



**POSITION ON TARGET 15 BASED ON THE CONSOLIDATED  
STREAMLINED TEXT DEVELOPED BY THE INFORMAL GROUP IN  
MONTREAL IN SEPTEMBER 2022**

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*About Business for Nature – Business for Nature is a global coalition that brings together business and conservation organizations and forward-thinking companies. Together, we demonstrate credible business leadership on nature and amplify a powerful leading business voice calling for governments to adopt policies now to reverse nature loss this decade. We work with more than 70 international and national partners and a diverse group of businesses from all sectors, sizes and geographies. We encourage companies to commit and act to reverse nature loss, and advocate for greater policy ambition.*

The purpose of this document is to provide CBD negotiators with the perspective of leading businesses on Target 15 and its implementation, with clear, concise and concrete text proposals and explanations.

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**I - Structure of the target:** how could the target be structured to ensure clear scope and provide indications of actions to be taken by governments and businesses.

**II - Proposed amendments for Target 15:** concrete suggestions on the text adopted in Nairobi, including a clean text suggestion and amendment proposal.

**III – Justification table:** presents a rationale for the proposed amendments and ways this can be implemented

**IV – FAQ:** Questions and Answers on why this is needed and how it is doable

## Executive summary

### Target 15 – Beyond voluntary actions

Target 15 is the best opportunity to engage the broad business and finance community in the implementation of the GBF. For this to happen, Target 15 must send a strong signal that governments will start requiring businesses and financial institutions to act now to halt and reverse nature loss by 2030. It will demonstrate that business as usual is economically short-sighted and will destroy value over the long term. Target 15 is also an opportunity to level the economic playing field and create fair competition where positive actions on nature are rewarded by regulatory, financial and economic systems. Voluntary actions are needed but are not enough and this should be reflected in Target 15.

**Adopt a Target 15 that requires businesses and financial institutions to act.** Only a target that includes effective mandatory and regulatory requirements will accelerate business action at the scale that science requires.

#### Target 15 must apply to:

- All large business and financial institutions
- All impacts and dependencies along operations, value chains and portfolios

#### Target 15 must include:

- Mandatory requirements to assess and disclose impacts and dependencies on biodiversity
- An aim to reduce negative impacts by half and increase positive impacts

Our recommendations on Target 15

#### • **Essential elements to keep**

- “all large and transnational companies, business and financial institutions”: clarifying the scope by targeting all large companies. This is essential to create fair competition.
- “along their operations, value chains and portfolios”: as most impacts occur along value chains, the scope of the target should clearly address this.
- “and companies with significant impacts on biodiversity”: we support the inclusion in the scope of the target companies with high impacts on biodiversity, given a clear definition is proposed
- “through mandatory requirements”: sending the signal that all large business and financial institutions will be required to assess and disclose dependencies and impacts, to create a sound basis for commitments and transformative action. This would also clearly indicate that business as usual is over and all businesses need to act now.
- “regularly assess and disclose their dependencies and impacts on biodiversity”: essential to understand both impacts as well as dependencies, to track progress and transparently disclose to inform governments, investors, consumers and other stakeholders. This is the unavoidable first step to any effective action.
- “reduce by half negative impacts on biodiversity, increase positive impacts”: once a business has assessed and disclosed, they need to commit and transform. This section is essential to ensure businesses are incentivized to not stop at assessment but also have a clear target to act.

#### • **Elements that must be deleted**

- “significantly increase the number or percentage of”: this is not a SMART<sup>1</sup> objective, and gives the impression that not all business and financial institutions will be required to act. It would favor free-riders and create unfair competition.
- “particularly”: all business and financial institutions must act. This reduces the ambition by giving the impression that only some sectors will be addressed. Sectors with high impacts must be prioritized in the implementation and in NBSAPs but the target must cover all sectors.
- “In order to significantly”: this is not SMART and is vague.

## Full Position on Target 15

Business for Nature calls on Parties to adopt an ambitious Target 15 that requires business and financial institutions to transform their business practices. Only a target that 1/ includes effective mandatory requirements for large business and financial organisations to assess and disclose dependencies and impacts on biodiversity and 2/ commits to incentivize them to accelerated business action to reduce negative impacts by half would generate transformation at the scale that science requires and in line with a mission to halt and reverse nature loss by 2030.

Below are Business for Nature’s recommendations to achieve this in Target 15, based on the text adopted at OEWG-4 in Nairobi.

### **I - Structure of the target**

For a comprehensive, simple and implementable target, we suggest the following structure:

A “chapeau”, as currently proposed in Target 15, that clarifies:

1. the action that Parties will take to ensure the implementation of this target (i.e. “take legal, administrative or policy measures”). We support the current text.
2. the scope of the Target:
  - Which business: all business and financial institutions versus a specific subset of all business and financial institutions? We support clarifying that the target applies to all large and transnational business and financial institutions and those with high-impacts on biodiversity and should be coupled with mandatory disclosure and a clear target to reduce negative impacts (see detailed explanation below).
  - Where: at operational level only versus along operations, supply and value chains and portfolios? We support the second option as this is where most impacts occur (see detailed explanation below).

Followed by at least two essential elements stating what governments will do to ensure businesses take the actions needed:

- 1- ensuring through mandatory requirements that business and financial institutions assess and disclose their dependencies and impacts on nature. It is essential to make this requirement mandatory to ensure fair competition and a level playing field (see detailed explanation below).
  - 2- incentivizing business and financial institutions to reduce by at least half their negative impacts and increase positive impacts. It is essential to elevate this section into a bullet point as this is an action for governments, not an outcome (see detailed explanation below).
- Other elements (i.e. points (b), (c), (d), (e)) could also be added here.

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<sup>1</sup> **SMART** means “specific, measurable, assignable, realistic and time-related”

It is essential to keep the reference to at least these two elements (1/assess and disclose and 2/reduce negative impacts and increase positive impacts). This represents the full scale of business action needed as reflected in the figure below of high-level business actions on nature developed and supported by Business for Nature, Capitals Coalition, the Taskforce on Nature-related Financial Disclosure (TNFD), the Science Based Target Network (SBTN), the World Business Council for Sustainable Development (WBCSD), the World Economic Forum, WWF and others.

