

Inside COP15: Positive for nature, but not yet Nature Positive

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Ecological Civilization-Building a Shared Future for All Life on Earth
KUNMING – MONTREAL

Five key takeaways on the Kunming-Montréal Agreement



"Paris-agreement" for biodiversity that puts nature on a par with climate



30x30 flagship targets adopted for land and sea conservation, and restoration



Key focus on mainstreaming sustainable practices, incl. halving food waste by 2030



Strong signal for businesses to act; assess & disclose impacts, dependencies & risks



Clear call for financial institutions to mobilise £200B per year for nature

Inside COP15: Positive for nature, but not yet Nature Positive¹

COP15 adopted the Global Biodiversity Framework, a milestone for the planet & humanity

- 1 **30 X 30 target** adopted providing for 30% of land, freshwater & of sea areas to be protected by 2030
- 2 Companies & FIs² required to **monitor, assess & disclose** biodiversity dependencies, risks & impacts
- 3 Deal to mobilise **\$200Bpa to nature** by 2030, incl. \$30Bpa from developed to developing countries
- 4 \$500B worth of nature-**harming subsidies** to be eliminated, phased out or reformed by 2030
- 5 **Pollution reduction** by 2030, incl. 50% less pesticide use & nutrient leakage, eliminate plastic pollution
- 6 Strong wording on reducing production & consumption footprint, including **halving food waste**
- 7 Benefits sharing extended to include use of **DSI³** on genetic resources, linked to Nagoya Protocol

Business mobilised like never before at a nature COP, pushing for mandatory disclosure

- 8 **500+ businesses and FIs** attended COP15, with 90% attending a biodiversity COP for the first time
- 9 **SBTN & TNFD** gained clear traction among corporates as the nature action frameworks of choice
- 10 ISSB intends to **add biodiversity to its climate-related disclosure standards** in 2023

Important to push for greater action post-COP15, including:

- 1 **Adopt “Nature Positive”**: To create a single, common goal for nature, provided it is well defined
- 2 **Introduce specific interim 2030 targets**: To create clarity on level of ambition and action required
- 3 **Create an effective ratchet mechanism**: To ensure country-level commitments are delivered
- 4 **Continue to mobilise finance**: To plug the \$700B funding gap from private & public sources
- 5 **Better align nature & climate**: To benefit from synergies, and avoid nature-harming climate action

1. Nature Positive is a macro concept which refers to a world where biodiversity recovers from 2030, although how this translates into corporate level action and implications is still under discussion. It should align with SBTN methodology and the AR³T framework, which prioritize impact reduction activities over restoration and offsets 2. Financial Institutions 3. Digital Sequence Information

Key takeaways for business: Nature cannot wait so businesses must act now, and engage with the rapidly evolving environment

The nature journey starts today

- 1 **Prepare to assess, monitor and disclose:** Following adoption of the GBF, large companies will be required to assess, monitor and disclose their risks, dependencies and impacts on biodiversity
- 2 **Move quickly to evaluate your risks, impacts and dependencies:** Nature methodologies, in particular from SBTN and TNFD, will launch fully next year; use their draft guidance and interim targets to prepare now for your obligations under the GBF
- 3 **Develop local plans to start reducing your impacts:** Actions on nature need to be taken locally, tailored to the specific eco-region impacts occur in. Based on your assessment start developing local action plans to reduce your impacts

You cannot do this on your own

- 4 **Work with local ecosystem players:** Engage early with local governments, communities, indigenous peoples & rights-holders to design effective local solutions, which ensure that actions are taken in the right way to maximise positive impacts for nature
- 5 **Share learnings and feedback:** These approaches are nascent; sharing experiences with peers and feeding back to nature frameworks such as SBTN or TNFD is critical to ensure methodologies are more widely applicable and raise ambition
- 6 **Identify and pursue synergies with climate activities:** Given the often-positive impact of nature activities on climate, companies can derive benefits from identifying synergies between their climate and nature activities - both are part of the same journey

Proceed with an agile mindset

- 8 **Today's solutions will focus primarily on reductions:** However, our understanding of the science on nature is expected to evolve, and new & innovative solutions, including biodiversity credits, may emerge as key components of the nature glidepath
- 9 **Science and data on nature will evolve:** Disclosure requirements under the GBF will result in more data becoming available; meaning that companies will need to develop systems for capturing data, and continually reassess their plans to ensure they remain relevant

