

## Global forestry companies gather in Tokyo to pursue forestry natural capital accounting

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Leaders from the global forestry sector met last week in Tokyo to advance the Forestry Natural Capital Project, where they collectively identified metrics to measure and report the seven chosen ecosystem services provided by sustainable managed forests.

This major step forward builds on Part 1 of the project in which participants identified and prioritised the seven ecosystem services to use for this pilot: carbon, habitat and biodiversity, water quality and quantity, air quality, recreational, and sustainable timber supply.

The Tokyo session concentrated on defining how these services can be consistently measured and valued across geographies and forestry management systems.

The project, an initiative of the International Sustainable Forestry Coalition ([ISFC](#)) and the Capitals Coalition, supported by the Taskforce on Nature-related Financial Disclosures (TNFD), aims to develop a consistent natural capital accounting approach for the forestry sector, enabling companies to report nature-related impacts and dependencies in a way that is credible, comparable, and relevant for investors and policymakers.

“Forestry companies manage vast landscapes and are uniquely positioned to help scale nature markets by providing the vital missing ingredient – consistency in approach to measuring and reporting,” said Ross Hampton, Chief Executive Officer of the International Sustainable Forestry Coalition. “The global forestry sector is vital to bringing the speed and scale needed to protect nature. We are delighted to be working with the Capitals Coalition, TNFD, and partners across the sector to deliver what we believe will be a game-changing project.”

The work underway in Tokyo represents a critical step in translating the concept of natural capital into practical accounting tools that companies can apply to make better decisions.

“Measuring ecosystem services and reflecting them in balance-sheet terms allows businesses and investors to see the full value sustainably managed forests create,” said Rayne van den Berg, Project Lead at Value Australia (Capitals Coalition). “By developing clear metrics and indicators, this project is helping transform natural capital from an abstract concept into something that can inform real-world investment decisions.”

The initiative is closely aligned with global frameworks shaping the nature agenda, including the TNFD recommendations and the Natural Capital Protocol, ensuring the forestry sector’s work contributes to broader efforts to integrate nature into financial systems.

“The TNFD framework supports corporates and financial institutions to integrate nature into strategy and investment decisions,” said Emily McKenzie, Technical Director at the Taskforce on Nature-related Financial Disclosures (TNFD). “We are delighted to support this path-finding project, which will show it is possible to consider nature’s value consistently across the global forestry sector.”

The Forestry Natural Capital Project brings together 18 forestry organisations managing more than 23 million hectares across 38 countries, making it the largest ever sector-wide project of its type.

Over the coming months, project participants will refine the proposed metrics and indicators and begin testing them across different forest landscapes and business models.

The results will contribute to the development of harmonised natural capital accounts for the forestry sector, with further milestones expected before the end of the year.

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“Forests are increasingly being understood as strategic assets within institutional portfolios, not only for financial performance but for their role in addressing climate and nature challenges. Consistent measurement and reporting of ecosystem services is essential to informing investment decisions,” said Mike Cerchiaro, President and CEO, Forest Investment Associates.

“Natural capital underpins economic activity and sustainable long-term growth but has long been underrepresented in financial decision-making. As investors prioritise resilience and sustainability, consistent natural capital accounting will help reveal forestry’s value and support better-informed investment decisions,” said Olly Hughes, Managing Director, Forestry, Gresham House.

“In Chile and across Latin America, forests sustain livelihoods, biodiversity, and contribute to climate solutions. Recognizing and measuring ecosystem services is essential to maintaining resilient forest systems and strengthening global collaboration toward more sustainable, nature-positive production systems,” said Guillermo Olmedo, Environmental and Social Value Manager, Arauco.

“Measuring and valuing forest ecosystem services through common approaches is essential to advancing climate-smart, nature-positive outcomes. The forestry sector can uniquely show how to balance commercial interests and ecological responsibilities. Asia Pacific’s strong participation ensures this global transition is equitably represented,” said Yuuko Iizuka, Executive Officer, Sustainability Department, Sumitomo Forestry.