## Proposed Target 15 and Structure

### Clean text:

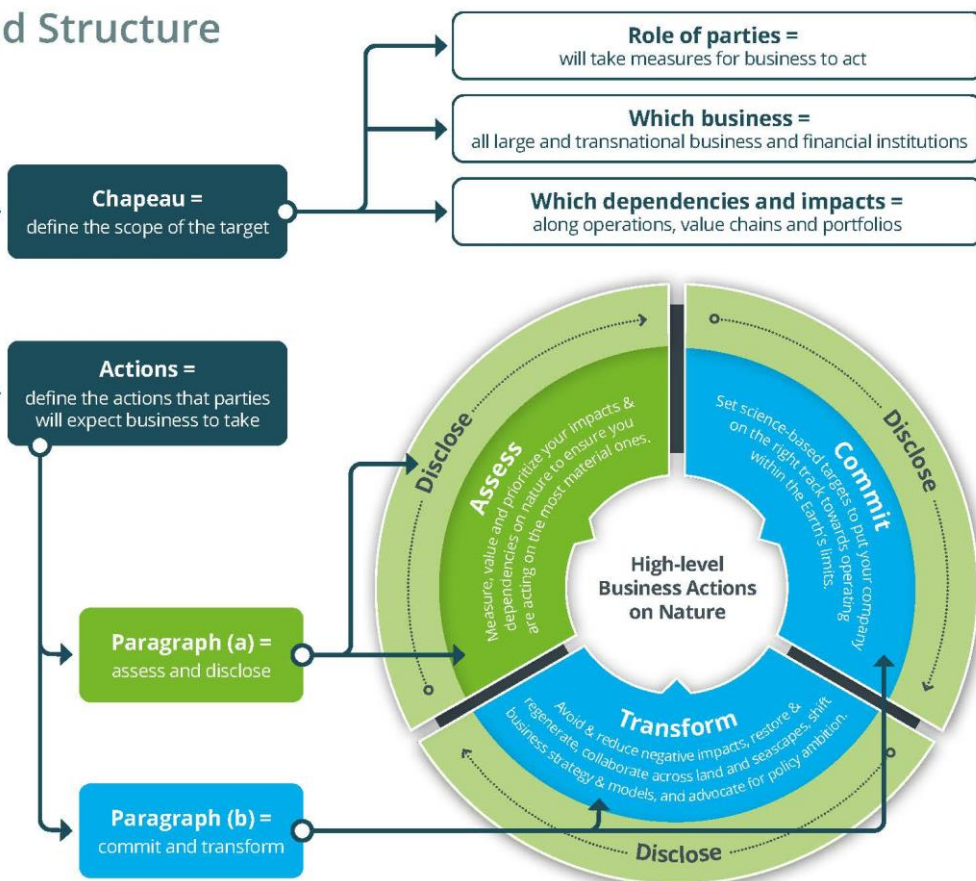
**Target 15:** Take legal, administrative or policy measures to ensure that all large and transnational business and financial institutions, along their operations, value chains and portfolios:

(a) through mandatory requirements must regularly monitor, assess, and fully and transparently disclose their dependencies and impacts on biodiversity;

(b) are incentivized to reduce by half negative impacts on biodiversity and to increase positive impacts, moving towards sustainable patterns of production and a circular economy.

#### Outcome =

A clear and simple target with a well defined and comprehensive scope that covers what Parties will be doing, what business are expected to do and cover the four key business actions to contribute to reversing nature loss by 2030.



**Visual:** High-level actions businesses must take to make meaningful contributions to help halt and reverse nature loss and contribute to an equitable, nature-positive world, where positive impacts outweigh negative ones. [Find out more.](#)

## II- Proposed amendments in Target 15

### Proposed clean text:

Target 15: Take legal, administrative or policy measures to ensure that all large and transnational business and financial institutions, along their operations, value chains and portfolios:

- (a) through mandatory requirements must regularly monitor, assess, and fully and transparently disclose their dependencies and impacts on biodiversity;
- (b) are incentivized to reduce by half negative impacts on biodiversity and to increase positive impacts, moving towards sustainable patterns of production and a circular economy.

(Note that Business for nature does not have specific positions or objections on the proposed elements b-e in the Nairobi text)

Suggested amendment on the Nairobi text:

Take legal, administrative or policy measures to ensure that ~~{all}~~ ~~{significantly increase the number or percentage of}~~ large and transnational business and financial institutions ~~{, particularly those}~~ ~~{,}~~ ~~{and companies and companies}~~ with significant impacts on biodiversity, **along their operations, supply and value chains and portfolios** ~~{, that}~~:

- (a) ~~{Through mandatory requirements}~~ **must** regularly monitor, **assess**, and fully and transparently **disclose** their ~~{dependencies and}~~ **impacts** on biodiversity ~~{along their operations, supply and value chains and portfolios}~~;
- (b) [Provide information needed to consumers to enable the public to make responsible consumption choices];
- (c) [Comply and report on access and benefit-sharing];
- (d) [Take legal responsibility for infractions] [, including through penalties, and liability and redress for damage and addressing conflicts of interest;]
- (e) [Follow a rights-based approach] [, including human rights and the rights of Mother Earth.]
- (f) ~~{In order to}~~ ~~{significantly}~~ **are incentivized** to **reduce** ~~{by half}~~ **negative impacts** on biodiversity, increase positive impacts, reduce biodiversity-related risks to business and financial institutions, and [moving towards sustainable patterns of production] [foster a circular economy] [, consistent and in harmony with the Convention and other international obligations, together with Government regulations.]

### III – Detailed rationale for the proposed amendments

Nairobi text	Proposed amendment	Comments	How to implement?
<p><b>CHAPEAU</b> = clarify the scope of the target</p> <p>The chapeau must clarify: 1/ that Parties will be taking measures to ensure business action; 2/business scope: which business?; 3/action scope: which impacts?</p>			
<p>Take legal, administrative or policy measures to ensure that</p>	<p>Take legal, administrative or policy measures to ensure that</p>	<p><u>Purpose of the section:</u> Clarify that Parties will be taking measures</p> <p><u>Our suggestion:</u> Keep the text as is</p> <p><u>Justification:</u> The GBF will be implemented by Parties. We therefore welcome this text to clarify the measures Parties will take to engage business and ensure the implementation of this target. Governments have the responsibility to create an enabling environment that incentivizes positive action. Target 15 must change the rules of the economic game by demonstrating that governments will expect and require businesses to act.</p>	
<p>[all] [significantly increase the number or percentage of] business and financial institutions [, particularly those] [with significant impacts on biodiversity,] [and large and transnational companies] [, that]:</p>	<p>{all}</p> <p><del>{significantly increase the number or percentage of}</del></p> <p>business and financial institutions</p> <p><del>{, particularly those}</del></p>	<p><u>Purpose of this section:</u> Sets the scope of the target: which businesses is Target 15 aimed at?</p> <p><u>Our suggestion:</u></p> <ol style="list-style-type: none"> <li>1- define a clear scope and keep “<u>all</u> large and transnational business and financial institutions and companies with significant impacts”</li> <li>2- delete the rest as it reduces the ambition.</li> </ol>	<p>The concept of “Large and transnational business and financial institutions” will need to be defined, probably at national level.</p> <p>Indeed, while this could be done at the CBD level in the glossary, given the specific national circumstances it could make more sense for the definition to be adopted at national or regional level. Below are some existing definitions to help with the discussion.</p>

