

Corporate Leaders Group Europe

Nature Narrative Toolkit
for Business
Climate Leaders

Nature Work Strand Support Document

CLG Europe has been vocal on the need to harness the climate and nature policies to address both ongoing climate and nature crises and future challenges in its thought leadership pieces such as its publication “[New Agenda for Europe: Business priorities to deliver a prosperous climate neutral economy](#)” ahead of the 2019 European elections and “[Towards a sustainable food future for Europe](#)”. In addition, CLG Europe has tackled some aspects of EU’s nature related policies and supported e.g. the letter ahead of the nature restoration plan

CLG Europe is a pan European business voice that has the legitimacy and expertise to advocate for harnessing the EU’s climate and nature ambitions and [increasing Europe’s resilience](#). Challenges ahead of society, nature, and climate are deeply interlinked, and to stay ahead of the curve. In order to further elaborate those discussions, build progressive business voice on nature and advocate for robust, effective and well-designed nature policies that would also support reaching the European Green Deal objectives, the CLG Europe Secretariat prepared this toolkit.

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1) Background:

We all depend on nature as it makes life possible, provides health and social benefits and drives our economy. However, today we see that we are losing nature faster than ever before due to interlinked human activities and climate change. Humanity's response to today's twin nature and climate crises will determine the future of our economy, society, and life in general.

Currently, an estimated [one million plant and animal species](#) are threatened with extinction (IPES). In the last 50 years, [global wildlife populations](#) have dropped by nearly 70 percent, the largest mass extinction on Earth since the one that wiped out the dinosaurs.

On the one hand, the climate crisis is exacerbating biodiversity loss and ecosystem collapse: rising temperatures, changes in precipitation patterns, and extreme weather damages ecosystem resilience. On the other hand, the destruction of nature is a key driver of climate change, as ecosystems serve as vital carbon sinks, balance temperature and humidity level, and play a critical role in urban and rural climate adaptation. Despite their deep interconnections, the risks and financial implications of climate change and the degradation of nature are largely tackled as independent issues. For example, [financial institutions](#) have first focused on addressing the challenges of managing climate-related risks and the transition to a net-zero economy and are engaging and supporting clients with their emissions reduction plans. However, increasingly, this engagement started to also address nature loss to address a number of risks such as compounding effects from interactions between climate change and nature loss and opportunities such as cost efficiencies when addressing climate change and nature crises together.

Biodiversity loss is a global crisis, and one that strongly affects Europe. According to [EEA data](#), more than 80 percent of habitats in Europe are in poor condition. EEA's State of Nature in the EU report highlights: *“Despite significant efforts by Member States and some improvements, biodiversity in the EU continues to decline and faces deteriorating trends from changes in land and sea use, overexploitation and unsustainable management practices, as well as water regime modification, pollution, invasive alien species and climate change.”*

The worrying pace of nature loss globally and in Europe has become undeniable, adding stress on businesses and our economies, especially for the sectors such as agriculture, food, and construction that rely heavily on nature. The European Commission [estimates](#) that in the EU, soil degradation alone costs the economy over €50 billion per year.

Front-running global businesses and financial institutions acknowledge these risks and the need to create resilience today. In the World Economic Forum's 2023 [Global Risks Report](#), nature loss is viewed as one of the fastest deteriorating global risks over the next decade. More than [1,100 companies](#) with revenues of more than US\$5 trillion are calling on governments to adopt policies now to reverse nature loss in this decade. At the EU level, many companies engage with the EU decision makers through the [Green Business](#) platform, to develop a set of tools and approaches that integrate biodiversity considerations into business practice.

Leading companies such as CLG Europe members recognise that a prosperous business and society relies upon nature. CLG Europe members are aware that the combined impacts of biodiversity loss and climate change create long-term risks to business, consumers and wider society who depend on nature.

CLG Europe's frontline implication in nature related legislation is relatively recent, after it was seen as a gap by Europe members, while leading policy makers have signalled that they saw business voice as potential impactful in the debate. **CLG Europe is a pan European business voice that has the legitimacy and expertise to advocate for harnessing the EU's climate and nature ambitions and [increasing Europe's resilience](#).** Challenges facing society, nature, and climate are deeply interlinked, and to stay ahead of the curve, CLG Europe should consider how to address these issues together. In order to build progressive business voice on

nature and advocate for robust, effective and well-designed nature policies that would also support reaching the European Green Deal objectives, the CLG Europe Secretariat prepared this document, with the aim to:

- Highlight different nature related initiatives under the European Green Deal and updates on key international moments related to nature (section 1.1 and 1.2)
- Reinforce why nature matters for businesses and financiers (section 2)
- Share suggestions for nature related focus areas and related narrative at the European level (section 3)
- Provide examples of business projects & activities to support a nature positive agenda (section 4)

1.1.) The EU's nature ambitions:

The **European Green Deal** includes several nature-focused initiatives covering biodiversity, forests, land use, and agriculture, which are key to set the EU's nature ambitions in becoming a climate-neutral economy.