The Kunming-Montreal Global Biodiversity Framework sets out 4 long-term biodiversity goals for 2050, underpinned by 23 targets

GOALS

GOAL A: Increase the area of natural ecosystems by 2050; halt extinction, reduce extinction rate

GOAL B: Use and manage biodiversity sustainably; enhance nature's contribution to people

GOAL C: Share fairly & equitably benefits from genetic resources & traditional knowledge with IP&LCs²

GOAL D: Secure adequate means of implementation & make them accessible to all parties

TARGETS



Reducing threats to biodiversity

- 1 Ensure all land & sea areas under biodiversity-inclusive spatial planning or effective management
- 2 Ensure 30%+ of degraded freshwater, marine and terrestrial ecosystems under restoration by 2030
- 3 Ensure 30%+ of land areas & inland water and of sea areas conserved by 2030
- 4 Halt threatened species extinction and maintain & restore genetic diversity of species
- 5 Ensure sustainable, legal and safe harvesting, trade and use of wild species
- 6 Eliminate, minimize, or mitigate impact of introduction of invasive alien species
- 7 Reduce nutrient loss, & pesticides & hazardous chemicals risk by 50%+, eliminate plastic pollution
- 8 Minimise impact of climate change and ocean acidification on biodiversity through NBS/EBA¹



Sustainable use & benefit-sharing

- 9 Ensure sustainable management & use of wild species, incl. customary sustainable use by IP&LCs
- 10 Sustainably manage areas under agriculture, aquaculture, fisheries and forestry
- 11 Enhance nature's contributions to people through NBS and ecosystem-based approaches
- 12 Increased green and blue spaces (area & quality) in urban & densely populated areas
- 13 Ensure fair & equitable benefits sharing from use of genetic resources, DSI & traditional knowledge



Implementation & mainstreaming

- 14 Integrate biodiversity into policies, regs etc. & align financial flows with goals and targets of GBF
- 15 Ensure companies & FIs monitor, assess & disclose nature risks, dependencies and impacts
- 16 Encourage sustainable consumption choices, incl. 50%+ reduction in food waste by 2030
- 17 Implement biosafety measures & measures for handling biotech & distribution of its benefits
- 18 Eliminate, phase-out, reform nature harmful subsidies, reducing by US\$500B+ pa by 2030
- 19 Mobilise finance to US\$200B+ by 2030, incl. funds from developed to developing countries
- 20 Strengthen capacity-building & development, access to & transfer of tech. through collaboration
- 21 Ensure access to best available data, information & knowledge for decision makers
- 22 Ensure equitable participation in decision-making related to biodiversity by IP&LCs, women & youth
- 23 Ensure gender-equality in the implementation of the framework

1. Nature-based solutions/Ecosystem-based approaches 2. Indigenous Peoples & Local Communities

Note: Some targets may contribute to multiple goals; target language has been abbreviated (see original materials for full language [link](#)) Source: Kunming Montréal GBF Dec. 18



Reducing threats to biodiversity | Adoption of “30x30” is COP15’s rallying call for nature & sends the right signals

Context, targets & ambition

Business implications

Current situation

69% Drop in wildlife¹ populations since 1970

- Human activity is causing the 6th mass extinction, with 25% of species (~1M) currently under threat
- \$44 trillion² of economic value generation - over half the world's total GDP - is dependent on nature

Key targets adopted at COP15

- 2 Ensure 30%+ of degraded freshwater, marine and terrestrial ecosystems under restoration
- 3 Ensure 30%+ of land areas & inland water and of sea areas conserved by 2030
- 5 Ensure sustainable, legal and safe harvesting, trade and use of wild species
- 7 Reduce nutrient loss, pesticides & chemicals risk by 50%+, eliminate plastic pollution
- 8 Minimise impact of climate change & ocean acidification on biodiversity through NBS/EBA³