	<p>{and companies with significant impacts on biodiversity,}</p> <p>{and large and transnational companies} [<del>that</del>]</p> <p><i>*see clean text suggestion above for a text that can be easily read</i></p>	<p><u>Justification:</u> Parties are currently exploring three options on the scope:</p> <ul style="list-style-type: none"> <li>• Option 1: A large scope targeting all business and financial institutions</li> <li>• Option 2: A narrower scope focusing on <u>all</u> large and transnational business and financial institutions</li> <li>• Option 3: an undefined scope looking at “a number / % of business/particularly those”.</li> </ul> <p>We support option 2 (i.e. to remove the brackets to “<u>all</u> large and transnational business and financial institutions”). But this narrower scope must then be coupled with an ambitious target that includes mandatory requirements to assess and disclose and a set target to reduce negative impacts. Indeed, this would have a greater impact than a large scope covering all business but with less ambitious objectives in the rest of the target.</p> <p>We therefore do NOT support wording leading to ambiguity on the ambition and scale of the change required and ask Parties to delete the following text:</p> <ul style="list-style-type: none"> <li>• “<i>significantly increase the number or percentage of</i>”: this is not a SMART objective and does not reflect the level of action needed.</li> </ul>	<p>Existing definition of large and transnational:</p> <ul style="list-style-type: none"> <li>- SDG Goal 12.6 proposed indicators for ‘large and trans- national companies’ mentions <i><u>“companies valued at more than \$1 billion that publish integrated monitoring”</u></i>.</li> <li>- <a href="#">UN department of Economic and Social Affairs</a>' definition of multinational companies: <i>“multinational corporation” covers all enterprises which control assets (i.e. factories,. mines, sales offices and the like) in two or more countries.”</i></li> <li>- <a href="#">Global policy forum's definition</a>: <i>“Transnational corporation” means a for-profit enterprise marked by two basic characteristics: 1) it engages in enough business activities -- including sales, distribution, extraction, manufacturing, and research and development -- outside the country of origin so that it is dependent financially on operations in two or more countries; 2) and its management decisions are made based on regional or global alternatives.</i></li> <li>- the <b>UK Companies Act</b> on climate disclosure understand large companies as companies that have more than 500 employees and are either: <i>Listed on the main market of the LSE; Traded on AIM; Banks or insurers; or Have more than £500m turnover.</i></li> <li>- <a href="#">EU &amp; OECD's definition</a>: <i>Large enterprises employ 250 people or more and have an annual turnover of more than €50 million</i></li> <li>- In <b>Brazil</b>, the <a href="#">National Development Bank</a> defines a large company as the <i>ones that have a gross income larger than R\$ 300 million</i></li> </ul>
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- “particularly those with significant impacts on biodiversity”: limiting the target to only businesses with significant impacts would limit the ambition and does not reflect the level of action and urgency needed. All large and economically significant business and financial institutions must assess, disclose and address their impacts. Debates around how to define “significant” would lead to slower implementation.

(roughly USD 60 million) or more than 250 employees.

- **Japan** has a legal [definition for Small and Medium-sized Enterprise](#) adopted in the SMEs Basic Act and any company not under this definition is regarded as a large business. In general, listed companies and/or companies with a workforce exceeding 300 people are large businesses.

- In **Malaysia**, the Securities Commission considers large companies as *companies on the FTSE Bursa Malaysia Top 100 Index; or Companies with market capitalisation of RM 2 billion and above at the start of the companies’ financial year* and Multinational Companies (MNC) refers to “*a company or group that owns or control production of goods and services in multiple companies besides its home country*” and Financial Institutions are defined by the Central Bank of Malaysia Act 2009 as “*A person carrying on a financial business regulated under the laws enforced by the Bank and in addition includes any- (a) person who operates any payment system or issues any payment instrument; and (b) person carrying on any other financial business as the Minister may prescribe.*”

- In **China**, the National Bureau of Statistics issued a regulation to classify large, medium, small and micro enterprises in 2017. Different sectors have different classification standards, made by revenue, number of employees and total assets. The classification is applicable to enterprises of all types of ownership.



			- In <b>Mexico</b> , the Ministry of Economy defines large companies as businesses dedicated to services and that have from 101 to 251 workers and have sales of more than 250 million pesos.
	Add “ <b>along their operations, supply and value chains and portfolios:</b> ”	<p><u>Purpose of this section:</u> Set the scope of action: which level of impacts is Target 15 addressing?</p> <p><u>Our suggestion:</u> Elevating this section to the “chapeau”</p> <p><u>Justification:</u> This defines the scope of the target and should apply to the whole target, not only to point (a). Parties must be clear that this target addresses business impacts at operations level AND across value chains where most of the impacts occur. This would also require large companies to provide support and capacity to SMEs in their value chain to also address their impacts.</p>	Companies already report full value chain impacts for GHG emissions, and a similar system can be applied for biodiversity. In GHG reporting, full value chains and portfolio emissions are categorized in <a href="#">Scope 1, 2 or 3</a> depending on where in the value-chain the activity occurs. Scope 1: covers the Green House Gas (GHG) emissions a company makes directly, the equivalent to ‘operations’. Scope 2: indirect emissions from purchased energy. Scope 3 - all emissions the organisation is indirectly responsible for, up and down its value chain. For example, from buying products from its suppliers, and from its products when customers use them.
<p><b>PARAGRAPHS</b> = Actions that Parties will expect business to take</p> <p>The bullets must cover at least: 1/ obligation to assess and disclose dependencies and impacts, 2/ a defined target to reduce negative impacts and increase positive impacts</p>			
(a) [Through mandatory requirements]	(a) {Through mandatory requirements} <b>must</b>	<p><u>Purpose of this section:</u> going beyond voluntary actions, create fair competition and accelerate action</p> <p><u>Our suggestions:</u> remove the bracket</p> <p><u>Justification:</u> Voluntary business actions are important but not enough. Mandatory requirements to assess and disclose are</p>	Countries will have to decide how best to implement these requirements at national level based on existing regulations. Mandatory disclosure on nature would be implemented in the same way that mandatory disclosure on climate is currently being implemented.

