

Investing in a Nature-positive, Net-zero and Equitable Global Economy

Key Messages

1. Preserving, restoring and sustainably managing nature is an economic imperative, not just a moral one.
2. We are facing intertwined crises: climate change, biodiversity loss, land degradation, food security and social inequality. To solve any one of them, we need solutions that address all of them.
3. In addition to their net-zero targets and climate financing commitments, businesses must also invest in nature conservation and restoration, which can provide 30% or more of the climate solution.
4. The much-needed energy transition must be accompanied by a sustainable land, freshwater and ocean use transition.
5. Aligning public COVID stimulus packages and private investment in nature is crucial for an equitable, nature-positive recovery.
6. Businesses can lead the transition to an equitable, nature-positive and net-zero global economy by taking six steps: assess, measure, commit, act, advocate and report.

WHY nature matters to business and WHY now

Nature is the foundation of our economy

- Over half the world's GDP - [\\$44 trillion](#) – is moderately or highly dependent on nature and its services.
- Companies have both an impact and dependency on nature. Nature risks are often hidden or under-evaluated within supply chains.
- It is to the benefit of companies to protect and restore nature to create resilient supply chains and secure natural capital in the future.

To secure a healthy, resilient and equitable world, we need to fight climate change and biodiversity loss together

- There is no pathway to 1.5°C without addressing nature loss and land degradation.
- A fifth of the world's [2000 largest companies](#) have already committed to net-zero targets on greenhouse gas (GHG) emissions. Businesses must also make commitments on nature.

Preserving and restoring nature is an economic imperative

- Corporate and institutional investors are increasingly demanding nature-related disclosures and the setting of [science-based targets \(SBTs\) for nature](#).
- Consumer demand for sustainable goods rose by [71%](#) over the past five years.
- Regulators are taking more ambitious steps, evidenced by the new [EU sustainable finance taxonomy](#).

Now is the time to cooperate and act

- COVID recovery efforts provide an unprecedented opportunity to pivot to a resilient, equitable and nature-positive future – drawing on approximately [\\$17 trillion](#) of global stimulus packages as well as the IMF's [\\$650 billion](#) of Special Drawing Rights to emerging markets.
- Governments are in the process of negotiating the [Post-2020 Global Biodiversity Framework \(GBF\)](#) to protect nature for the next decade. A successful outcome requires engagement from all actors.

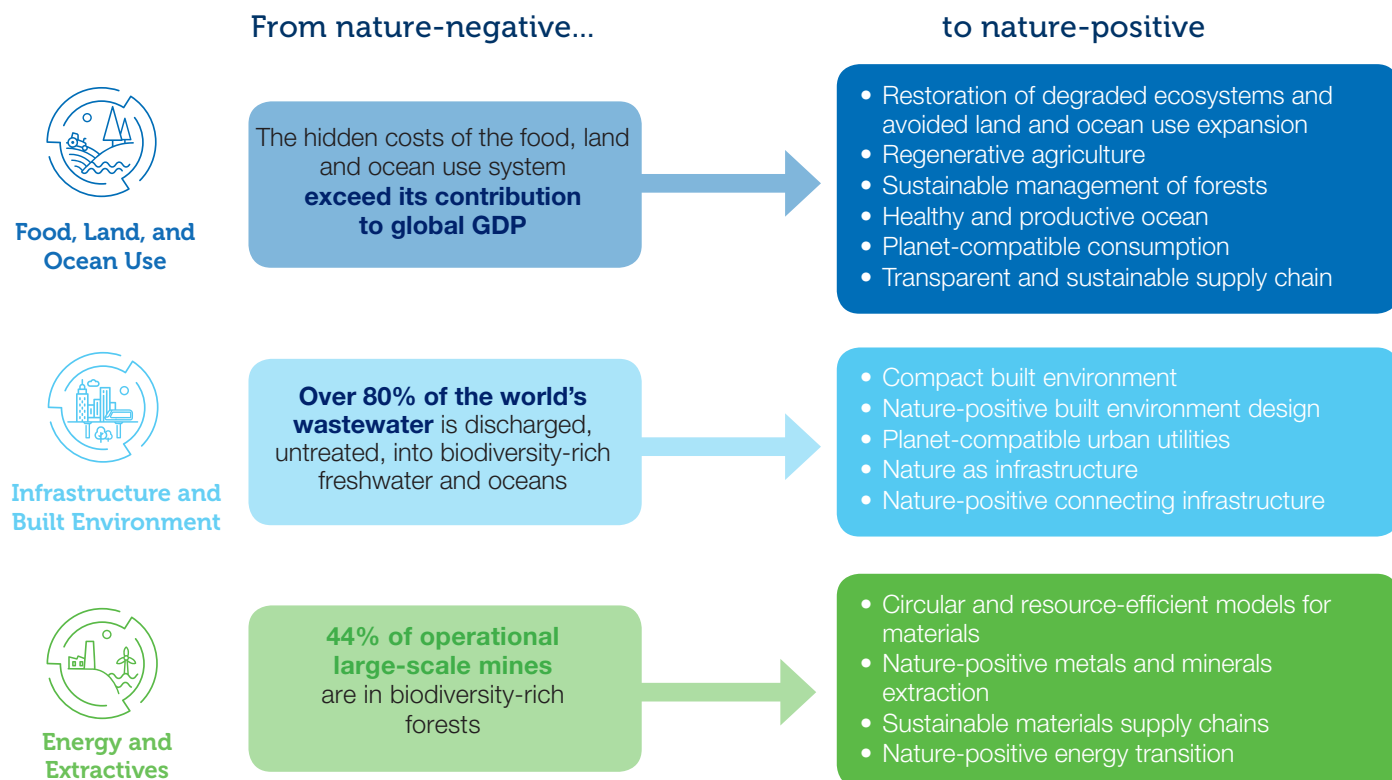
“We cannot afford to carry on exploiting the natural world in the way that we are. The survival of the world itself – including our future prosperity – depends on shifting investment away from the destruction of nature and towards its restoration. The vital first step in doing this is to accurately reflect natural capital in national accounts, as the UK is committed to and working on.”

