

NATURE ON BALANCE SHEET





Should Nature Come on the Company Balance Sheet?

"We measure what we value - & we value what we measure." For too long, nature has been left off the ledger.

The Big Question

The company balance sheet reflects financial capital-land, buildings, machinery, cash-but ignores the natural capital that makes all these possible.

What, then, is the value of forest cover that regulates rainfall? Is there a premium/penalty for fertile soils that turn into factories? What is the real value of waste generated and disposed by companies each year? And does the cost of carbon, which shapes our climate future, truly appear anywhere in the P&L or balance sheet?

While the integrated reports started highlighting the natural capital, yet, all of these are valued at zero in accounting terms.

If depreciation reflects wear and tear of machines, shouldn't ecological depletion reflect wear and tear of the Earth?

From Externality to Asset

Businesses extract, consume, & pollute, treating nature as a costless backdrop. But climate change & biodiversity loss have made it clear: natural capital is critical business capital. Frameworks like TNFD, ISSB, and BRSR Core are early attempts to connect ecological health with enterprise value.

Natural capital accounting is emerging-valuing forests, water, soil, & biodiversity using avoided-cost & restoration models.

It's complex, yes. But ignoring it is costlier.

What If We Added Nature to the Balance Sheet?

Imagine a "Statement of Nature Position" that reports:

- ✓ Natural assets owned, used, and restored.
- ✓ Ecosystem dependencies and risks.
- ✓ Regenerative investments made.

Investors could see a company's ecological leverage. Lenders could price long-term risk better. Boards could align incentives to protect, not exploit, ecosystems.

The Shift Will Enable

- ✓ **Accountants** to evolve into natural capital auditors.
- ✓ **CXOs** to see nature as a strategic asset.
- ✓ **Markets** to reward those who regenerate.

Profit that depletes nature is simply debt in disguise. & companies that restore nature build real resilience.

Our Remarks

When nature appears on the balance sheet - not just as numbers but as **badge of honor** - capitalism becomes regenerative, not extractive.

Because without nature, there is no business to account for.

 services@moore-singhi.in

Kolkata | Delhi NCR | Mumbai | Pune | Chennai | Bangalore | Raipur