		<p>essential to demonstrate the urgency, create fair competition, accelerate standardization, engage investors and empower consumers, facilitate access to data and accelerate action beyond business as usual. This would also ensure that companies that do not disclose their negative impacts do not benefit from potential competitive advantage over those that do.</p> <p>In a recent business survey, 91% of respondents agreed that such mandatory requirements are needed<sup>2</sup>. Over 330 companies and financial institutions from 52 countries and combined revenues of over USD 1.5 trillion <a href="#">publicly support this</a>.</p>	<p>Since April 2022, the <a href="#">United Kingdom</a> made climate-related financial disclosure mandatory for large companies, providing a roadmap for how rules could be developed for mandatory disclosure of nature-related risks. The <a href="#">EU</a> and <a href="#">US</a> have followed by developing rules for mandatory climate disclosure, further demonstrating how disclosure guidelines can be integrated into national-level regulations by relevant authorities.</p> <p>The <a href="#">International Sustainability Standards Board (ISSB)</a> is part of the IFRS Foundation - and sets IFRS Sustainability Disclosure Standards. Once the ISSB finalizes its first two proposed standards on general sustainability-related disclosures and climate, it would be helpful if it could broaden its focus to include nature, as an immediate follow-up. Strong guidance is already available to build on from the industry based Sustainability Accounting Standards Board Standards and the Climate Disclosure Standards Board for <a href="#">water</a> and <a href="#">biodiversity</a>. Initiatives such as the <a href="#">Taskforce on Nature-related Financial Disclosures (below)</a> will help inform ISSB's work.</p> <p>The <a href="#">Taskforce on Nature-related Financial Disclosures (TNFD)</a> can provide governments with a clear framework to adopt mandatory disclosure requirements. TNFD is developing a disclosure framework for business and financial</p>
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<sup>2</sup> Full business consultation report from May 2022 available here: [https://static1.squarespace.com/static/5d777de8109c315fd22faf3a/t/6290c909f89c5a71fe33a917/1653655818323/Business+Consultation+Report\\_Target+15\\_GBF.pdf](https://static1.squarespace.com/static/5d777de8109c315fd22faf3a/t/6290c909f89c5a71fe33a917/1653655818323/Business+Consultation+Report_Target+15_GBF.pdf)

			<p>institutions to disclose nature-related risks. Once adopted, the Framework will equip them with the tools needed to disclose their dependencies and impacts. TNFD is not creating a new disclosure standard but aggregates the best standards, data and tools for the business and finance sector to use. It builds on the Taskforce on Climate-related Disclosures (TCFD).</p> <p><a href="#">A beta version 3</a> of the framework was released in November 2022 and is under pilot testing. The full framework will be available in 2023.</p>
Regularly monitor, assess,	Regularly monitor, assess,	<p><b><u>Purpose of this section:</u></b> Ensure business and financial institutions understand their most material impacts to prioritise action.</p> <p><b><u>Our suggestions:</u></b> Keep. To shorten the text, “monitor” could be deleted as this is addressed by “regularly”.</p> <p><b><u>Justification:</u></b> Assessing impacts is the essential first step for all business wanting to address their impacts. Assess means measuring, valuing and prioritizing dependencies and impacts on nature to ensure actions on the most material ones.</p>	<p>Substantive tools and methodologies exist to guide business and financial institutions to assess their dependencies and impacts.</p> <p>This should be done by conducting an initial materiality assessment across the production and consumption value chain, for instance by using <a href="#">guidance from the Science-Based Target Network (SBTN)</a>, following the <a href="#">Natural Capital Protocol</a><sup>3</sup> to measure and value dependencies and impacts and the <a href="#">TNFD LEAP approach</a> to assess impacts and dependencies on nature, and evaluate nature-related risks and opportunities.</p>
and fully and transparently disclose	and fully and transparently disclose	<p><b><u>Purpose of this section:</u></b> Ensure the result of the assessment is transparently and publicly published.</p> <p><b><u>Our suggestions:</u></b> Keep. To shorten the text, “fully and transparently” could be deleted as</p>	<p>Frameworks such as the <a href="#">Taskforce on Nature-related Financial Disclosures (TNFD)</a> provide a risk management and disclosure framework with detailed guidance for business, financial institutions and governments to disclose and act on nature-related risks. The version 3 of the</p>

<sup>3</sup> For further information about integrating natural, social and human capitals into business decision-making, you can follow an [introductory course](#) for free. The course provides a comprehensive introduction to the capitals approach and to undertaking a natural capital assessment.

		<p>any credible disclosure framework would require transparency.</p> <p><u>Justification:</u> Disclosure is essential to ensure accountability, provide transparency and track progress for governments, investors and consumers and enable easy access to information to accelerate transformative action.</p>	<p><a href="#">TNFD beta framework</a> is available and under pilot testing. The final framework will be published in June 2023.</p> <p>Existing reporting standards, such as the <a href="#">Global Reporting Initiative (GRI)</a>, <a href="#">SASB</a>, <a href="#">IFC Sustainability Framework</a>, and the <a href="#">EU Corporate Sustainability Reporting</a>, as well as environmental data aggregators like <a href="#">CDP</a>, can also be used.</p>
<p>their dependencies and impacts on biodiversity</p>	<p>their {dependencies and} impacts on biodiversity</p>	<p><u>Purpose of this section:</u> Clarify what business and financial institutions are required to assess and disclose.</p> <p><u>Our suggestions:</u> Keep and remove the brackets on “dependencies”.</p> <p><u>Justification:</u> It is essential to understand both impacts as well as dependencies. Business must also to look at their dependencies to create awareness and a feel of urgency as dependencies are closely linked to risks and the loss of this biodiversity or ecosystem service would affect business overall performance, therefore creating an incentive to protect or regenerate it.</p> <p><i>Definition of impacts:</i> a negative or positive effect of business activity on biodiversity. For instance, a negative impact on a watershed or a positive impact gain through restoration.</p>	<p>The <a href="#">Natural Capital Protocol</a> provides detailed definitions and methodologies to help businesses measure and value their impacts and dependencies.</p>

		<p><i>Definition of dependencies:</i> a business reliance on or use of biodiversity or ecosystem services. For instance, a business reliance on pollinators in agriculture.</p>	
<p>[along their operations, supply and value chains and portfolios]</p>	<p>{along their operations, supply and value chains and portfolios}</p>	<p><u>Purpose of this section:</u> Set the scope of action: which level of impacts is Target 15 addressing?</p> <p><u>Our suggestion:</u> Remove the brackets and elevate this section to the “chapeau”. To simplify, “supply and value chains” can be replaced by “value chains” only as this also encompasses the supply element. See definition below.</p> <p><u>Justification:</u> Parties must be clear this target addresses business impacts at operations level AND across value chains where most of the impacts occur. This would also require large companies to provide support and capacity to SMEs in their value chain to also address their impacts.</p> <p>Definition of the different terms:</p> <p>Operations: used to describe a broad range of activities that a company does day-to-day to keep running. For example, the electricity usage of a supermarket would be considered a direct operation.</p> <p>Supply chains: refers to the system and resources required to move a product or</p>	<p>This is already applied in the climate agenda and could be replicated for biodiversity. Across operations, supply and value chains and portfolios is the equivalent of scope 1-2-3 as a <a href="#">way of categorising the different kinds of carbon emissions</a> a company creates. Scope 1: covers the Greenhouse Gas (GHG) emissions a company makes directly, the equivalent to ‘operations’. Scope 2: indirect emissions from purchased energy. Scope 3 - all emissions that the organisation is indirectly responsible for, up and down its value chain. For example, from buying products from its suppliers, and from its products when customers use them.</p>