Lord Zac Goldsmith - Minister of State for Pacific and the Environment, UK Government

This document is produced with input and support from:



We need to transition towards a nature-positive, net-zero and equitable global economy by transforming three socioeconomic systems



Source: [The Future of Nature and Business](#), World Economic Forum/AlphaBeta

"Farms and forests sustain the livelihoods of billions of people. Yet, the largest threats to nature come from the way we use land and oceans to produce food. As we seek to overcome the triple planetary crisis of climate change, biodiversity loss and pollution, it is critical that we embark on a rapid, sustainable and people-centred transition to a nature-positive and zero-carbon global economy."

Inger Andersen - Executive Director, UNEP

Key Numbers

30%, 70%: Agriculture and land use are responsible for over [30%](#) of GHG emissions and [70%](#) of freshwater use.

50%: Over [50%](#) of the world's total GDP is moderately or highly dependent on nature and its services.

1 million: Nearly [1 million](#) species are at risk of extinction.

\$700 billion: [\\$700 billion](#) a year are needed to reverse the global biodiversity crisis.

30%, 8%: When implemented well, Nature-based Solutions can provide up to [30%](#) or more of the emission mitigation targets, but receive less than [8%](#) of public climate finance globally.

\$125 trillion: Nature provides ecosystem services worth up to [US\\$125 trillion](#) a year globally.

WHAT needs to happen

Ensure an equitable and just transition

- **Put nature at the heart of the COVID recovery**
Only [10% of the \\$17 trillion](#) global bailout is currently directed at cutting GHG emissions and restoring nature.

For example, blended finance can catalyse new models of sustainable livelihoods in protected areas, nature parks, eco-tourism, regenerative agriculture and many more. New financial instruments such as [‘nature performance bonds’](#) to reschedule debt for climate and nature goals could also unlock a sustainable recovery.
- **Ensure a human-rights based approach**
Indigenous peoples make up less than 5% of the world’s population, yet they protect [80%](#) of our global biodiversity.
- **Listen to the voice of citizens and consumers**
Annual nature-related posts on Twitter rose from 30 million in 2016 to [50 million in 2020](#). Businesses can encourage behavioural changes among consumers and rapidly scale up circular and sustainable models of production and consumption, while keeping social inclusion at the very centre.

Identify nature-positive opportunities

- **Embrace high-quality Nature-based Solutions (NbS)** NbS must be aligned to [global standards](#) so that they provide co-benefits for people’s livelihoods, health, biodiversity as well as tackling climate change. For example, healthy mangroves and coral reefs capture carbon and can be [2-5 times](#) more cost-effective in preventing engineered structures to prevent coastal flooding.