“ The verdict

- ✓ 30x30 a strong target to commit governments to conserving nature, making clear that conservation requires active management and the recognition of indigenous rights
- ! Strong target on reducing pollution from all sources for nature, with a required 50% risk reduction from pesticide and chemical use. Despite ambitious targets, action on plastics is weaker, only requiring parties to “work towards” the elimination of plastic pollution
- ✓ Interlinkages between climate change and nature a key theme of the conference-and nature-based solutions & conservation will be critical to meeting climate change goals

1 Assess your footprint

- Appraise your land/marine use footprint
- Identify fair share of restoration & conservation obligations
- Assess risk of increased sector competition for resources

2 Identify your nature impacts

- Identify your sources of pollution and negative nature impacts across your value chain
- Primary industries to reduce pesticide & chemical use, explore & invest in alternatives

3 Re-examine your net zero plan

- Integrate climate and biodiversity into a singular agenda, minimising trade-offs and capturing synergies
- Set nature & climate hurdles for internal projects/initiatives



We need to push forward the global process of biodiversity protection, turn ambitions into action... and co-ordinate efforts to address climate change, biodiversity loss and other global challenges

Xi Jinping,
COP15



Sustainable use and benefit-sharing | Benefit-sharing concept approved, but targets lack deadlines & quantified goal

Current situation

- 70%

Of cancer drugs are natural or inspired by nature¹
- Human activity has radically changed 3/4s of the Earth's surface¹, with agriculture being the main contributor to land-use conversion
 - 2.6 million people draw their livelihoods mostly from agriculture globally³

Key targets adopted at COP15

- 10 Sustainably manage areas under agriculture, aquaculture, fisheries and forestry
- 13 Ensure fair & equitable benefits sharing from use of genetic resources, DSIs⁴ & traditional knowledge

“ The verdict

- ✓ Inclusion of DSI and development of a funding mechanism building on the existing Nagoya Protocol hailed as a significant achievement for developing nations, to benefit from the use of genetic resources and traditional knowledge
- ✓ Target 10 supports the expansion of RegenAg approaches, and endorses the COP27 agreement which highlighted the fundamental priority of safeguarding food security
- ! Both targets 10 & 13 lack specificity, with an absence of quantified targets or clear timelines likely to hinder successful implementation

1 Adopt sustainable practices

- Assess current practices across all geographies in agriculture, aquaculture, fisheries & forestry
- Adapt practices to support the sustainable use of biodiversity & engage primary suppliers

2 Review DSI use

- Assess reliance on DSIs if in an affected industry (Pharma, biotech, agriscience)
- Work with regulators and IP&LCs² to agree “fair and equitable” benefits sharing arrangements

3 Engage with regulators

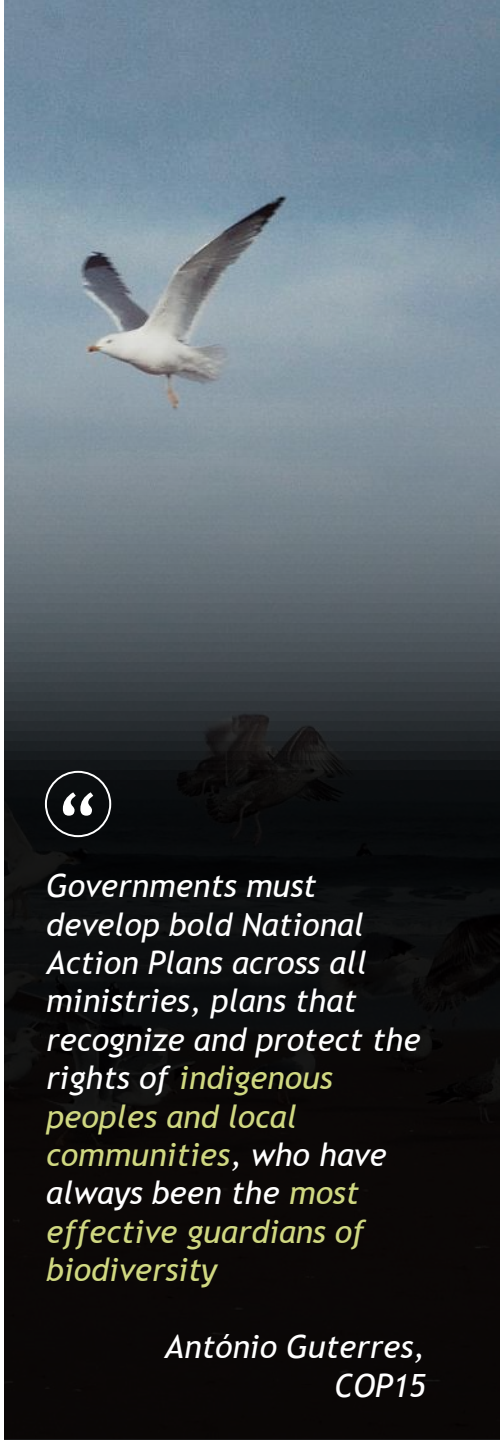
- Advocate for greater clarity on targets and more stringent ambition
- Monitor further announcements on implementation of Targets 10 and 13, or emerging national approaches by DSI-origin countries