		<p>service from supplier to customer<sup>4</sup>. It represents the steps it takes between a company and its suppliers to produce and distribute a specific product to the final buyer.</p> <p>Value chains: the concept builds on supply chains to also consider the manner in which value is added along the chain, both to the product / service and the actors involved. From a sustainability perspective, ‘value chain’ has more appeal, since it explicitly references internal and external stakeholders in the value-creation process<sup>5</sup>. It also encourages a full-lifecycle perspective and not just a focus on upstream.</p> <p>Portfolio: A collection of finance activities or investments</p>	
<p>b) [Provide information needed to consumers to enable the public to make responsible consumption choices];</p> <p>c) [Comply and report on access and benefit-sharing;]</p> <p>d) [Take legal responsibility for infractions] [, including</p>	No position	<p>We have no specific position or objections on these different elements.</p> <p>(b) could be covered in Target 16</p> <p>(c) could be covered in Goal C and Target 13</p>	

<sup>4</sup> <https://www.cisl.cam.ac.uk/education/graduate-study/pgcerts/value-chain-defs>

<sup>5</sup> <https://www.cisl.cam.ac.uk/education/graduate-study/pgcerts/value-chain-defs>

<p>through penalties, and liability and redress for damage and addressing conflicts of interest;]</p> <p>e) [Follow a rights-based approach] [, including human rights and the rights of Mother Earth.]</p>			
<p>In order to [significantly] reduce [by half] negative impacts on biodiversity, increase positive impacts,</p>	<p><b>(f new) are incentivized to</b>  <del>In order to [significantly]</del>  reduce {by half} negative impacts on biodiversity, increase positive impacts,</p>	<p><u>Purpose of this section:</u> Ensure that once businesses have assessed and disclosed, they act to reduce negative impacts and increase positive impacts. This reflects the ‘commit’ and ‘transform’ sections of the <a href="#">high-level business actions</a>.</p> <p><u>Our suggestions:</u></p> <ol style="list-style-type: none"> <li>1- elevate to a bullet point and start with “are incentivized to”,</li> <li>2- remove significantly,</li> <li>3- keep “by half”.</li> </ol> <p><u>Justification:</u> We strongly support this section of the target, and it must be elevated to a specific point (i.e. (b) or (f) as this requires an action. To have the impact expected, business must not only <u>assess</u> and <u>disclose</u> their dependencies and impacts but also <u>commit</u> and <u>transform</u>. These last two points are essential, and this is what this section of the target is addressing. Deleting this section would mean not addressing it.</p> <p>We strongly support removing the brackets to keep the numerical target and delete “significantly” which is not SMART and</p>	<p><u>Implementation by government:</u> To implement the 50% global target, national government will need to define and prioritize the categories of impacts to be addressed, including specific sector contributions and priority geographies. For this, governments can use the interim targets proposed by the <a href="#">Science-Based Target Network</a> aligned with the IPBES drivers of biodiversity loss. A general 2020 baseline could be adopted, however, each business will need to identify and set specific baselines for each type of impact they want to reduce/increase. To track progress on the 50% reduction target, governments can adopt a system for business to report progress and to compile at national level. Implementation would be facilitated if disclosure is already mandatory. Governments can assist by aligning biodiversity accounting done by business (for example using the <a href="#">Natural Capital Protocol</a>) with governments accounting via the SEEA-Ecosystem Accounting framework.</p> <p><u>Implementation by business:</u> To implement this target, businesses will first have to set transparent, time-bound, specific, science-</p>

		<p>has no meaning. In a recent business survey, 74% of respondents agreed that a 50% reduction target is needed<sup>1</sup> as businesses need and expect governments to set a shared clear, measurable and time-bound objective.</p> <p>Deleting this numerical target would send the wrong signal to the business community and will delay action. The numerical target provides long-term certainty and a sense of urgency to business which is vital to encourage the uptake of nature-positive business models and to orient investments and business decision-making processes around the protection, restoration and sustainable use of nature and natural resources.</p>	<p>based targets. They can use <a href="#">Business for Nature’s commitment list</a>, <a href="#">Science-Based Targets for Nature (SBTN) initial guidance</a>, the <a href="#">Accountability Framework Initiative</a> and follow best practice with the <a href="#">ESG (Environment Social and Governance) metrics</a>. They must then transform their practices by avoiding and reducing impacts, including by eliminate the impact entirely in priority areas and minimize impacts when elimination is not possible. To regenerate and restore, they can use the <a href="#">NBS benefits explorer</a> and follow the <a href="#">IUCN Global Standard for Nature-based Solutions</a> to ensures a holistic approach. To embed nature at the core of all business decisions, they can invest in <a href="#">circular business models</a>, engage in <a href="#">landscape-level and jurisdictional approaches</a>, and divest from assets that degrade and over-exploit nature. The World Economic Forum identifies <a href="#">15 nature-positive transitions</a> that could generate up to US\$10.1 trillion in annual business value and create 395 million jobs by 2030. (see more details in the FAQ below)</p>
<p>reduce biodiversity-related risks to business and financial institutions, and [moving towards sustainable patterns of production] [foster a circular economy] [, consistent and in harmony with the Convention and other international</p>	<p>No position</p>	<p>We have no specific position or objection on this section</p>	



obligations, together with Government regulations.]			
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## FAQ - WHY AND HOW THIS IS DOABLE

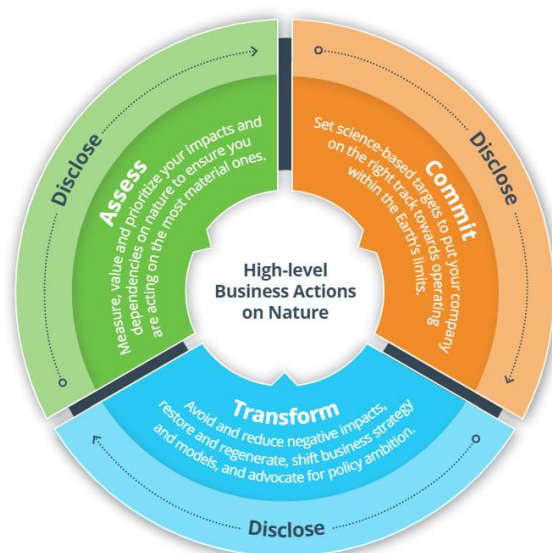
### What tools are in place to assist business to implement the target?

Leading business are already acting now to assess and disclose impacts and dependencies on biodiversity, to reduce negative impacts and increase positive impacts to contribute to a nature-positive world.