One solution is to invest in forests, which sustains business resilience, embodies values-led leadership and boosts profitability and growth. The economic value of forests is vast, with one estimate suggesting the total value of intact forests and their ecosystem services could be as much as [\\$150 trillion](#), around double the value of global stock markets.
- **Harness the power of innovation** Fourth Industrial Revolution technologies can improve resource efficiency through techniques such as precision farming; enhance monitoring and management of land and ocean; and provide transparency in supply chain traceability.

Unlock public and private financing

- **Increase investment** [\\$700 billion](#) a year is needed to reverse the global biodiversity crisis. This is less than 1% of global GDP and a fraction of the [\\$5.2 trillion](#) spent annually on fossil fuel subsidies.
 - **Invest in natural climate solutions** Rapid decarbonisation must also include investments in [credible natural climate solutions](#) to compensate for, and remove unabated emissions.
 - **Value nature in decision making** Placing a monetary value on the contribution of nature to the economy can ensure that businesses and governments account for natural capital alongside physical, financial and human capital. For example, pollination as an ecosystem service is worth over [\\$200 billion](#) a year in America alone.
 - **Strengthen and standardise disclosure** Just like the need for climate-related risks information and disclosure, the [Taskforce on Nature-related Financial Disclosure](#) allows financial institutions and companies to develop a complete picture of their environmental risks and delivers a framework to standardise nature-related disclosures.
- ### Set ambitious global policies
- **Deliver the post-2020 Global Biodiversity Framework (GBF)** The world failed to meet a single 2020 Aichi Biodiversity target. [The post-2020 GBF](#) is crucial to signal government ambition and prioritise activities to reverse biodiversity loss. Businesses need to engage with governments and other stakeholders to raise ambitions, advocate for the needed policy reforms, and set clear benchmarks that companies can measure against.
 - **Support governments to redirect or eliminate incentives and subsidies harmful to biodiversity** Almost [90%](#) of the \$540bn in global subsidies given to farmers every year are “harmful”, and roughly [\\$20 billion](#) a year of fishing subsidies are provided in forms that contribute to overcapacity of fishing fleets.
 - **Advocate for policy coherence** Conflicting incentives and regulations are a serious concern. Cross-sectoral policy coherence among different ministries - agriculture, forestry, environment, finance, development and transport – is essential in creating environments that support nature-positive approaches.

HOW CEOs can lead the transition

- 1. ASSESS** Develop a risk management approach for your business and value chain; identify and assess the impact and dependency of nature loss for your company's performance.
- 2. MEASURE & VALUE** Collect baseline data on impacts and dependencies from nature for prioritised targets and locations.
- 3. COMMIT** Commit to ambitious goals and prepare to set [science-based targets for nature and climate](#). Integrate actions, targets and strategies across your company to tackle nature loss, climate change and social inequality together.
- 4. ACT** Act now to **A**void and **R**educe the impacts on nature across the value chain, **R**egenerate and **R**estore ecosystems including forests, soils, freshwater systems and marine environments, and **T**ransform by investing in innovations and circular business models and products.
- 5. ADVOCATE & TRANSFORM** Engage in multi-stakeholder partnerships and advocate for [ambitious government policies](#) that will scale and speed up further positive business action.
- 6. DISCLOSE & REPORT** Monitor progress toward your targets and report on it publicly and regularly.

Reference: Nature Positive Building Blocks for Business (WBCSD, forthcoming)

“Transitioning to a nature-positive economy by 2030 could provide an effective way to tackle the climate crisis and generate an annual business value of over \$10 trillion. As businesses, we must begin to think longer term and to consider investments in nature which will pay off in the future.”

Roberto Marques - CEO and Executive Chairman of the Board, Natura & Co

Key Terms

Ecosystem services: Any positive benefit that wildlife or ecosystems provide to people. This includes provisioning services (e.g. food and water), regulation services (e.g. pollination and carbon sequestration), cultural services (e.g. creativity and recreation), and supporting services (e.g. nutrient cycling).

Just Transition: A transition whereby the benefits of moving to a green economy are shared widely, while supporting those who lose economically – countries, regions, industries, communities, workers or consumers.

Nature-based Solutions (NbS): Actions to protect, sustainably manage and restore natural or modified ecosystems that address societal challenges effectively and adaptively, simultaneously providing human well-being and biodiversity benefits.

Post-2020 Global Biodiversity Framework (GBF): A framework to be adopted at the UN CBD COP15 that will set targets on how we manage nature through to 2030.

This document is produced with input and support from:

