

Corporate mobilization and public policy needs for nature

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Nature loss has serious consequences for business, and many companies are already making nature a priority through the way they sustainably use natural resources across their supply chains, create clean jobs, and produce greener products. To speed and scale business action for nature and biodiversity, we must help businesses 1) navigate the complexity of identifying and assessing impacts and dependencies on nature, 2) embed the value of nature in decision-making and disclosure, and 3) set concrete, evidence-based targets informed by science, which provide clear direction and ambition for further business action. Political leadership is needed to spur more business action, and companies are increasingly calling on governments to enact more ambitious policies for nature.

Nature underpins our prosperity and wellbeing by providing economic value and security, supporting human development and equality, and increasing our resilience to climate change. Threats to nature and biodiversity loss put businesses and the economy at risk, and currently over half the world's GDP, \$44 trillion of economic value, is exposed to risks from nature loss (*WEF Global Risk Report 2020*). The drivers of nature loss are well understood (IPBES), and many voices from civil society are calling for businesses and economies to reduce their impact on nature. Many of the main drivers of nature and biodiversity loss – including land use change, overexploitation of natural resources, climate change, pollution, and exotic invasive species – are closely linked to economic activity around the world (IPBES).

Faced with the urgency and scale of the ecological crisis, there is no time to lose. Many companies are already making nature a priority through the way they sustainably use natural resources across their supply chains, create clean jobs, and produce greener products. Those leadership efforts need to be scaled up to meet the urgency of this crisis. The current rapid loss of biodiversity is now viewed as the beginning of a possible sixth mass extinction of life on our planet. Indeed, the *Global Risk Report 2020* published in January by the World Economic Forum showed that of the seven biggest global risks in terms of impact and likelihood, four are linked to nature: climate action failure, biodiversity loss, extreme weather, and human-made environmental disasters (*WEF Global Risk Report 2020*).

Scaling of voluntary business action must also be complemented by ambitious, transformative government policy. This is in line with what scientists tell us is needed to mitigate climate change and for the world to thrive within nature's limits.

Despite the looming threat of nature and biodiversity loss, businesses have been less active on tackling their biodiversity impacts compared to their climate ones. Three ways to overcome this lack of action include.

Help business navigate through the complexity of identifying and assessing their impacts and dependencies on nature

Company's interactions with nature are complex, and their impacts are often spread across multiple drivers of nature loss. It can be difficult to isolate who is responsible for nature's destruction in many cases, as supply chains are complex and not always traceable, and multiple actors are often involved. Is a building company responsible for the land use change associated with creating a new lot, or does responsibility lie with the developer who owns the land and initiated the project, the future tenants who will live there, or the city council which declared the land open for construction, or indeed the citizens who elected that city council in the first place? Many actors cooperate in these situations and make it difficult to determine *who* is impacting nature.

