Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR)

42nd SESSION
12 – 14 November 2025

Thursday, 13 November 2025

Agenda item 4. Integrating biodiversity and human capital considerations in sustainability reporting

Presented by

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AND IF WE CONSIDERED NATURE A STAKEHOLDER?

LET'S GIVE NATURE A VOICE IN COMPANIES' FINANCIAL STATEMENTS

Ariela Caglio

Associate Professor, Accounting Department – Bocconi University

Director of the Accounting Knowledge Area – SDA Bocconi

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- ✓ **58 trillion dollars: more than half of the world's GDP depends on Nature**
- ✓ **85% of the world's largest companies in the S&P Global 1200 index have a significant dependence on ecosystem services**
- ✓ **The S&P Global 1200 companies have used about 22 million hectares of land, generating revenues of 28.9 trillion dollars**

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We need to recognize that Nature is a central actor in companies' value-creation processes

Research project: "Calculating Sustainability"

Let's consider Nature a stakeholder and give Nature a voice in companies' financial statements

Generate PROFITS for SHAREHOLDERS

Revenues	+
Cost of Goods Sold	-
Gross Margin	=
Operating expenses	-
Operating income	=
Financial income	+/-
Profit Before tax	=
Tax	-
Net profit	=

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Generate and distribute VALUE for STAKEHOLDERS

Revenues	+
Cost of production and services	-
Value added by operating activities	
Interest received	+
Dividends received	+
Value created	**=**
Distributed as follows:	
Employees (salaries, wages and benefits)	-
Providers of interest bearing capital (interest)	-
The State (tax payments)	-
Local communities (donations)	-
Shareholders (dividends)	-
The Firm (retained earnings)	-
Value distributed (= to Value created)	**=**

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Generate and distribute VALUE for STAKEHOLDERS

Revenues	+
Cost of production and services	-
Value added by operating activities	
Interest received	+
Dividends received	+
Value created	=
Distributed as follows:	
Employees (salaries, wages and benefits)	-
Providers of interest bearing capital (interest)	-
The State (tax payments)	-
Local communities (donations)	-
Shareholders (dividends)	-
The Firm (retained earnings)	-
Nature (provisions to a fund for nature)	-
Value distributed (= to Value created)	=

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The SUSTAINABLE VALUE TABLE

Revenues	+
Cost of production and services	-
Value added by operating activities	+
Interest received	+
Dividends received	+
Value created	**=**
<u>Distributed as follows:</u>	
Employees (through salaries, wages and benefits)	-
Providers of interest bearing capital (through interest)	-
Local communities (through donations)	-
The State (for services through tax payments)	-
The Firm (through retained earnings)	-
Shareholders (through dividends)	-
Nature (through provisions to a fund for nature)	-
Value distributed (= to Value created)	**=**

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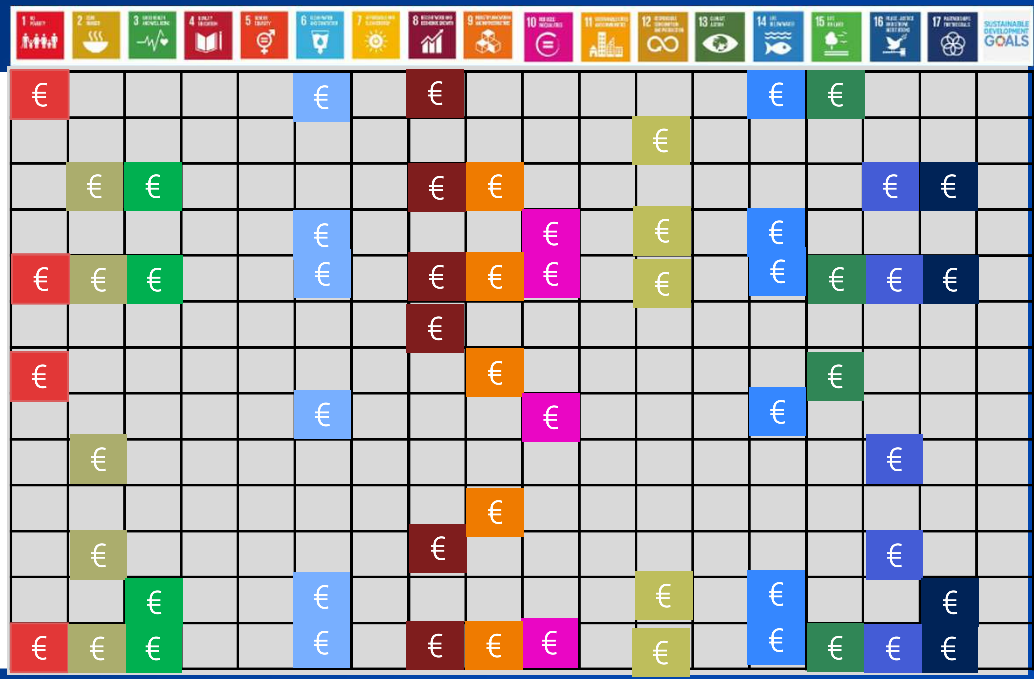
The SUSTAINABLE VALUE TABLE

Revenues	+
Cost of production and services	-
Value added by operating activities	+
Interest received	+
Dividends received	+
Value created	=
<u>Distributed as follows:</u>	
Employees (through salaries, wages and benefits)	-
Providers of interest bearing capital (through interest)	-
Local communities (through donations)	-
The State (for services through tax payments)	-
The Firm (through retained earnings)	-
Shareholders (through dividends)	-
Nature (through provisions to a fund for nature)	-
Value distributed (= to Value created)	=



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THANKS

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