Amongst the Green Deal's most significant initiatives is the Fit for 55 package, which is a set of legislative revisions and proposals to align EU laws with the recently updated 2030 climate target of reducing its greenhouse gas emissions by "at least 55%". It notably includes the revision of Regulation on the inclusion of greenhouse gas emissions and removals from [land use, land use change and forestry \(LULUCF\)](#) on which the European Parliament and EU member states reached an agreement on 10 November 2022. The LULUCF sectors cover the use of soils, trees, plants, biomass, and timber and are responsible for emitting and absorbing CO₂ from the atmosphere. Under the agreement, the EU aims to remove 310 million tonnes of net CO₂ equivalent from LULUCF sectors by 2030. It also includes national targets that would be set in relative terms. This legislation also creates stronger policy incentives to reduce land emissions, enhance the substitution of fossil-based materials, and increase the land-based sinks in the land-use sector.

Another key element of the European Green Deal is the [new EU forest strategy for 2030](#) which was presented together with the Fit for 55 Package and further seeks to improve the quantity and quality of EU forests and strengthen their protection, restoration and resilience. It is one of the Green Deal's flagship initiatives and builds on the EU biodiversity strategy. It recognises the central and multifunctional role of forests as well as the contribution of foresters and the forest-based value chains to achieve a sustainable and climate neutral economy by 2050. The strategy therefore seeks to ensure healthy and resilient forests which contribute to biodiversity, climate goals, and secure livelihoods, and which support a circular bioeconomy.

The [EU strategy on adaptation to climate change also relates to nature](#). It sets out how the EU can adapt to the impacts of climate change and become climate resilient by 2050. The strategy focusses on nature-based solutions, synergies with biodiversity and nature restoration, and water management and recognises climate adaptation as a priority in the recovery from COVID-19. The strategy includes four key objectives: making adaptation smarter, swifter and more systemic but also to increase and improve international action on climate change adaptation.

One of the major foundations of the Green Deal is the [EU Biodiversity Strategy for 2030](#): a plan seeking to protect nature and reverse the degradation of ecosystems. The strategy contains specific commitments and actions to be delivered by 2030. This includes the establishment of a larger EU-wide network of protected areas on land and at sea, the establishment of a new European biodiversity governance framework with a monitoring and review mechanism and the mobilisation of €20 billion a year for biodiversity. Most importantly, it includes a [landmark nature restoration law initiative](#) which sets binding nature restoration targets at the EU level and is first of its kind in terms of scale and ecosystems covered (this will be explored in more detail below). Its key objective is to restore ecosystems, habitats, and species across the EU's land and sea areas.

This legislative process is ongoing, and both the European Parliament and the Council are currently defining their positions on this key file.

The [EU Regulation on deforestation-free supply chains](#) builds on the aforementioned strategy to reduce the impact of products placed in the EU market and seeks to protect forests by minimising the EU's contribution to deforestation and forest degradation. To do so, it promotes the consumption of products from deforestation-free supply chains. The proposal issued by the Commission seeks to ban commodities and products linked to deforestation practices. To enforce such a ban, the Commission will rely on due diligence and traceability obligations, a country-by-country risk assessment scheme as well as cooperation mechanisms. Co-legislators reached a provisional agreement on 5 December 2022 and agreed on stringent due diligence obligations and the proposal will apply to the following commodities and their downstream products: palm oil, beef, timber, coffee, cocoa, rubber, soy, charcoal, printed paper products.

The [Farm to Fork Strategy](#) is another essential element of the Green Deal which includes objectives to reduce the use of and risks from chemical pesticides, reduce the overall use of fertilisers, increase the amount of EU agricultural land for organic farming as well as reduce the overall EU sales of antimicrobials for farmed animals. Although the strategy has been approved, it failed to influence the national Common Agriculture Policy plans to finance more environment-friendly farming practices. CLG Europe has explored [how to increase the sustainability of the food systems](#), particularly in regard to environmental issues and climate change, looking at measures across the value chain, including best practices from the private sector, and exploring how EU policies, could contribute to the positive transformation of the EU food systems.

In line with the European Green Deal and the subsequent Biodiversity and Farm to Fork strategies, the Sustainable Food System was an initiative aiming to make the EU food system sustainable and to further integrate sustainability into all food-related policies, that would have set rules on sustainability labelling of food products, the minimum criteria for sustainable public procurement of food and governance and monitoring. However, the commission proposal has disappeared from the work plan with no clarity on a postponed publication date.

Finally, according to the EU climate law, "at the latest within six months of the first global stocktake referred to in Article 14 of the Paris Agreement, the Commission shall make a legislative proposal to set the EU's 2040 climate target." This would mean the EU will propose a new 2040 climate target that is likely to include an important element regarding carbon removals in 2024.

1.2) International processes (COP15)

The biannual UN Biodiversity Convention, COP15, was originally scheduled for Kunming in 2020 but delayed by COVID 19 and moved to Montreal. The main focus of the conference that took place in December 2022 in Montreal was the finalisation of a Global Biodiversity Framework. Due to delays, absence of high-level representation from countries and disappointing outcomes from the UN Framework Convention on Climate Change COP27, the hopes for agreement were low. Despite these, the UN Biodiversity Convention laid the cornerstone for global biodiversity protection and prioritisation in its biannual COP (COP15) with a landmark agreement to guide global action on nature through to 2030 and help halt and reverse biodiversity loss.