Tools and guidelines are already available for businesses and financial institutions to start acting and more standardization is in process to accelerate action. Therefore, regulatory measures requiring the assessment and disclosure are feasible by 2030 and leading businesses support the 50% reduction of negative impacts.

The following high-level business actions show how businesses can make meaningful contributions to help reverse nature loss and contribute to a nature-positive world by 2030, where positive impacts outweigh negative ones in the same eco-regions or in similar types of ecosystems.

*Infographic: High-level business actions on nature. These actions have been developed and are supported by Business for Nature, Capitals Coalition, TNFD, SBTN, WBCSD, World Economic Forum, WWF and others.*



**Assess** – Business must measure, value and prioritize their impacts and dependencies on biodiversity to ensure they are acting on the most material ones. This includes:

1. **Conduct an initial materiality assessment** to prioritize efforts using [guidance from SBTN](#).
2. **Measure and value** impacts and dependencies on biodiversity following the [Natural Capital Protocol](#). The [Natural Capital Toolkit](#) help business finding the right tool and where relevant they can use supplementary guidance on [finance](#), [biodiversity](#) and [food systems](#). [We Value Nature](#) assists business build capacity in this process.
3. **Evaluate business risks** and opportunities with the guidance provided by the [Taskforce on Nature-related Financial Disclosures \(TNFD\)](#). The [Integrated Biodiversity Assessment Tool \(IBAT\) for Business](#) and the [WWF Water Risk Filter](#) will help business identify priority locations for target setting and dig deeper into particular risks.
4. **Expand the assessment to include nature, climate, and people** through an [integrated assessment](#), including natural, [social](#), and [human](#) and produced capital and through the [GHG Protocol](#).

**Commit** – Business must set transparent, time-bound, specific, science-based targets towards operating within the Earth’s limits. This includes:

1. **Make commitments** through credible platforms to reduce most significant and material business impacts and dependencies. Use [Business for Nature’s commitment list](#) to locate relevant commitments and follow best practice with the [ESG \(Environment Social and Governance\) metrics](#).
2. **Set targets** by measuring baseline impacts and setting measurable targets across priority locations to reduce impact and contribute positively by restoring ecosystems, including land, freshwater, and oceans. Business can use [Science-Based Targets for Nature \(SBTN\) initial guidance](#) and their [suggested interim targets](#), and prepare to set targets in line with the final guidance to be released in 2023. Depending on company’s material impacts, they can use the [Accountability Framework Initiative](#) and [this guide to setting water targets](#).

**Transform** – Business must contribute to systems transformation. This includes:

1. **Avoid and reduce.** Prevent impacts from happening or eliminate the impact entirely and stop any damage in priority areas to have “zero harm” on biodiversity and nature. Minimize impacts across value chain when elimination is not possible.
2. **Regenerate and restore.** The [NBS benefits explorer](#) can assist companies to invest in nature-based solutions following the [IUCN Global Standard for Nature-based Solutions](#) to ensure a holistic approach for biodiversity, water, climate and people.
3. **Shift business strategy and models.** Embed nature at the core of all business decisions, invest in [circular business models](#), engage in landscape-level and [jurisdictional approaches](#), divest from assets that degrade and over-exploit nature. The World Economic Forum’s identify [15 nature-positive transitions](#) that can generate up to US\$10.1 trillion in annual business value and create 395 million jobs by 2030.
4. **Collaborate with your value chains at the landscape-level** and apply the mitigation hierarchy beyond operations.
5. **Advocate** for [ambitious Government policies](#) that will accelerate positive business action.

**Disclose** – Business must track performance and prepare to publicly disclose material nature-related information by:

1. **Monitor progress** regularly
2. **Disclose progress** following guidance from the [Taskforce on Nature-related Financial Disclosures \(TNFD\)](#) that recommends business leaders to communicate on their 1/ governance; 2/ Strategy; 3/ Risk management; 4/ Metrics and targets.
3. **Seek out independent validation** of processes and verification to enhance credibility
4. **Align reporting** with major reporting standards such as [GRI](#), [IFC](#), [ISSB](#) and the [EU Corporate Sustainability Reporting Directive](#), and environmental data aggregators like [CDP](#).

### **About mandatory requirements to assess and disclose**

Read our new report, ‘[Make It Mandatory: the case for mandatory corporate assessment and disclosure on nature](#)’ that outlines how mandatory assessment and disclosure on nature would help create fairer competition for business, increase accountability, engage investors and consumers, support SMEs to minimise their nature dependencies through supply chains and help ensure the rights of Indigenous Peoples’ and local communities.

### **Why should businesses and financial organizations assess and disclose their impacts and dependencies on biodiversity?**

It’s a fundamental risk to business, and society in general, for companies to not be aware of and disclose their impacts and dependencies on biodiversity. Assessment is an essential first step to help businesses

understand their impacts to nature (and its consequences for society) as well as their dependencies on the ecosystem services that support their activities. Greater insight will help business to understand why they need to take action on nature. It will also help them prioritize relevant actions based on the most material issues in their operations and supply chains. This applies to all businesses regardless of their size, sector or geography. Indeed, if businesses do not understand their impacts and dependencies, they won't be able to manage them. If they disclose, they can track progress and demonstrate positive impacts on nature.

### **How can business benefits from assessing and disclosing impacts and dependencies?**

Disclosure also brings business the following advantages:

- **Market access:** Disclosure is a key element in maintaining the competitiveness of companies within global markets. Several markets, such as the EU and the UK are in the process of adopting and implementing regulations requiring due diligence on the imports of forest risk commodities, which will require companies to be able to identify and manage environmental impacts and dependencies, if they want to operate within those markets. Exporters will face higher expectations for environmental disclosure from customers and authorities in these and other markets.
- **Better access to capital:** As the number of investors committing to nature positive assets grows, companies that do not report nature and biodiversity-related data will face constraints on access to capital. Companies that report TCFD-aligned data through CDP already have 19% greater access to capital compared to non-reporting firms. This advantage is likely to grow as nature and biodiversity metrics feature more in investment decisions.
- **Superior performance, increased accountability and improved business governance:** Mandatory disclosure will make biodiversity issues a material and financial issue thereby elevating it to board level. It will therefore help with mainstreaming and embedding biodiversity in core business governance. Indeed, disclosure ensure improved risk management, better financial performance, and greater engagement with employees and customers. These companies generally post higher returns, and enjoy better performance overall. For example, data from STOXX indicates that companies on CDP's A List have outperformed competitors by 5.3% over a seven-year period.

### **Why are businesses supporting mandatory assessment and disclosure?**

In a recent business survey, 91% of respondents agreed that such mandatory requirements are needed<sup>6</sup>. Over 330 companies and financial institutions from 52 countries and combined revenues of over USD 1.5 trillion [publicly support this](#). This is because mandatory assessment and disclosure requirements are needed to accelerate action and improve international competitiveness.