Figure II: The Global Risks Landscape 2020

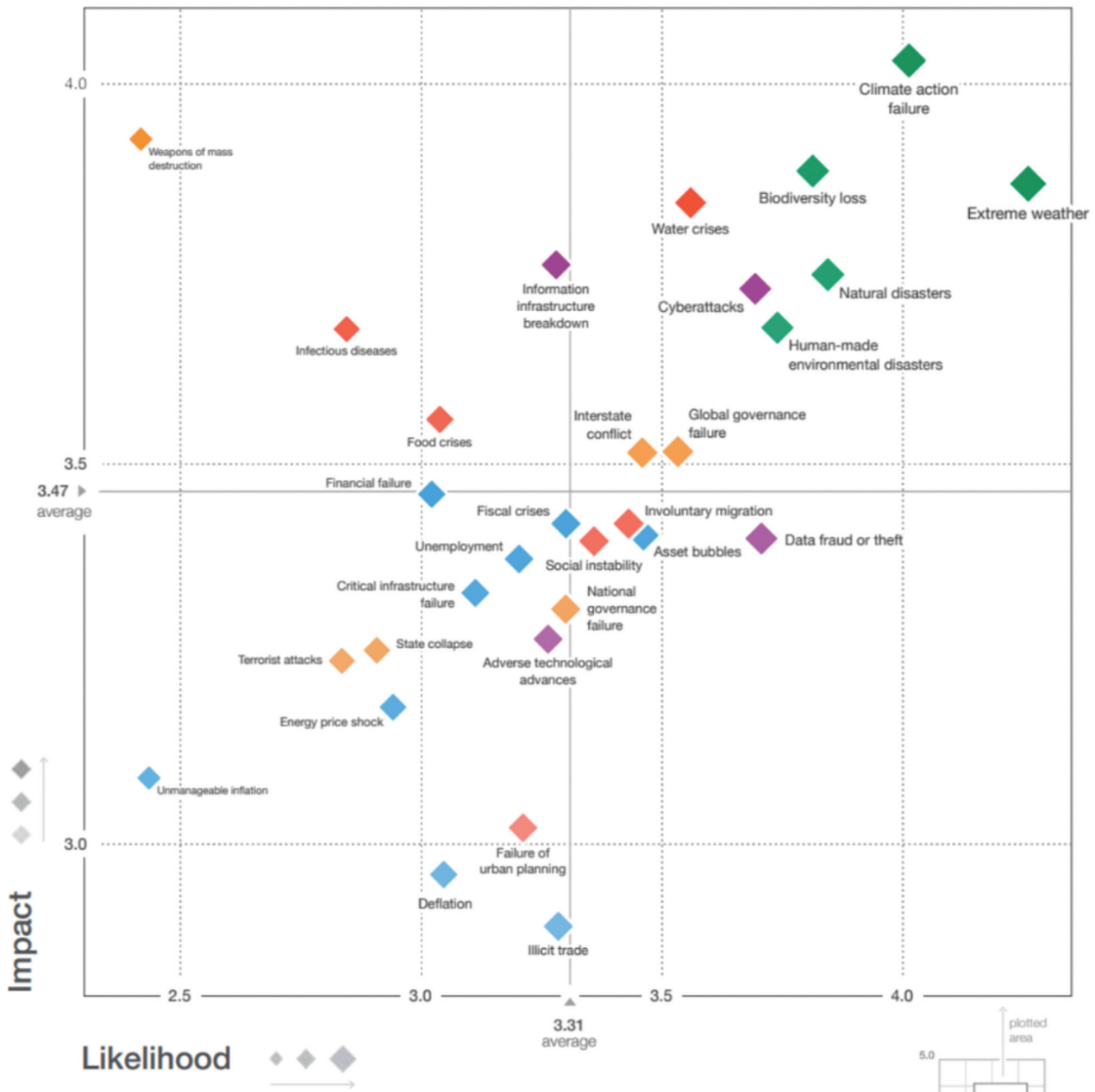


Figure 1 – Source: WEF Global Risk Report 2020.

Embed the value of nature in decision-making and disclosure

It is often difficult to make the business case for nature, as our current business models and decision-making frameworks don't easily allow for consideration of nature and biodiversity. To take any action, businesses often require motivations such as risk reduction, new revenue opportunities or cost reduction, rather than simply "doing good". We also know that traditional risk management systems need to evolve: Companies are encouraged to consider additional criteria for assessing risk, beyond likelihood and impact, to also include adaptability, complexity, velocity or speed of onset, persistence, and recovery (COSO, WBCSD, October 2018) (Ref.: Applying

Enterprise Risk Management to Environmental, Social and Governance-related Risks, COSO, WBCSD, October 2018).

Businesses need concrete, evidence-based targets informed by science to provide clear direction and ambition for further business action

In the case of climate change, the world has decided on one unit – tons of CO₂ – to be the metric by which every individual, government or company can assess their impact. This makes it relatively easy to include climate in business models, and through carbon-pricing, investment decisions can be based in economic analysis. There is no such common unit to measure or value biodiversity,