The conference resulted in the adoption of the Kunming-Montreal [Global Biodiversity Framework](#) (GBF) as well as range of decisions on finance, implementation, monitoring, and digital sequencing information. The overall package constitutes an important step forward in translating obligations under the Convention on Biological Diversity (CBD) into action and is a major milestone for the conservation and restoration of our natural world.

First, financial discussions were at the centre of negotiations, leading to an array of resource mobilisation commitments. The agreement aims to considerably increase the mobilisation of both public and private finance for biodiversity, mobilising at least US\$200 billion per year by 2030 and creating incentives for domestic as well as international sources. Moreover, governments – collectively – are committed to raise over US\$20 billion annually up to 2025, rising to at least US\$30 billion annually by 2030, of international financial flows to developing countries. Governments further agreed to the creation of a Global Biodiversity Fund amid rising concerns around the current access to biodiversity funds for developing countries. Finally, the negotiations led to an agreement seeking to establish a fund for benefit sharing from digital sequencing information (DSI) from genetic resources which will be finalised at COP16.

Second, the agreement includes key conservation goals and targets. The GBF established a 2050 mission seeking to create a world whereby ‘biodiversity is valued, conserved, restored and wisely used, maintaining ecosystem services, sustaining a healthy planet and delivering benefits essential for all people.’ The agreement further establishes a 2030 goal to halt and reverse biodiversity loss along with clear goals and targets to deliver this. Under the 2030 Action Targets, which operationalise the vision and mission, the following elements are of particular significance:

- **SPATIAL PLANNING, MANAGEMENT AND CONSERVING ECOSYSTEMS:** Target 1 requires biodiversity inclusive spatial planning and/or effective management processes to address change on land and sea, bringing the loss of areas of high biodiversity importance/high ecological integrity close to zero by 2030, whilst respecting the rights of Indigenous Peoples and Local Communities.
- **RESTORATION OF ECOSYSTEMS:** Target 2 requires that 30 percent of areas of degraded ecosystems are under effective restoration by 2030
- **PROTECTED AREAS:** Target 3 requires that at least 30% of ecosystems on land, and 30% in the marine environment are conserved and managed for nature. It limits sustainable use provisions to those consistent with conservation outcomes. It recognises the rights of IPLCs, including over their traditional territories, including recognition of indigenous and traditional territories as part of area-based conservation measures.
- **SPECIES:** Target 4 requires that urgent actions are taken to halt human-induced extinctions of known threatened species; to significantly reduce extinction risk; and to maintain and restore genetic diversity by 2030. Target 4 should be read with Goal A, which requires a ten-fold reduction in extinction rate and risk for all species (ie, a 90% reduction in extinction risk) and the recovery of the abundance of native wild species to healthy and resilient levels by 2050.
- **POLLUTION:** Target 7 commits to reducing pollution risks/ negative impacts of pollution to levels not harmful to biodiversity, including reducing excess nutrients lost by at least half/ reducing the risk from pesticides/ highly hazardous chemicals by at least half, and working towards eliminating plastic pollution.
- **CLIMATE CHANGE:** Target 8 commits to reduce the impact of climate change and ocean acidification on biodiversity and increase its resilience, including through nature-based solution and/or ecosystem-based approaches.
- **SUSTAINABLE MANAGEMENT:** Target 10 lists agroecology as one approach to achieve sustainable productive landscapes, albeit next sustainable intensification.
- **OBLIGATIONS IN RELATION TO BUSINESS:** Target 15 requires governments to take legal, administrative or policy measures to ensure that large and transnational companies and financial institutions disclose their risks, dependencies and impacts on biodiversity.
- **CONSUMPTION:** Target 16 encourages governments to reduce their global footprint of consumption, through halving food waste and other actions: ambition critical for addressing drivers of biodiversity loss.
- **SUBSIDIES:** Target 18 requires governments to “identify by 2025” and “eliminate, phase out or reform incentives, including subsidies, harmful for biodiversity” “while substantially and progressively reducing them by at least \$500 billion per year by 2030”.

COP16 will be hosted by Turkey in 2024 with key areas including the review and finalisation of structures established to support the implementation of the GBF, including the Monitoring Framework and a mechanism for benefit-sharing from DSI on genetic resources. Moreover, financial support and capacity should become available soon for countries who need it to update their national plans. National governments will also be revising their National Biodiversity Strategies and Action Plans to align them with the targets set out in the GBF. Work on national planning should start straight away as we need to see implementation happening as soon as possible. At this time, the COP16 agenda has not yet been released.

Some of the debates that business and their financiers continue having ahead of the next biodiversity COP should cover:

- Integrating climate and nature, reflecting current maturity and internal power dynamics in private sector
- Moving biodiversity from cost line
- Intelligent resource mobilisation with scarce funds
- Nature-positive defensibility; traceability
- Scepticism from failure of Aichi targets
- While growing, public awareness of biodiversity COP significantly behind that of climate COP despite banner commitment
- Need to get biodiversity in the public consciousness in an accessible way

2) Why nature matters for business and their financiers

Although our prosperity and livelihoods depend on a thriving natural world, we continue to generate unprecedented nature loss. Over the next ten years, environmental changes will redefine competitive advantages for all companies, investors, and countries, with access to water, energy, soil and food reshaping these advantages. **Through this lens, it is imperative business, finance and government take the ambitious steps to deliver the change and transformation required.**

Businesses have a critical role to play in addressing the biodiversity crisis. While tackling nature loss is a huge and complex area, there are key initial steps businesses can take to deliver the change and transformation needed. This starts with understanding their impacts and dependencies on nature, recognising that negative impacts [create highly material risks](#), and incorporating these insights into their operational and strategic decisions. These risks can be physical, transition, liability, and reputational in nature, all of which expose businesses to potential financial losses. This includes the negative impact on the ecosystem services that businesses depend on (freshwater, hazard regulation, etc.), impact of legislation penalising ecologically destructive business practices, and backlash from customers or markets.