The benefits for business of mandatory assessment and disclosure include<sup>7</sup>:

- **Level the global playing field and ensure fair competition:** It will create a level playing field by allowing comparison of companies within sectors which in turn leads to the re-direction of financial flows in a way that rewards strong performers and penalizes poor performers. It will ensure businesses disclosing impacts and dependencies are not put at a competitive disadvantage and help identify companies currently showing leadership and stimulate companies to begin the transition toward nature positive business models.
- **Ensure large-scale action and collaboration:** Reversing nature loss requires joint action from all stakeholders including business through collective work based on trust. This requires transparency from all actors. Relying on voluntary actions will be unsuccessful in order to transform the system, we need the wider business community to act. Mandatory disclosure will mean the private sector

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<sup>6</sup> Full business consultation report from May 2022 available here:

<https://static1.squarespace.com/static/5d777de8109c315fd22faf3a/t/6290c909f89c5a71fe33a917/1653655818323/Business+Consultation+Report+Target+15+GBF.pdf>

<sup>7</sup> <https://www.businessfornature.org/news/business-call-for-mandatory-nature-assessment-and-disclosure-at-cop15>

moves forward together, will collaborate in finding and implementing solutions, create synergies to scale-up impacts and provide a true representation of where we are collectively.

- **Demonstrate the urgency:** The time to rely on ad-hoc and voluntary action is over. Most of the Aichi 2020 targets have been missed, creating a greater need for immediate large-scale action. Mandatory requirements will create this sense of urgency, accelerating the creation of solutions and pushing businesses to be proactive, not only reactive.
- **Accelerate standardization:** Mandatory disclosure will improve data accuracy, create uniform standards and alignment in terms of terminology and acceptable methods across the economy. As well as providing baselines to calibrate and measure impacts, it will set a benchmark for companies to compare their performance with competitors and therefore encourage improvements.
- **Facilitate access to data:** Mandatory disclosure will improve data access from public and private sources and enable businesses to reallocate resources - currently dedicated to data collection and analysis - towards concrete actions to reducing their environmental footprint. Although today there is no lack of public databases from satellite remote sensing, there are significant gaps in both public and private data. Businesses are not willing to share such commercially sensitive data, unless there is a mandatory requirement, accompanied with good data exchange infrastructure which guarantees data security and confidentiality.
- **Involve and activate SMEs through their value chains:** Mandatory assessment and disclosure for large companies would drive impact-related support and capacity for Small and Medium-sized Enterprises (SMEs) in their value chain. This would enable SMEs to address their nature impacts while playing a pivotal role for larger companies working to achieve their own nature targets.

### **What are the benefits of mandatory disclosure for society?**

As is the case on climate change, mandatory requirements to assess and disclose impacts and dependencies on nature are needed to:

- **Accelerate action and create a business case to invest in nature:** Business requires long-term clarity and certainty, including a financial future perspective for the choices they make in their business strategies. It is currently difficult to fully value the positive results of biodiversity recovery on the market since there is no level playing field with a uniform framework for monitoring biodiversity impacts. Anchoring this in policy is inevitable and necessary to make biodiversity part of business strategies. Without a mandatory requirement on business, a voluntary market simply doesn't give the clarity and certainty needed for all business to act.
- **Engage investors:** Mandatory disclosure will increase interest and create greater awareness of nature-based financial risks among investors and financial institutions who would be more active and able to influence and increase pressure on clients. This would create incentives for the financial sector to invest more in nature-positive projects and reward high performers, therefore increasing the value of investment in nature.
- **Empower consumers:** Mandatory disclosure will empower civil and public society to take informed decisions, therefore increasing external pressure on business and by doing so contributing to Target 16. It would set a level playing field for benchmarking and comparing the performance of companies and addressing greenwashing/ marketing techniques as a way to improve public perception.
- **Ensure the rights of Indigenous People and Local Communities:** Businesses are responsible for securing and respecting the rights of communities in places they operate. This include implementing effective Free and Prior Informed Consent processes. If business and finance are required to disclose their impacts and dependencies on nature, this transparency of information would empower local communities to require payment for the ecosystem services they protect and compensation for any negative impacts.

## **What is the experience from climate disclosure?**

While some jurisdictions<sup>1</sup> are already requiring certain companies to disclose information on the way they operate and manage social and environmental issues, most have encouraged rather than mandated business to disclose biodiversity information<sup>2</sup>. This lack of a mandatory requirement leads to highly variable disclosure, both in terms of quantity and quality of information.

Experience from the climate agenda tells us that voluntary action is not enough. This is why countries are starting to adopt mandatory requirements for companies to disclose climate-related financial information based on the guidelines from the Task Force on Climate-related Financial Disclosures (TCFD). Countries such as the [UK](#), [Canada](#) and [New Zealand](#) are introducing new legislation and setting out a roadmap requiring firms to report climate impacts and investment decisions. This initiative follows the agreements made by G7 finance ministers in June 2021 to make TCFD mandatory<sup>3</sup> and the US Securities and Exchange Commission proposed rules to require public companies to disclose extensive climate-related information<sup>4</sup>.

In 2016, France was one of the first countries in the world to pass legislation to require some financial institutions to report each year on their exposure to the risks posed by climate change and what they planned to do about it. Five years on, there is tangible evidence of this ground-breaking law's impact. Banque de France reported that holdings of fossil fuel stocks decreased by 40% among French institutional investors compared to those which weren't subject to the new rules. This is proof that mandatory disclosure works and can have immediate results.

## **How can mandatory requirements to assess and disclose be implemented by national governments?**

While Target 15 of the Global Biodiversity Framework is a global target, mandatory assessment and disclosure requirements will be implemented nationally. Methodologies must be standardized as much as possible and supported by scientifically based indicators. Several frameworks are under development or already established to assist businesses to assess and disclose their impacts and dependencies on nature. These frameworks can also help governments:

- [The Natural Capital Protocol](#) was published in 2016, harmonizing the different approaches to measure and value impacts and dependencies. It sets out four stages and nine logical steps to complete an assessment and has been adopted all over the world. Governments can use this to support businesses in the application of assessment requirements.
- The [Science Based Target Network](#) (SBTN) proposes a 'five-step process' to enable companies to move from assessing their impacts to setting targets and then tracking their progress. Once science-based targets for nature v1.0 are published in early 2023, it could be referenced by governments to set requirements on mandatory assessment and disclosure of impacts by companies. This guidance could be a basis for building a harmonized approach to these mandatory requirements to avoid fragmentation amongst countries, and confusion and barriers to implementation for companies.
- The [Taskforce on Nature-related Financial Disclosures](#) (TNFD) is developing a risk management and disclosure framework on nature-related dependencies, impacts, risks and opportunities. Once the final v1 TNFD framework is published in September 2023 it could be used by governments to set mandatory disclosure of nature-related dependencies, impacts, risks and opportunities. Governments can already use the LEAP approach in the TNFD beta framework that outlines an accessible process to assess impacts and dependencies on nature and evaluate risks and opportunities to help companies and financial institutions. Governments can also use the TNFD draft disclosure recommendations in the beta framework and the related supplementary guidance.
- [CDP](#) runs a voluntary and independent global environmental disclosure system for companies and in 2021, 13,000 companies worth over 64% of global market capitalization used this system to disclose environmental information. The [CDP Biodiversity module](#), within its climate change questionnaire,

while too high-level for governments to use as part of mandatory assessment and disclosure requirements, can still provide useful information to governments together with data and insights generated from 20 years of disclosure.

