

Private Sector Communiqué on Natural Capital

Natural Capital comprises Earth's natural assets such as soil, air, water, flora and fauna. These assets, and the ecosystem services they provide, make human life possible. However, vital ecosystem services such as freshwater provision, carbon storage, wood production, and the renewal of soil fertility and fisheries are under threat. Despite being fundamental to the wellbeing of our businesses and society, natural capital and the services it provides remain almost undetected within our economic system.

Through this communiqué, we - a range of private sector initiatives, companies, and corporations, come together **acknowledging** the importance of natural capital for smart business and a sustainable global economy, **recognizing** the importance of natural capital in our business operations, and **expressing** our shared commitment to improving how we account for the value of natural capital in our planning and decisions.

We believe that business leadership in using our global natural resources wisely is essential and we are already expressing our commitment in various ways. Many financial institutions, companies and corporations have endorsed the *Natural Capital Declaration* or *The Leadership Compact*, or they are participating in the *Integrated Reporting Pilot Program*. Through such initiatives and our corporate commitments to sustainability we are already taking actions in many different ways, including for example:

- ❖ Building an understanding of the impacts and dependencies of natural capital relevant to our operations, risk profiles, customer portfolios, supply chains and business opportunities;
- ❖ Collaborating to build a global consensus for integrating natural capital into private sector accounting and decision-making;
- ❖ Working towards creating integrated reports that reflect the total economic value of our enterprises and enable better management of all resources;
- ❖ Accounting for our environmental impacts by compiling Environmental Profit and Loss Accounts;
- ❖ Identifying targets for the protection and efficient use of natural capital.

We now call on others to join us in working towards better accounting for natural capital in operations.