Only by putting nature at the heart of organisational processes and decision-making can we unlock the investment and activities needed to recover and restore nature. Additional approaches include creating a broader understanding of environmental risk (thinking of nature and climate together) and improving supply chain transparency.

To properly embed nature in decision-making, organisations need access to data and information. [Target 15 of the GBF](#) underscores the need for organisations to assess and disclose their impacts on nature. Open and equitable access to this environment data is critical for organisations to develop and implement biodiversity strategies, and to ensure the transition to nature positive is inclusive. Emerging frameworks, like Science-Based Targets for Nature (SBTN) and the Taskforce for Nature-Related Financial Disclosures (TNFD), will help organisations set nature targets and provide organisations with key frameworks to report on their impacts and dependencies.

Developing the business case for nature requires new thinking and approaches. The reality is, while financial returns are certainly available from investments in nature, easy, immediate wins are unlikely. Thinking about the economic value of nature needs to consider a broader context of values and dividends that are not purely financial. Investment in natural capital, including restoration of carbon-rich habitats and climate-friendly agriculture, is amongst the five most important fiscal recovery policies, [offering high economic multipliers](#) as well as a positive impact on climate. Moreover, nature provides services worth a minimum of \$125 trillion per year globally. Hence, by incorporating nature into their strategy, businesses can profit and benefit due to the long-term viability of their models but also through cost savings, increase in operational efficiency, more stable and predictable supply chains, improved relationships with customers and stakeholders as well as by having access to [new markets, products and services](#).

Financiers can incentivise business action

Financial institutions direct and mobilise capital based on, amongst other factors, risk-return calculations. This capital allocation process incentivises business to prioritise certain economic activities.

The financial sector can play a leading role in shifting capital to nature protection and restoration because it is a system player – operating across the economy and influencing all the businesses they finance. What is needed is for financial institutions to integrate the value of nature into every financial decision. This integration can ensure capital is mobilised away from destructive activities and towards those that restore and protect nature.

- Financial firms can already measure nature-related financial risks with existing tools and data.
- Nature loss creates material financial risks, leading to valuation declines approaching 50 per cent and multiple-notch credit rating downgrades.
- Risks quantified are the tip of the iceberg; wider risks to tax revenues, supply chains, social cohesion and financial markets will greatly amplify the negative consequences of nature loss.

Momentum to finance nature protection and restoration is building, such as the Taskforce for Nature-related Financial Disclosures (TNFD), creating opportunities to facilitate and reallocate capital to companies that are in harmony with nature or are performing nature restoration. By working together with business to assess and manage nature-related risks, financiers can begin to catalyse capital reallocation at scale that protects and restores nature across the economy.

Furthermore, as risks are identified and quantified by financiers, they will engage the businesses they finance to ask what action is and can be taken to manage those risks and turn them into opportunities. That engagement process creates momentum around the transition to a economy that recognises and internalises the foundational value of nature.

Policy and regulatory change to support nature protection and restoration

Policy and regulatory change are essential to shape the way forward. To accelerate the integration of nature into decision making – and therefore into the economy – engagement by business and finance in policy discussions is critical, including supporting government efforts to realign incentives and move beyond those supporting wasteful activities.

Policy changes must also be accompanied by strong leadership and advocacy support from progressive businesses, as policy processes can be slow and lack ambition. Businesses have the capacity to lead by moving ahead of legislation, for example through voluntary commitments. Businesses can also join or create alliances which can be used to share transition roadmaps but also to accelerate the creation of innovative financial

models and technological innovation. More opportunities will further arise as transition roadmaps are created and markets undergo transformation.

While businesses' role in these transformations will differ depending on their sector and regions, this could be determined through the [following steps](#):

- Pinpoint the transitions relevant to them and the role and impact they can have
- Assume and implement corporate policies which will reduce their impact on nature
- Consider public-private cooperation opportunities to push markets and value chains towards nature-positive models
- Finally, businesses should enable the acceleration of progress through new capital investments.

It's Now for Nature campaign published a [handbook](#) that summarises the steps to design nature positive strategies: assess, commit, transform, disclose; and offers guidance to corporations wishing to engage in that direction.

In line with these considerations, CLG Europe proposes to focus on key nature related EU policy files in its 2023 – 2025 work programme in order to ensure harnessing the EU's climate, energy and nature ambitions under the European Green Deal. These ideas are further developed in the next section.

3) What could businesses focus areas and narrative on nature be?