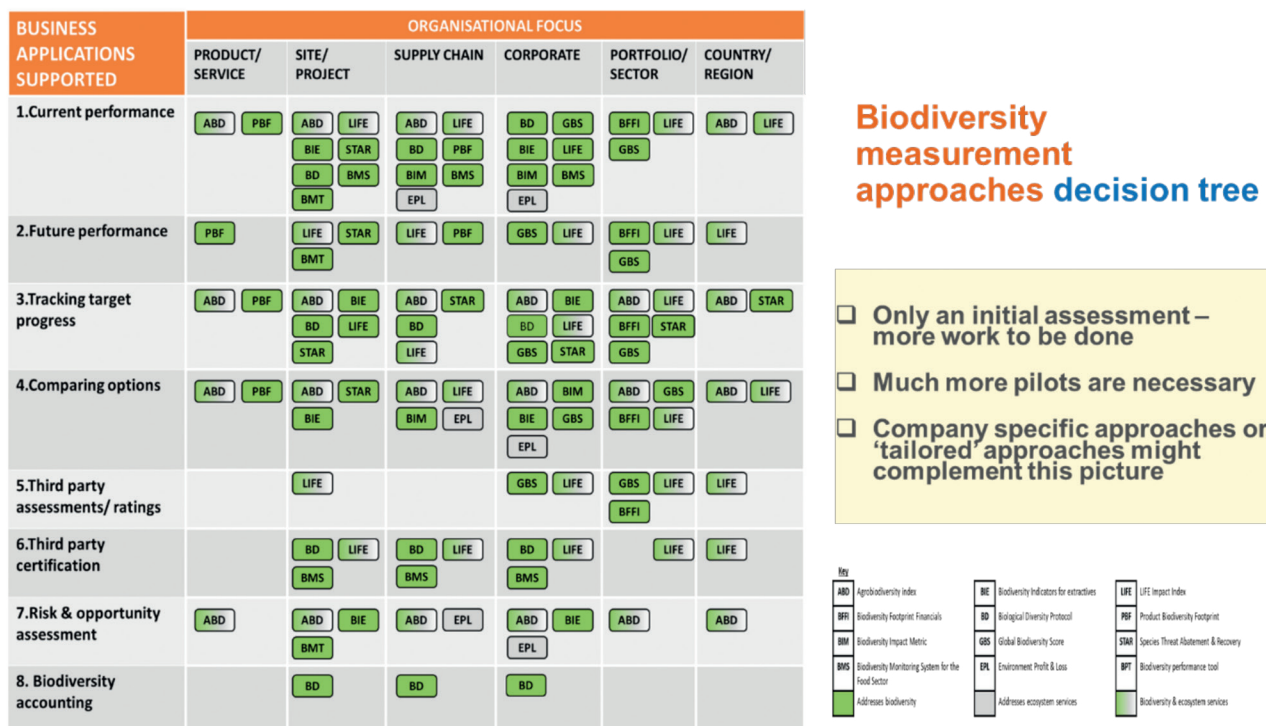


Figure 2 – Source: Arcadis.

though this is an area of much research and experts are currently seeking ways to integrate nature and biodiversity into business decision making. Because of this, there currently exist many strategies for measuring and valuing biodiversity, and these vary according to situation, actors, and other factors. Figure 2 illustrates the results of a synthesis study by Arcadis for the European Commission, and shows that for each type of business application, there exist many methods for measuring biodiversity.

The business case for nature and biodiversity must be promoted widely in business circles, both among large corporations and SMEs. Increasingly, we are seeing that customers see the value in protecting nature, and purchase products which they feel are sustainably sourced and actually *benefit* the planet. This is especially evident in the wood products, food, luxury goods, and textile markets. Will it also happen for different types of products or services, such as financial services, or those products that appear less nature-dependent, such as electronics or cars? This movement must be encouraged by the business community, be based in science, and include inputs from civil society actors, including customers, NGOs, international organizations and more.

The urgent need to scale up, speed up and step up business action

Business for Nature brings together influential organizations and forward-thinking businesses, to demonstrate business action and amplify a powerful business voice calling for governments to reverse nature loss. Business for Nature Partner organizations include the World Economic Forum, the World Resources Institute, WWF, Entreprises pour l'Environnement (EpE), and over 40 other organizations. Business for Nature is the first and only global business

coalition calling for ambitious public policy to reverse nature loss in this decade at all levels. This is especially critical as key decision making moments approach, such as next year's Convention on Biological Diversity's COP15 in Kunming and UN Climate Change Conference in Glasgow.

Business for Nature works to demonstrate and encourage business action for nature in a few key ways. As explained above, many companies do not fully understand their impacts and dependencies on nature. Business for Nature encourages companies to start by assessing their impacts and dependencies on nature, and then make commitments that foster material change. Business for Nature knows of nearly 400 forward-thinking businesses that have already made commitments through platforms such as the New York Forest Declaration, the AgWater Challenge, the New Plastics Economy Global Commitment, the act4nature alliance (see box) and others. As part of the act4nature alliance in particular, businesses make a commitment at the highest management level to include nature in all company decisions, so that nature is incorporated into both strategy and throughout the entire organization.

In addition to making commitments to reverse nature loss, businesses must act in meaningful ways that benefit the natural world. Business for Nature knows of 1,240 businesses that are already taking action for nature by reducing their negative impacts, investing in protecting and restoring nature, and innovating and scaling up products and technologies with a lower impact. Businesses must develop innovative solutions, including those that preserve wild areas and species, allow for sustainable use of natural resources, and aid in reintroduction of nature to human landscapes. These solutions must also include various tools to produce, facilitate and fund such activities.

Businesses are acting, but it's not enough. We need to quickly scale and speed up efforts and businesses cannot solve these challenges in isolation. Political leadership is needed to spur more business action. This is why Business for Nature is unifying the business voice calling on governments to adopt policies to reverse nature loss this decade, in order to transform our economic and financial systems to ensure a sustainable future. Business for Nature has engaged over 200 companies from 15 sectors in five continents as well as many other organizations to develop five policy recommendations on nature. Coupled with continued business action, these policies – once adopted – have the potential to unleash new opportunities and encourage business to do more, which in turn leads to more ambitious policies. Business for Nature's five policy recommendations provide a roadmap for the type of policies to include:

- **Provide direction and ambition.** Adopt global targets informed by science to reverse nature loss by 2030 and recognize a planetary emergency.
- **Align, integrate and enforce policies for nature, people and climate.** Bring greater coherence to UN governance, make nature part of mainstream government policy and ensure effective enforcement of environmental laws.
- **Go beyond short-term profit and GDP.** Value and embed nature in decision-making and disclosure so governments, companies and financial organizations can make better long-term decisions.
- **Finance a socially fair transformation.** Reform subsidies and incentives to reward positive action on nature alongside innovative and circular business models. Promote financial solutions that support nature.
- **Engage, enable and collaborate.** Join forces so the public and private sector can implement solutions and empower society to act.

Public policy needs are diverse – for example, policies are needed that aid in avoiding destruction of nature subsidies like we have seen with fishing policy in Europe, aid in land planning and protecting of ecosystems like China has done with "redlining", dedicate resources to nature's protection, and include nature in public procurement. Additionally, we must include nature in the assessment of intended policies, similarly to what Costa Rica has done on their development of ecological tourism policy. These are only a few examples.

Nature is Everyone's Business – A Call to Action

The COVID-19 pandemic has postponed many key moments expected to drive action for nature, but the Business for Nature Coalition is determined not to let this "super year" for nature pass by. On 15 June 2020, Business for Nature – together with WEF, WBCSD, IUCN, ICC, and UN Global Compact – held the first major global

leadership event to discuss nature in a world thinking about how to emerge from the pandemic, and also understand the relationship between a healthy planet that is resilient to future pandemics (WWF, 2020).

During the event, 2,200 attendees – including many businesses – heard from Paul Polman, Co-Founder of IMAGINE, who said nature is at a tipping point and urged collective action and high ambition. Business leaders including Danone CEO Emmanuel Faber, Unilever CEO Alan Jope, AXA CEO Thomas Burel, Natura &Co CEO Roberto Marques, Fosun International Chairman Guo Guangchang and Sintesa Group CEO Shinta Widjaja Kamdani shared ideas on how to reduce the impact of their business on natural resources.

At the event, Business for Nature released a Call to Action – Nature is Everyone's Business – encouraging companies sign up and join businesses around the world who are calling for ambitious and collective action for nature. Business for Nature will use this powerful collective business voice to call on governments to adopt ambitious nature policies to reverse nature loss in this decade.

If you're a company, sign up to the Call to Action now: <https://www.businessfornature.org>



Act4nature: easy and to the point

act4nature international is the continuation of act4nature 2018 for companies with international activities. It is also led by EpE under a multi-stakeholder steering committee and, though aimed at global actors, is a French collective initiative run by French partners.

Companies committed to act4nature in 2018 and new companies wishing to join are invited to send their own SMART commitments, all signed by their CEO, thus generating strong momentum for progress beyond 2020.

The individual commitment format is open but should not exceed 2,500 signs. The text may contain URL links. Applications are to be submitted to engagement@act4nature.com and will be validated by partners. More details here: <http://www.act4nature.com/en/join-us/>