Valuation Beyond Compliance

Why markets must rediscover ecology, integrity, and generativity

By MARTIN STUDER — June 2025

We measure relentlessly.

Carbon disclosures, ESG ratings, sustainability indices — each designed to signal progress. And yet, while the reporting has multiplied, the planetary crises have deepened. Forests vanish, biodiversity collapses, trust in institutions frays.

If valuation frameworks were meant to guide us toward balance, why do they leave us circling imbalance? The answer is simple: most current disclosures remain instruments of compliance, not coherence. They record what can be counted, but not what counts.

To shift course, we must reimagine valuation not as a regulatory burden, but as stewardship. That requires expanding the grammar of value — from ESG toward something deeper: Ecology, Integrity, and Generativity (EIG).

ESG has reached its limits

When first introduced, ESG frameworks were revolutionary. They acknowledged that externalities mattered, that shareholder primacy could not be the only compass. Yet today, the cracks are clear.

ESG ratings diverge wildly, with the same company receiving high marks from one provider and low from another. Some of the world's heaviest emitters can still appear in "sustainable" funds. Investors are left confused, companies frustrated, and citizens cynical.

The problem is not that ESG failed, but that we mistook it for an endpoint. It was a bridge. A necessary one. But it cannot carry the weight of transformation.

Balance sheets of life

To truly value what sustains us, we must place nature on the balance sheet. Not metaphorically — explicitly.

- Assets: forests, wetlands, soils, watersheds, pollinators, cultural knowledge. These are productive infrastructures every bit as critical as factories or fiber-optic cables.
- Liabilities: emissions, deforestation, toxic waste, biodiversity loss. These accumulate like debt, constraining future generations' options.
- Equity: regeneration — the retained earnings of nature. Every act of renewal, from soil restoration to coral reef recovery, strengthens the resilience passed forward.

Seen this way, most corporate and national accounts are deeply imbalanced. They book the revenue from extraction, but not the liability of depletion. They count GDP growth as profit, while the equity of living systems erodes unseen.

"We book the revenue from extraction, but not the liability of depletion. Our balance sheets glow green while the planet runs red."

Profit and loss in ecological terms

The same logic applies to the P&L statement. Ecosystem services provide revenues — pollination, water purification, carbon sequestration, health benefits. Costs, however, are often externalised: emissions dumped into the sky, plastics into oceans, social trust into precarity.

If companies were required to present an “ecological income statement,” some would show annual profits masking chronic losses. Others — those investing in regeneration, circularity, and resilience — would reveal true long-term earnings power.

This is not theoretical. The Dasgupta Review made the case bluntly: economies are embedded in nature, not external to it. Ignore that, and we misprice everything.

EIG: a deeper compass

This is where EIG — Ecology, Integrity, Generativity — comes in. It reframes valuation as stewardship.

- Ecology: Recognise that every ledger sits inside living systems. Without soil fertility, clean water, and biodiversity integrity, no economy endures.
- Integrity: Align reporting with reality, resisting the temptation to polish numbers for reputational optics. Incentives, governance, and disclosures must cohere.
- Generativity: Ask whether investments create the conditions for life to flourish — leaving communities, ecosystems, and future generations stronger than before.

EIG is not about adding more indicators. It is about shifting the moral and strategic ground on which valuation rests.

Emerging signs of change

There are encouraging signals. The Taskforce on Nature-related Financial Disclosures (TNFD) is piloting nature-linked risk reporting. The Capitals Coalition is embedding natural and social capital into corporate decision-making. The OECD and EU are exploring wellbeing economies that move beyond GDP.

But these efforts will falter if they remain bolt-ons to old models. Filing a TNFD annex does not rebalance a degraded watershed. True change comes when boards begin to ask: how do our balance sheets look when nature is included? What liabilities do we owe the future? What equity are we building in resilience?

From compliance to coherence

What would it mean to value like this in practice? It would mean:

- A mining company carrying the full cost of restoration as a liability the day it begins extraction.
- A food company booking soil fertility not as a free input, but as a core productive asset.
- A pension fund treating intergenerational equity as an obligation, not a slogan.
- Governments embedding biodiversity integrity into fiscal planning, alongside debt and deficits.

These are not utopian visions. They are accounting corrections — making visible what has long been hidden.

Beyond compliance

Ultimately, valuation is about truth-telling. Balance sheets are not only financial tools; they are mirrors of what a society deems real.

If we continue to measure only what is easy, we will optimise compliance while system resilience collapses. If we dare to measure what matters, we may finally re-align profit with possibility.

The choice is ours: extractive accounting that runs down equity, or generative accounting that renews it.

The future of markets depends on which balance sheet we choose to believe.

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About Bluerain *Coherence* Series

This essay is part of a broader collection exploring how valuation, healthspan, collaboration, longevity, and biodiversity can be re-aligned with the rhythms of life — at a pace that enables regeneration rather than exhaustion.

The purpose of this compendium is to:

- Contribute meaningfully to public discourse on systems change and intergenerational strategy
- Offer fresh language and framing for leaders navigating complexity
- Share what we are learning, unlearning, and building in real time

We welcome dialogue, respectful critique, and collaboration — to deepen a shared understanding of what it means to steward coherence in a time of disruption.

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About the Author

Martin Studer is an entrepreneur and impact investor focused on sustainability and longevity. Trained as an economist and certified public accountant, he brings decades of leadership experience in finance, governance, and executive management. As founder of Bluerain Partners, a Swiss family office, he works globally on projects spanning climate resilience, healthspan innovation, and intergenerational stewardship.

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We engage globally in projects that span climate resilience, health span and longevity, and the evolving nature of work and technology. We do so through investing, advising, governance, and venture development — always with an emphasis on coherence across generations, disciplines, and geographies.

These essays are authored by Martin Studer in a personal capacity. They reflect his experience, reflections, and aspirations — and may not necessarily represent the formal positions of Bluerain Partners Group AG, its subsidiaries, affiliated projects, or partners.

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