Governments must develop bold National Action Plans across all ministries, plans that recognize and protect the rights of indigenous peoples and local communities, who have always been the most effective guardians of biodiversity

António Guterres,
COP15

1. European commission, 2022 2. Indigenous Peoples and Local Communities 3. UN CBD 4. Digital Sequence Information on genetic resources
Note: Some targets may contribute to multiple goals; target language has been abbreviated (see original materials for full language link) Source: Kunming Montréal GBF Dec 18





Implementation and mainstreaming | Our global legislative & business systems must change if we are to stop nature decline

Current situation

50%

Of global GDP depends on nature services¹

- Today, at least \$1.8 trillion annually is used to finance activities harming nature²
- The global biodiversity finance gap is estimated at \$700B/year, which must be bridged in order to meet the GBF targets

Key targets adopted at COP15

- 14 Integrate biodiversity into policies, regs & align financial flows with goals & targets of GBF
- 15 Ensure companies & FIs monitor, assess & disclose nature risks, dependencies & impacts
- 16 Encourage sustainable consumption choices, incl. 50%+ reduction in food waste by 2030
- 18 Eliminate, phase-out, reform nature harmful subsidies, reducing by US\$500B+ pa by 2030
- 19 Mobilise finance to US\$200B+ by 2030, incl. funds from developed to developing countries

“ The verdict

- ✓ Strong regulatory push for integration of biodiversity into business activities and required nature-based reporting, with operations, supply chains and portfolios in scope. Likely to accelerate adoption of leading frameworks SBTN & TNFD, strongly supported by business
- ✓ Strong intent to eliminate harmful subsidies sends clear message, impact likely concentrated in few reliant sectors, e.g. agri, fishing, mining & primary industry
- ✓ Increase in financing welcome, but short of the \$700bn global gap. Imperative for private sector to contribute, with GBF calling for innovation, e.g. biodiversity credits

1 Collate your nature baseline

- Identify your nature footprint - collect data on procurement and activities across direct operations & supply chains, improve traceability
- Prioritise business units/sites with most significant impacts

2 Identify nature interactions

- Identify your impacts & dependencies on nature, and identify critical risks
- Follow guidance from leading nature frameworks (SBTN, TNFD)

3 Engage with the ecosystem

- Engage all stakeholders in impacted regions to refine understanding of impacts & develop joint action plans to drive systemic change
- Engage with the wider business, sustainability and framework environment to shape standards



The GBF is a wake-up call for businesses and financial institutions. Those not already assessing and disclosing their risks, impacts and dependencies, will need to get ready. This is recognition from governments that business as usual is economically short-sighted, will destroy value over the long term and will no longer be accepted

Eva Zabey,
Executive Director,
Business for Nature

Looking ahead | The GBF provides a strong starting point for action on nature, but further progress will be required across five key areas

Five main areas where more progress will need to be made in run up to, and at COP16



Nature Positive¹

Need a “north star” target for nature

“**Nature Positive**” has not been adopted or endorsed as a specific target - a well defined Nature Positive target could help rally action around a single, common goal for nature



Greater specificity

Need concrete, near-term, numeric targets

Some Targets & Goals have **no time constraints or quantified targets** (e.g. Goal A has no near term target, Target 15 has no numeric target) - specific targets create greater accountability, & drive action



