



Business, Naturally

What is a nature positive
aligned business model?

The University of Cambridge Institute for Sustainability Leadership

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A-Track

A-Track is a four-year, €11 million project that will accelerate transformative action for nature. It will create robust and reliable resources, tailored to the needs of key decision-makers, and will support the flows of biodiversity information for use in business, finance and government decisions. The A-Track consortium of 11 partners brings together leading thought leaders and practitioners who have been driving change in the measurement and valuation of natural capital and biodiversity. The project is funded by the European Union's Horizon Europe programme with co-funding from UK Research and Innovation, and the Swiss National Science Foundation.

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Introduction

Nature is a business issue. Evidence is mounting on the risks that nature degradation poses to the stability and sustainability of global economies. From climate change and biodiversity loss to water scarcity and soil degradation, a degraded natural world can impact business operations, supply chains and market stability both directly and indirectly.^{1,2} There is a global imperative for businesses, citizens and governments to work towards a “nature positive” goal, halting and reversing biodiversity loss by 2030.³

Achieving this goal will require a concerted cross-society effort. Our economic systems are operating outside of planetary boundaries and currently the market is failing to deliver the scale and pace of change needed. Deeper, structural changes to market economies are needed to transform them into vehicles for positive change rather than barriers to private sector action, exacerbating tensions between profitability and sustainability.

As part of achieving this wider change we need to look for examples of how business can work in ways that protect and restore nature so we can learn from them and scale solutions. This business briefing examines the role of such nature positive aligned business models. It is based on a research report *Better business: Re-thinking business models for nature positive outcomes* published as part of the A-Track research project. A-Track is a four-year, €11 million project that will accelerate transformative action for nature by business, finance and government. CISL is leading two workstreams for this project:

Work package 6 seeks to show how the finance community can already help make nature bankable, and scale private investment into natural capital supported by other stakeholders including businesses and governments.

Work package 5, to which this briefing relates, aims to facilitate and incentivise the adoption and scaling of nature positive aligned business models, exploring the potential for business model shifts that support nature positive outcomes.

 ***Discover more about the A-Track project here***

1. WEF, *Global Risks Report 2023*
2. TNFD, *Recommendations of the Taskforce on Nature-related Financial Disclosures 2023*
3. Nature positive is a global, societal goal, defined as halting and reversing biodiversity loss by 2030 (against a 2020 baseline) and achieving the full recovery of nature by 2050 (*Nature Positive Initiative, 2023*)

The report on which this briefing is based is the first step in a process to identify, test, refine, develop and pilot archetypes for new business models that are aligned with national and global nature objectives. This initial work investigates what a nature positive aligned business model would look like and identifies a number of business model 'archetypes'. Our objective is to help businesses, financial institutions, policymakers and other stakeholders understand what nature positive aligned business models would consist of and why they should be prioritised. Future work will explore the barriers to adoption of these business models, including commercial, regulatory and financial barriers. The ultimate goal is to identify opportunities to develop, scale, finance and mainstream nature positive aligned business models.

Those wishing to explore further the context behind the material in this briefing are encouraged to read the full report, which can be found [here](#).

Why we need new business models

The transition to a nature positive economy will require deep transformations across a range of sectors and in response, new business models will need to be developed. This presents opportunities for businesses that can adopt nature positive aligned business models, finding ways to generate market returns alongside nature positive outcomes.

To date much of the private sector focus has been on voluntary changes to reduce the harms caused to nature by business operations and supply chains. While welcome and necessary, this is not sufficient to deliver the scale and pace of action on nature necessary to stabilise, protect and restore the environmental resources we all rely on.

Firstly, given the scale of nature degradation that has already occurred, it is not enough to simply stop activities that harm nature: we need to reverse the damage that has already been done by restoring nature. Restoring natural ecosystems will allow businesses to safeguard their long-term viability and resilience, while also aligning themselves with the global societal goal of being nature positive.

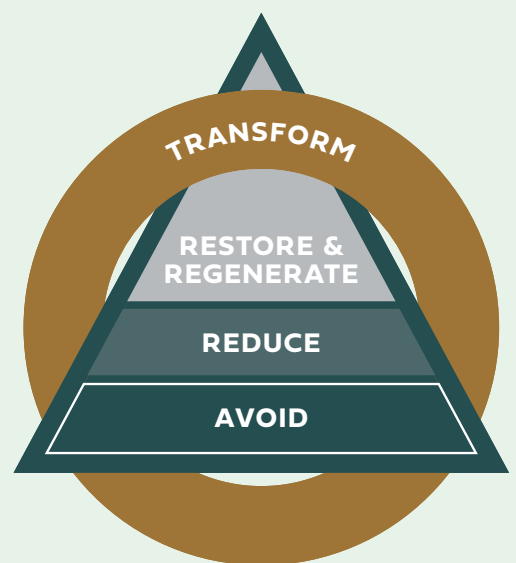
Secondly, the adoption of nature positive practices within business operations and supply chains will have limited impact if the value creation model at the core of a business is misaligned with the nature positive goal. Pro-nature practices and initiatives will come into tension with a company's business model if this relies on or drives activities that harm nature. Adopting nature-positive models helps companies build resilience against environmental risks, such as climate change or resource scarcity, by aligning their operations with the sustainable use of natural resources.

Identifying business models that generate better outcomes for nature will not necessarily result in them being widely adopted. Organisational culture and boundaries, as well as wider conditions such as market constraints and the political economy can all prevent the adoption of these business models. This is why the next phase of this work will look at the barriers to integrating nature positive aligned business models and strategies for scale-up. This could involve both encouraging new businesses to consider nature positive alignment when developing a business model, and exploring how incumbent businesses can integrate new business models into their existing structures. In both cases changes may be required to the way that markets are structured and regulated, requiring a 'whole-of-system' approach that includes other businesses, financial institutions and policymakers.

New business models will also help contribute to the scaling of nature positive finance. It is currently difficult for investors to identify and invest in nature positive aligned business models and instead they often continue to fund harmful business practices as a result. Identifying and scaling up nature positive aligned business models will help to increase routes for nature positive aligned investment to flow.

Figure 1: AR3T Framework Reproduced from 'Step 4: Act' ([Science-Based Targets Network, 2024](#))

While wholesale transformation or adoption of new business models may take time, there are interim steps that businesses can take to start to align with the nature positive goal. The Science Based Targets Network's Action Framework (AR3T) points towards the areas and actions that businesses can take under the following headings:



- **Avoid and Reduce** pressures on nature loss.
- **Regenerate and Restore** so that nature can recover.
- **Transform underlying systems** in which companies are embedded to address the drivers of nature loss.

Following this framework can guide businesses towards amending their business models in the first instance, though it is likely to require a number of different actions to deliver a fully nature positive aligned business model.

What is a nature positive aligned business model?

Although nature positive business practices and strategies are gaining interest and momentum, there is still no clear definition, understanding or evidenced application of nature positive aligned business models. Academic literature describes a business model as follows: “A business model describes the rationale of how an organisation creates, delivers, and captures value”.⁴

This model encompasses the core aspects of a business, including its value propositions, target customers, revenue streams, channels of distribution, customer relationships, key activities, key resources, key partnerships and cost structure. A business model is made up of different business practices, but while individual business practices (eg procurement or investment decisions) can be aligned with the nature positive goal, for a business as a whole to be considered nature positive aligned then its value proposition must have nature positive principles at heart.

Our working definition for a nature positive aligned business model is: **a financially viable business entity whose value proposition and rationale are centred around nature positive principles.**

Developing a typology of nature positive aligned business model archetypes

In order to help businesses, investors, policymakers and other stakeholders identify nature positive aligned business models, we have developed a typology of nature positive aligned business model archetypes.

This can be useful for businesses as:

- It provides strategic direction to efforts to become more nature positive, offering guidance on how to make informed decisions about incorporating nature-positive practices into their operations and how these building blocks of business practices could coalesce into a business model shift.

