacy and contributing to industry-wide transformation for the restoration and preservation of natural ecosystems.
- **Taskforce on Nature-related Financial Disclosures (TNFD):** Encourages companies to identify, assess, and disclose dependencies and risks linked to ecosystems. As of 2025, over 620 organisations from more than 50 countries, representing approximately \$20 trillion in assets, have publicly committed to aligning their reporting with TNFD recommendations.
- **Global Reporting Initiative (GRI):** Offers standardised reporting frameworks for biodiversity, water management, and broader environmental impacts, supporting consistent and comparable disclosures. In 2024, GRI was adopted by 71% of the largest 100 companies in each of 58 countries, and by 77% of the G250, indicating strong global uptake.
- **Science-Based Targets for Nature (SBTN):** Provides scientifically grounded benchmarks for businesses to set measurable goals in ecosystem restoration and nature-positive outcomes. In 2025, SBTN introduced a beta target tracker to enhance transparency and accessibility, enabling stakeholders to monitor companies' progress in adopting and advancing science-based targets for nature.

By adopting these frameworks, organisations can enhance transparency, strengthen investor confidence, and demonstrate tangible progress toward sustainable, nature-positive practices.

## Implementation Challenges in Nature-Based Strategy Pathways

Despite the clear benefits of nature-positive strategies, their implementation faces a range of challenges that can slow adoption across industries. Structural, financial, and regulatory barriers often limit the ability of organisations to fully integrate ecosystem-restorative practices into operations.

<b>Data availability and consistency</b>	A lack of standardized and reliable ecological metrics makes it difficult for companies to monitor impacts, compare performance, and make informed decisions
<b>Complex value chains</b>	Tracing the biodiversity and ecosystem implication of multi-tiered suppliers presents a significant operational and technical challenge.
<b>High upfront costs</b>	Initial Investments required for regenerative agriculture, habitat restoration, and other nature-positive initiative can be prohibitive, particularly for small and medium-sized enterprises (SMEs)
<b>Regulatory inconsistency</b>	Differing environmental regulations, incentives, and enforcement mechanisms across regions create uncertainty, complicating long-term planning and strategy execution.

Emerging solutions such as digital monitoring platforms, blended finance models, and public-private-community partnerships are being leveraged to facilitate implementation. However, achieving meaningful and sustained progress will require coordinated action across governments, businesses, investors, and communities, ensuring that policies, incentives, and operational practices are aligned to fully realise the potential of nature-positive approaches.

## Inference & analysis

CareEdge-ESG emphasises that the progression from net-zero to nature-positive enterprises represents a significant advancement in corporate sustainability, reflecting a shift from carbon mitigation to active ecosystem enhancement. While net-zero commitments continue to support greenhouse gas reduction, nature-positive strategies promote the restoration of biodiversity, soil health, freshwater systems, and other vital natural assets. Integrating these approaches into operational and strategic decision-making enhances supply chain resilience, optimises resource efficiency, and supports long-term sustainable growth. Companies that adopt regenerative practices are not only advancing environmental stewardship but are also embedding sustainability as a driver of value creation, operational excellence, and competitive advantage.

Nature-positive initiatives generate meaningful socio-economic and environmental benefits. Practices such as reforestation, wetland restoration, regenerative agriculture, and circular resource management help create new revenue streams, improve operational efficiency, and strengthen ESG performance, fostering investor confidence and stakeholder trust. Alignment with global frameworks, including the TNFD, GRI, and SBTN, supports clear measurement, target setting, and transparent reporting of nature-positive outcomes. By embedding sustainability into governance, strategy, and operations, organisations are positioning themselves as leaders in a resilient, future-ready economy where environmental stewardship, innovation, and business growth progress in harmony. CareEdge-ESG recognises that integrating robust nature-positive strategies not only advances sustainability leadership but also strengthens long-term value creation, industry resilience, and stakeholder trust through credible measurement, transparent reporting, and continuous improvement in ESG performance.

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