Considering the EU and international key moments to advance the nature agenda, it can be relevant to focus on the following areas and policy processes:

Nature Restoration Law: On 22 June 2022, the European Commission published its long-awaited proposal for the new EU Nature Restoration Law. Through proposing a robust and clear overall EU nature restoration target, this Law represents an important opportunity to accelerate actions to restore nature and to increase the EU's resilience through addressing biodiversity and climate crises.

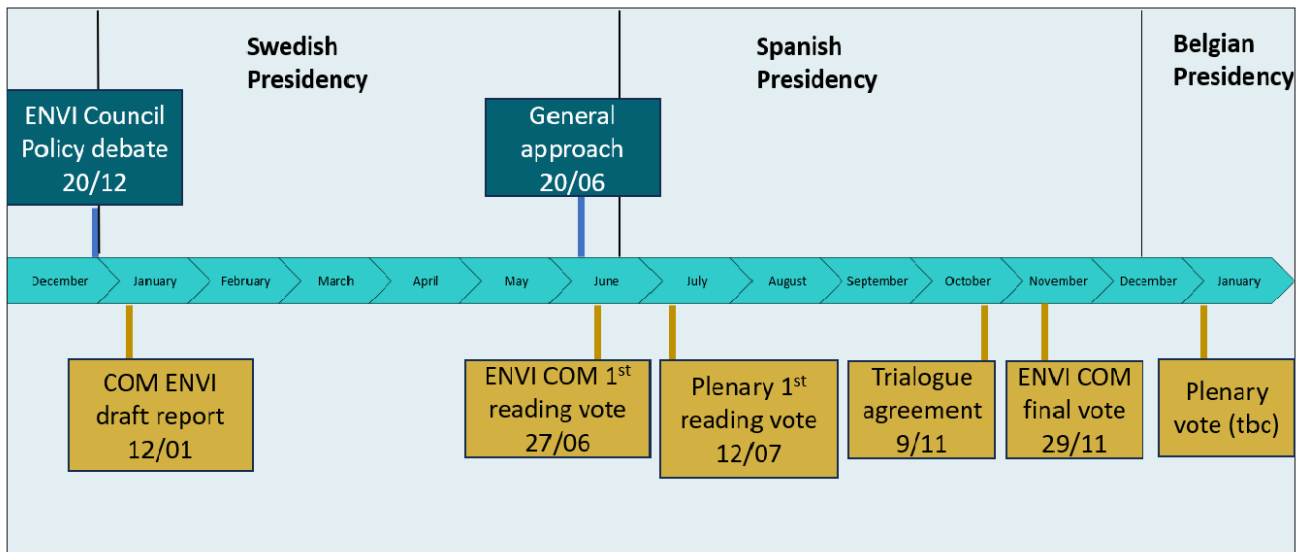
However, the Commission's proposal has long been subject to lobbying against regulation on nature protection with the result that it has been delayed a number of times. To counter these narratives and ensure a robust, effective and well- designed EU Nature Restoration Law, there is a need for a progressive, pro-nature business voice.

Leading companies, including CLG Europe members, recognise that a prosperous business and society relies upon nature. CLG Europe members are aware that the combined impacts of biodiversity loss and climate change create long-term risks to business, consumers and wider society who depend on nature.

Before the publication of the EU Nature Restoration Law proposal, with support from its members, CLG Europe worked with We Mean Business Coalition partners and helped to [gather](#) business signatures to call on the European Commission to prevent further delay the process. Following the publication of the letter, [Commission Executive Vice-President Timmermans](#) acknowledged the role of businesses who have been calling for an ambitious nature restoration law during the Commission press conference.

Following the publication of the [Nature Restoration Law](#), CLG Europe and its members welcomed the proposal which was a "missing piece of the European Green Deal", suggesting the new legislation has the potential to increase European environmental and economic resilience. CLG Europe is determined to stay mobilized until complete finalisation of this key piece of legislation.

Legislative Timeline for the Nature Restoration Law can be seen below:



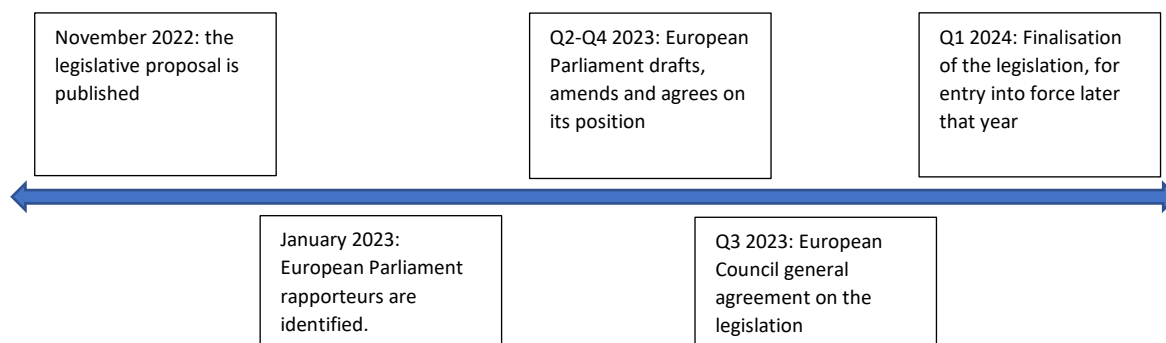
Proposed messaging on the Nature Restoration Law can be seen below:

- Nature restoration ensures resilient business in Europe. Much of core businesses fundamentally depend upon healthy ecosystems and the services they provide. Continued degradation of nature threatens our businesses through unforeseen and often unmanageable disruptions in our supply chains, while extreme weather conditions continue to impact our productivity. Foreseeable risks from floods and droughts threaten European businesses and society at large.
- Strong measures on protecting nature now can help avoid the threat of ecosystem collapse in the future. Restoring nature is necessary and unavoidable in safeguarding European businesses. Strong Nature restoration targets can help deliver a more equitable, just and sustainable environment for European businesses to flourish. Business welcomes ambitious measures to ensure resilience of our operations, supply chains and productivity through strong nature restoration targets.
- Business relies on healthy ecosystems to fuel prosperity in Europe. Nature restoration can provide a range of economic opportunities, provide high quality jobs, and growth of new sectors that can deepen economic cooperation. Strong nature restoration laws can provide businesses with opportunities to create new solutions to address climate, food security and other fundamental issues important to European society while contributing to shared prosperity in Europe.
- The legal proposal for a Nature Restoration Law is an important opportunity to fill the gap in the European Green Deal and align the EU's nature ambitions with its climate objectives.
- Nature restoration would play a key role in Europe's climate adaptation as it will increase our resilience to droughts, floods and other extreme weather events. The European Commission's impact assessment concludes that investing in nature restoration adds between €8 to €38 in economic value for each €1 spent. Nature restoration would contribute to the economy through bringing socio-economic benefits such as sustainable jobs, recreation opportunities, and broader human health benefits.

- Businesses are increasingly aware that in order to support transition to a resilient net-zero economy, they should invest both in mitigation and adaptation, as well as making sure that ecosystems turn from a carbon source to a carbon sink while securing an equitable, nature-positive future. In this regard, leading companies are ready to play their part in harnessing natural climate solutions to cut emissions and remove carbon while also benefiting nature by building resilient and biodiverse ecosystems for generations to come.
- To give clear guidance to businesses and set the EU's nature ambitions, it is a welcome step that the EU Nature Restoration Law sets headline targets for different ecosystems.
- Additionally, it is an important step that Member States would be required to develop nature restoration plans, including amongst others the quantification of the areas to be restored, the estimated financing needs, acknowledgement of harmful subsidies negatively affecting the achievement of the targets and measures to ensure the non-deterioration of restored areas. According to the proposal, to reach these targets at national level, the Commission would assess these plans.
- It would be important to design national nature restoration plans in an inclusive way and in collaboration with businesses to ensure that companies who rely on nature have a clear understanding of national objectives and clear guidance, ecosystem-based data and support is provided to companies to help adjust their business plans and implement the national and EU nature and climate objectives.

Carbon Removal Certification Legislation: In November 2022, the European Commission published its proposal for an **EU-wide voluntary framework to reliably certify high-quality carbon removals**. The proposal aims to boost innovative carbon removal technologies and sustainable carbon farming solutions, and contribute to the EU's climate, environmental and zero-pollution goals. The proposed regulation is key both in terms of its impacts on nature and its role to improve the EU's capacity to quantify, monitor and verify carbon removals. This legislation could on one hand ensure trust from stakeholders and industry and prevent greenwashing regarding different types of carbon removals. And on the other hand, it can also help to mobilise private sector funding for nature-based solutions such as nature restoration projects if it is designed in a robust way that ensures the way carbon removals are certified contributes to the EU's climate and environmental objectives and protects nature.

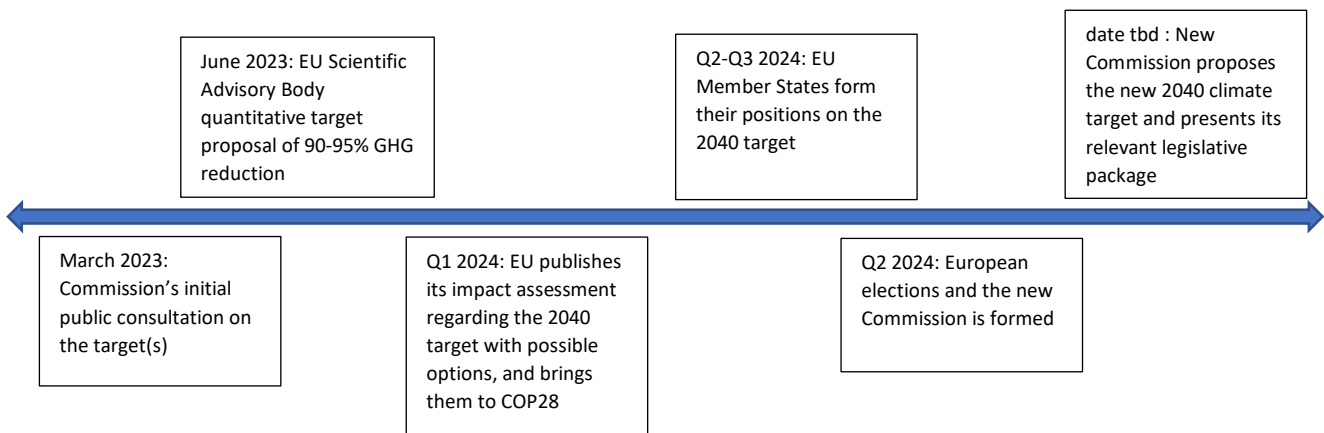
An estimate timeline for this work would be like the following:



2040 Climate Target Proposal: According to the EU climate law, “at the latest within six months of the first global stocktake referred to in Article 14 of the Paris Agreement, the Commission shall make a legislative proposal to set the EU’s 2040 climate target.”

