**CEO BRIEFING**

**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 and ocean use transition.
5. The Global Biodiversity Framework calls for all businesses to contribute to halting and reversing biodiversity loss by 2030.
6. Businesses can lead the transition to an equitable, nature-positive and net-zero global economy by taking four actions: assess, commit, transform and disclose.

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**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.
- Land-use change, principally agricultural commodity-driven deforestation, contributes 12–20% of global greenhouse gas emissions.
- At the same time, efforts to tackle climate change cannot succeed without safeguarding nature. 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.
- While 83% of Fortune Global 500 companies have climate change targets, only 25% have freshwater consumption targets and just 5% have targets for biodiversity loss.

**Preserving and restoring nature is an economic imperative**

- The agreement of the Global Biodiversity Framework (“the Biodiversity Plan”) in 2022 set the ambition to halt and reverse biodiversity loss, calling for a collective effort from all sections of society on the four goals and 23 targets by 2030. The framework charts the path for biodiversity, in the same way the 2015 Paris Agreement did for climate change.
- The Taskforce on Nature related Financial Disclosures (TNFD) developed guidance for companies to assess and disclose their impacts, dependencies, risks and opportunities associated with nature.
- Consumer demand for sustainable goods rose by 71% over the past five years.
- Existing and prospective investors and other financial institutions are also taking actions on nature, evidenced by the Finance for Biodiversity Pledge and Nature Action 100 coalition.
- Regulators will soon require mandatory nature-related disclosure from companies. For example, the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD) requires companies in scope to disclose their impact on biodiversity and ecosystems.

“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 Asia, Energy, Climate and Environment of the United Kingdom (2022-2023)
We need to transition towards an equitable, nature-positive and net-zero global economy by transforming three socioeconomic systems.

From nature-destructive... to nature-positive

- The hidden costs of the food, land and ocean use systems now exceed its contribution to global GDP.
- Over 80% of the world’s wastewater is discharged, untreated into biodiversity-rich freshwater.
- 44% of operational large-scale mines are in biodiversity-rich forests.

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, NbS 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 $125 trillion a year globally.

“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, United Nations Environment Programme (UNEP)

Ensure an equitable and just transition

- **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 3-5 times more cost-effective in preventing engineered structures to prevent coastal flooding.
- **Embedding traditional ecological knowledge:** Collaborate with indigenous peoples as co-investment leaders is key for long-term health of nature, and embed indigenous knowledge in the conservation and restoration of nature landscapes.
- **Listen to the voice of citizens and consumers:** Annual nature-related posts on X 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.

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 decarbonization 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 the US alone.
- **Strengthen and standardize 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 assessment and disclosures.

Identify nature-positive opportunities

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Take transformative actions

- **Take actions to deliver Kunming-Montréal Global Biodiversity Framework (GBF):** Businesses are key to implementing the GBF. For example, pollination as an ecosystem service is worth over $200 billion a year in the US alone.
- **Support governments to redirect or eliminate incentives and subsidies harmful to biodiversity:** Almost 90% of the $540 billion in global subsidies given to farmers every year are “harmful”, and roughly $50 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.
A net-zero, nature-positive and equitable future is possible and businesses can contribute by setting credible nature strategies.

The ACT-D high-level business actions (assess, commit, transform and disclose) provide companies with the key actions they can take to make meaningful contributions to a nature-positive, net-zero global economy.

“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, Chief Executive Officer 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.

**Kunming-Montreal Global Biodiversity Framework:** “Paris Agreement” for nature which sets out an ambitious pathway to reach the global vision of a world living in harmony with nature by 2050. Among the framework’s key elements are four goals for 2050 and 23 targets for 2030.