Acceleration of commitments

Need effective ratchet mechanism

The GBF failed to introduce a **ratchet mechanism to increase** the ambition of country-level commitments over time - the Paris Agreement 'ratchet mechanism' has proven effective and should be introduced for nature



Mobilisation of finance

Need to continue plugging the gap

The requirement to mobilise \$200B per year is a strong start but falls well short of the **\$700B² annual nature funding gap** - this target should be augmented at COP16



Convergence with climate

Need better alignment with climate process

The **interlink between nature and climate** has been reflected in GBF - going forward, better alignment could create more clarity for corporate action across both nature and climate

1. Nature Positive is a macro concept which refers to a world where biodiversity recovers from 2030, although how this translates into corporate level action and implications is still under discussion. It should align with SBTN methodology and the AR³T framework, which prioritize impact reduction activities over restoration and offsets 2. “Financing Nature: Closing the Global Biodiversity Financing Gap” Paulson Institute, The Nature Conservancy and Cornell University (the “Paulson report”) 2020

Corporates & financial institutions made a number of nature-related announcements during the Business Forum and Finance Day

Dec.
12-13

Business & Biodiversity Forum

Dec.
14

Finance Day

Key announcements

SBTN discussed the upcoming launch of **science-based targets for nature** methodology in Q1 2023, with initial resources on freshwater and land

L'Occitane & Kering created the Climate Fund for Nature to **protect biodiversity and introduce RegenAg practices** in fashion supply chains via voluntary carbon markets

Iberdrola has committed to be **nature positive** (i.e. having a net positive impact on nature) **by 2030**

LVMH announced a strengthened **partnership with UNESCO** to measure its impact on nature

ISSB will add **biodiversity to its climate-related disclosure standards** in 2023, building on work of TNFD and other leading disclosure frameworks

Barclays announced an increase in its Sustainable Impact Capital portfolio to **\$500B by 2027**, with additional financing to **energy start-ups**

150 Financial Institutions with \$24 trillion AUM called on world leaders to adopt an ambitious GBF

HSBC announced it will **not provide project financing** to any **new oil and gas fields**



Epicentre of non-state actor activities at COP15 was the Nature Positive Pavilion, convened by a coalition of 10 NGOs



The aim of the Pavilion was to **build convergence** among stakeholders **to support the agreement** and implementation of an ambitious Nature Positive **Global Biodiversity Framework** by providing a space for **sharing, listening, learning, and building** new solidarities

Ahead of COP15, the Nature Positive coalition's Call to Action was signed by over 360 global non-state actors, calling for a Global Goal for Nature: to halt and reverse nature loss, becoming Nature-positive by 2030

This 10-day pavilion hosted **+120 sessions** delivered by over **80 different organizations** to discuss the role of business, how to mobilise finance, the role of IP&LCs and other diverse groups, including women and youth, and share learnings and experiences from around the world

Find further detail on the Nature Positive Pavilion, and recordings of all sessions at:



www.naturepositive.org



www.youtube.com/@naturepositive



Nature Positive Pavilion
at COP15 supported by



We have been widely involved in COP15



Partnering with NGOs

Supporting WWF on the New Deal for Nature & People to adopt the imperative to reverse nature loss by 2030; and Birdlife & NABU on the biodiversity imperative for business



Supporting SBTN & TNFD

Supporting creation & development of SBTN's Science Based Targets for Nature¹, and helping shape the guidelines and framework for TNFD



Contributing to the debate at COP15

Highlighting our thought leadership on ocean conservation, role of finance in nature accountability, NCS carbon credits, net-zero strategies in agriculture, plus convening a virtual CSO webinar during COP15, with 90+ participants



Supporting our clients on the Nature Positive Journey

Working with clients prior to COP15 on defining Nature Positive ambition, and setting science-based targets for nature, supporting at/around COP15



Developing thought leadership

We have developed many nature-related materials in recent years, some of which we discussed at COP15 (examples listed on next slide), incl. a BCG Perspective ahead of COP

1. SBTN will release its first Science Based Targets for Nature (SBTs for Nature v1) for adoption by corporates in Q1 2023



Our experts are on hand to discuss what the GBF agreement means for you

For more
info, please
reach out to
our global
experts



Jesper Nielsen
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Our wider
team on the
ground at
COP15



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Olga Galin
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