Recently, the EU Scientific Advisory Body [published](#) their initial advice to the European Commission regarding an EU-wide 2040 climate target and how it could be set based on scientific evidence and EU values. Keeping in mind the crucial role of protecting and restoring natural carbon sinks (such as forests and wetlands) in reaching the EU’s climate neutrality target, it is expected that important debates will be had around the 2040 target in relation to the role of nature-based solutions and these carbon sinks. While the EU’s 2040 target would be a more cross-cutting topic for CLG Europe’s agenda, harnessing the EU’s climate and nature ambitions through a robust and ambitious 2040 target would also be important for CLG Europe’s positioning on nature.

An estimate timeline for this work would be like the following:



Progressive business leaders, among other measures and sectoral targets, should monitor land use related objectives to ensure they are in line with its longer-term objective to ensure a climate neutral economy by 2050. CLG Europe has published, with the support of We Mean Business Coalition, a [position document supporting at least 90% emissions reduction target in 2040](#), that calls for harnessing the synergies between climate and nature objectives, recommend allocating more fiscal support to climate and nature policies, and advises setting the right framework for nature-based carbon removal solutions deployment (including by setting distinct targets for natural carbon sinks).

Sustainable Food Systems:

This initiative was expected to come out Q3 2023, but the release date is still not confirmed; it aims to make the EU food system sustainable and to integrate sustainability into all food-related policies.

It was initially supposed to lay down general principles and objectives, together with the requirements and responsibilities of all actors in the EU food system. More specifically, it will lay down rules on:

- sustainability labelling of food products
- minimum criteria for sustainable public procurement of food
- governance and monitoring

[CLG Europe’s policy briefing](#) from 2021 explores how to make food systems more sustainable by looking at solutions from production to consumption and waste, illustrated with best practices from the private sector. In this regard, the Secretariat suggests monitoring this key topic and publicly support the release of the proposition, to prevent that it purely disappears from the Commission’s radar. Ensuring that the central

question of sustainable food systems is part of the strategic agenda of the EU institutions in 2024 has the potential to be an important area of engagement.

COP28 in 2023 (harnessing climate and nature ambitions) and COP16 in 2024:

Looking ahead to big international moments, it is vital we consider climate and nature together. This includes the clear need to integrate the action agendas across climate and nature, and this is a message that the Cambridge Institute for Sustainability Leadership and the various organisations that it convenes will carry at COP. Doing so will fast track implementation, particularly across the common challenges of adaptation and resource mobilisation. Given scarce funds, business and finance together will need to think about how to mobilise private finance mobilisation to enable systems change potential.

4) Business projects and activities on nature

Businesses are financiers developing solutions to prevent biodiversity loss, restore natural habitats, combat deforestation and ensure food security by making ambitious commitments, aligning their goals with biodiversity requirements, changing production methods, adjusting their supply chains, investing in conservation activities and creating transformative solutions to combine nature restoration with sustainable development.

Targets and best practices (leading by example)

- More than 330 business and finance institutions from 52 countries with combined revenues of more than \$1.5 trillion have signed the [‘Make it mandatory’ pledge](#) urging world leaders to adopt, in Target 15 of the Global Biodiversity Framework, mandatory requirements for all large businesses and financial institutions to assess and disclose their impacts and dependencies on biodiversity by 2030. Signatories include **Iberdrola, IKEA, DSM, EDF, Salesforce, Unilever** and more.
- More than 1,100 companies with revenues of over US\$ 5 trillion have supported [Business for Nature's call](#) on governments to adopt policies now to reverse nature loss in this decade. Signatories include Microsoft, CEMEX, EDF, Google, Iberdrola, Unilever, Inter IKEA Group, Schneider Electric, Sky, Stora Enso, VELUX Group, Anglian Water Services.
- By the end of 2021, 2,253 companies from 70 countries and 15 industries, accounting for more than a third (\$38 trillion) of global market capitalisation, had adopted emission reduction targets or commitments [through SBTi](#) (Science Based Targets initiative). Companies in line with SBTi include Iberdrola, AstraZeneca, TetraPak, StoraEnso, Interface.
- The SBTi framework includes a specific [guidance to set emissions reduction related to Forest, Land and Agriculture \(FLAG\)](#), which covers zero-deforestation, 1.5 alignment, fossil fuels phase out plans and other emissions reduction actions., which covers zero-deforestation, 1.5 alignment, fossil fuels phase out plans and other emissions reduction actions.
- **Unilever** has committed to a [deforestation-free supply chain by 2023](#), which means that palm oil, paper and cardboard, tea, soy and cocoa will be sourced from locations recognised as deforestation and conversion-free, thus ensuring that natural ecosystems have not been transformed into farmland.

Nature-positive business agenda

- **Iberdrola**, a global energy leader, has been reporting on biodiversity since 2007 and has raised its ambitions by developing [plan for a net positive impact](#) on biodiversity by 2030, especially focusing on the species impact side – doing a lot of investigative research and development activities.
- **CEMEX** [has developed](#) its own Biodiversity Action Plans (BAPs) as a tool to achieve a Net Positive Impact on biodiversity (as part of the CEMEX 2030 Sustainable Development Plan) as well as a Biodiversity Policy. The BAPs target actions to conserve priority wildlife species within CEMEX sites, promoting collaborative partnerships regardless of location, proximity to areas of high ecological value or expertise in biodiversity management.
- **DSM** addresses its impacts on biodiversity and natural ecosystems through the [DSM Responsible Care Plan](#), especially focusing on GHG emissions reduction, water stewardship and waste management programs.
- Businesses are taking measures to address biodiversity loss such as partnering with NGOs to measure the impact of their infrastructure on wildlife and tackling deforestation. **VELUX Group**, for example, launched the Natural Forest Regeneration for Enhanced Carbon Stocks ([FRECAR](#)) project with WWF International. The project is expected to provide a saving of around one million tonnes of CO₂ and return Uganda's natural landscape back to 1990 levels. To drive action on nature-based climate solutions, **Unilever is working** with Business for Nature, One Planet Business for Biodiversity (OP2B), the World Business Council for Sustainable Development, the World Economic Forum, the Science Based Targets Network and WWF amongst others.

Nature restoration and regeneration projects

- **Unilever's** Beauty & Wellbeing and Personal Care business groups [have committed](#) to protect and regenerate 1.5 million hectares of land, forests and oceans by 2030. The company is also [working to eliminate deforestation](#) from its agricultural commodity supply chains like palm oil by 2023. As part of this, Unilever is supporting WWF-Malaysia's Sabah Landscapes programme which combines conservation and sustainable development by integrating the protection of forests, wildlife and rivers into the production of Roundtable on Sustainable Palm Oil (RSPO) certified palm oil and the restoration of ecological corridors.
- **CEMEX** has quarry [rehabilitation plans](#) in most of its operations and many examples of successful rehabilitation projects focused on biodiversity conservation. The company also cooperates with conservation organizations in Europe, the USA, Mexico and others. For example, to enhance company's performance, in 2007 CEMEX signed a 10-year agreement with BirdLife International, one of the world's most important conservation organizations.

Agriculture and food systems

- **Unilever** has developed tools such as [Sustainable Agriculture Code](#), [People & Nature Policy](#) and [Regenerative Agriculture Principles](#) to tackle biodiversity loss by working with the company's suppliers. People & Nature Policy, for instance, requires Unilever's direct suppliers to collaborate in adopting regenerative agriculture practices, focusing on restoring soil health, improving water quality, increasing on-farm biodiversity and improving climate resilience.
- **DSM** aims to make animal farming more sustainable, to enable better food, nutrition and health for all within planetary boundaries. Their [solutions include](#) enabling the livestock sector change from within and produce sustainable and nutritious foods that put less pressure on our planet. DSM has committed to

enable double-digit on-farm livestock emission reduction by 2030, by providing services and nutritional solutions for ruminants, swine and poultry.

Financial solutions

- Investors are increasingly recognising that the 'E' in ESG covers both nature and climate. Funds from the likes of [Mirova](#), [UBP](#) and the [HSBC-Pollination partnership](#) are now looking to capture investor demand and mainstream nature outside impact investment strategies. (For further details of the financial products and strategies funding nature-positive economic activities, see [BIOFIN](#), Global Canopy's [Little Book of Investing in Nature](#) and WWF's [Bankable Nature Solutions](#).)
- Meanwhile, ethical products are winning market share and the cost of producing food with a lower impact on nature, such as alternative proteins, is decreasing.ⁱ Advances in eDNA, remote sensing, satellite monitoring and data science make it possible to know what is happening to nature at the beginning of supply chains at ever lower cost. This represents an opportunity for businesses actively considering strategies to protect and restore nature.

Useful background information:

Here is a collection of tools to measure impact and dependence on nature:
<https://www.cisl.cam.ac.uk/resources/publications/integrating-nature-case-action-nature-related-financial-risks>

For reference, please also see CISL's asks from: [integrating nature, the case for action](#). Some apply to business around supply chain transparency, tool automation, analyst training and could be supported by policy makers.

ⁱ For detail about increasing consumer demand for sustainable products, see Whelan, T., Kronthal-Sacco, R. (2019, June). Research: Actually, Consumers do buy sustainable products. Harvard Business Review. Retrieved from: <https://hbr.org/2019/06/research-actually-consumers-do-buy-sustainable-products>. Nestle and Mars are two prominent examples, of many, of buyers that have built direct offtake relationships with producers that enable them to have greater confidence over their supply chain. For further information about the vertical integration of the supply chain, see Dongoski, R. (2020, February). How vertical integration is impacting food and agribusiness. EY. Retrieved from: https://www.ey.com/en_us/consumer-products-retail/how-vertical-integration-is-impacting-food-and-agribusiness

For detail about the promise of alternative protein see: <https://www.rethinkx.com/food-and-agriculture>