4. Alexander Osterwalder and Yves Pigneur, *Business Model Generation* (Hoboken, NJ: John Wiley & Sons, 2010).

- It facilitates the sharing of best practices, allowing businesses to understand who is taking a comparable approach and learn from it, accelerating the adoption of effective approaches across industries.
- It can facilitate and encourage innovation by inspiring businesses to explore new ways of achieving nature positive outcomes, highlighting areas where new models or hybrid approaches could be developed.
- It can help with risk management. By categorising these models, businesses can better identify the risks and opportunities that are relevant to them, allowing them to manage challenges effectively while capitalising on potential opportunities.
- It can allow a standardisation of metrics and performance indicators across different business models, making it easier to measure and compare the effectiveness of nature positive strategies both within and across industries. Companies can benchmark their performance against others employing similar models, driving continuous improvement and fostering healthy competition.

These archetypes (see Table 1, page 8) aim to be sector agnostic and without hierarchy, but there are some factors that could affect their operation. For example, the size, scale and maturity of a business could affect its ability to operationalise a nature positive aligned business model. Likewise, the extent of dependency on natural capital and the accessibility and availability of finance will influence the ease with which a business model shift can be successfully achieved. Sectoral positioning, innovation and the availability of technological solutions, and the nature of drivers of change (eg regulatory, values-driven) were the other boundary conditions identified. Much like the biodiversity that exists in nature, business journeys to address their nature outcomes will similarly be diverse. Frameworks being developed (under this project and others) aim to help businesses navigate this difficult landscape, to ensure that organisational strategies accelerate and aggregate into achieving the systemic goal.

Table 1: Proposed business model archetypes

	WHAT DOES THIS BUSINESS DO?	EXAMPLE
Archetype 1: Products and services to minimise nature impact	Redevelops goods and services to have a relatively lower impact on nature	Low carbon, permeable concrete that allows stormwater to drain away, mitigating flooding, and thus recharging groundwater
Archetype 2: Service models to minimise nature impact	Operates a service model for goods and services that have a lower impact on the environment and nature. Focuses on modifying customer distribution and engagement channels	A logistics company that provides eco-friendly last-mile delivery services for e-commerce businesses and local retailers
Archetype 3: Regenerative products and services	Directly carries out restorative and regenerative activities and develops goods and services to have a net positive impact on nature and biodiversity	A direct-to-consumer (D2C) sustainable clothing brand that designs and produces clothing made from regenerative organic materials and natural dyes
Archetype 4: Regenerative service models	Operates a service model for regenerative products, activities and services that have a net positive impact on nature and biodiversity	A subscription-based waste collection, recycling and resource regeneration service for businesses, households and municipalities
Archetype 5: Supplementary service provision	Implements changes or innovations in how value is created across key activities, stakeholders, resources and capabilities along the supply chain	A company that produces household and industrial cleaning products, with a focus on sustainability and eco-friendly practices
Archetype 6: Value chain reconfiguration	Provides goods and services that unlock nature positive outcomes, such as data analysis and natural capital accounting	Uses advanced satellite imagery and artificial intelligence (AI) to automate mapping, measuring and monitoring of habitats, in combination with an online platform for assessment and reporting
Archetype 7: Purposeful stewardship	Generates nature positive outcomes through education, awareness raising and consensus building	An app that allows users to plant trees worldwide by engaging with partner brands, promoting reforestation

Next steps: what can businesses do now?

Join us on the A-Track journey

We will be holding workshops in 2025 with businesses, regulators, financial institutions and other stakeholders to refine our business model typology and explore the barriers to wider adoption of nature positive aligned business models.

We encourage businesses that have already made progress in their nature journey to join these workshops and share their approach. We will be working with a range of businesses across sectors and of different sizes and maturity levels. This work will be relevant to new businesses and startups, who can consider how to align their business model with nature positive, as well as established businesses considering the next stages on their nature positive journey.

We encourage practitioners interested in understanding how they can contribute to this work to get in touch using the methods below.

Explore more

This business briefing is based on a research report *[Better business: Re-thinking business models for nature positive outcomes](#)* which explores in significantly more detail the themes presented here, including laying out the conceptual framing, the full methodology behind the development of the typology, and the complete change methodology that can help businesses take this work forward.

Contact us

The Business and Nature team at Cisl is leading the work on nature positive aligned business models. Edmund Dickens and Harry Greenfield can be reached at business&nature@cisl.cam.ac.uk



To find out more about the A-Track project, visit a-track.info or sign up to the mailing list by scanning the QR code.