- The [International Sustainability Standards Board](#) (ISSB) is part of the IFRS Foundation - and sets IFRS Sustainability Disclosure Standards. Once the ISSB finalizes its first two proposed standards on general sustainability-related disclosures and climate, it would be helpful if it could broaden its focus to include nature, as an immediate follow-up. Strong guidance is already available to build on from the industry-based Sustainability Accounting Standards Board Standards and the Climate Disclosure Standards Board for [water](#) and [biodiversity](#)
- Other existing reporting standards such as the [Global Reporting Initiative \(GRI\)](#), [International Finance Corporation \(IFC\) Sustainability Framework](#).

### **What does high-quality mandatory disclosure look like?**

To be efficient, limit bureaucracy and create fair competition at a global level, mandatory disclosure regulations should be high-quality and focused on a set of principles that ensure consistency in regulation, together with the quality of the information provided. This would help companies better manage their risks and impacts, financial institutions access better information on their potential investments, and policymakers design better policies. To make this happen, [a set of main principles](#) should be applied to mandatory disclosure regimes:

1. Address nature-related financial disclosures as well as impact
2. Ensure compatibility and standardization: Align with, or incorporate, existing high-quality disclosure standards.
3. Provide an enforcement mechanism where implementation can be monitored and measures taken for non-compliance
4. Allow space for innovation and more mature disclosure. The regulation should not form a ceiling and create a tick box exercise but serve as a floor/minimum requirement that stimulates even more ambitious, broader, and deeper disclosure and action.

### **Does disclosure from companies lead to action?**

Evidence over 20 years has shown that disclosure generates action by business to reduce impacts. It is the bedrock of environmental action. Experience on climate disclosure shows that 38% of suppliers disclosing climate data through CDP for the first time have emission reduction targets in place. By their third year of disclosure, 69% have set a target. Over 80% of companies agree that disclosing through CDP helps them “track and benchmark progress” on their environmental targets and helps them “uncover risks and opportunities”.

### **About reducing negative impacts by at least 50% and increasing positive impacts**

#### **What science is supporting this target?**

Science shows that in order to reverse biodiversity loss and achieve a nature-positive world by 2030, we need both improved conservation action and ambitious and transformative action addressing unsustainable production and consumption<sup>8</sup>. No matter what footprint concept and methodology is used, science shows that we are living well beyond safe environmental limits. In 2021, Earth Overshoot Day happened on July 29. This is the day when humanity has used all the biological resources that Earth

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<sup>8</sup> Leclère, D., Obersteiner, M., Barrett, M., Butchart, S. H. M., Chaudhary, A., et al. (2020). *Bending the curve of terrestrial biodiversity needs an integrated strategy*, *Nature*): <https://www.nature.com/articles/s41586-020-2705-y>

regenerates during the entire year. Humanity currently uses 74% more than what the planet's ecosystems can regenerate. This means each year we are using the equivalents of 1.7 Earths<sup>9</sup>.

To return to within safe limits, key scientific footprint metrics show that production footprints must be reduced by at least half: the global material footprint reduction required is 46% (2017 data), the global Ecological Footprint reduction required (2021) is 44.4% and reductions required for nitrogen and phosphorus (2020) are 54% and 57% respectively<sup>10</sup>.

Reducing negative impacts from business and financial institutions across operations and value chains by at least half is therefore required by science but won't be enough to reverse nature loss. Based on the [mitigation hierarchy](#) all negative impacts that can be totally avoided must be eliminated before moving onto other mitigation measures. Increasing positive impacts is also important, for example through conservation, restoration and regeneration activities but cannot be used as off-set or to justify negative impacts.

This ambition is in line with SDG 12, that focuses on delivering sustainable consumption and production patterns by 2030 (e.g. by halving food waste), and the ambition of UNFCCC that aims to reduce GHG emissions by 50% by 2030.

### **Why is a numerical figure necessary for business?**

Businesses need clear, measurable and time-bound goals. A numeric target provides businesses with a collective understanding for setting their own roadmaps and tracking progress on a regular basis. Leading business are calling on the CBD to adopt this reduction numerical target for three main reasons:

- **Clarity:** A numerical target is SMART. It allows companies to define their needed contributions to reaching this common goal and trace the path to achieve them in a tangible and focused way, including by developing supporting sub-targets (i.e. zero-deforestation target, 60% water use reduction...) to reach the overall objective.
- **Sense of urgency:** An ambitious numerical target gives a sense of urgency and the scale of the effort needed. This will galvanise the private sector to find solutions, transform business models and drive collaboration. A clear and ambitious target would also help sustainability departments elevate the issue at strategic, board and management level, with value chain partners, competitors and investors.
- **Benchmarking:** Investors are requiring businesses to report back on their impacts. A clear target would help align companies across industries towards a common goal and to better evaluate and compare performance against a fair barometer. This will only help if companies are obliged to transparently report their impacts on biodiversity (see need for mandatory requirements to assess and disclose impacts and dependencies).

### **Can such a target be compatible with economic development?**

Reducing negative impacts on the environment shouldn't be seen as a trade-off or conflicting goal with economic development. Quite the opposite, safeguarding nature is key to ensuring long-term prosperity and resilience of our economy. According to the World Economic Forum's Nature Risk Rising report, more than 50% of global GDP is highly or moderately dependent on nature and thus faces risks due to nature loss. Reducing the negative impacts of economic activities on nature not only mitigates risks, but also creates sustainable business opportunities and resilient jobs. By adopting 15 nature-positive transitions, ranging from recycled clothing to "smart" building construction and healthier diets, we could create \$US 10.1 trillion in business opportunities and 395 million new jobs.<sup>11</sup>

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<sup>9</sup> <https://www.overshootday.org/newsroom/press-release-june-2021-english/>

<sup>10</sup> [https://wwfint.awsassets.panda.org/downloads/halvingfootprint\\_report\\_wwf\\_metabolic.pdf](https://wwfint.awsassets.panda.org/downloads/halvingfootprint_report_wwf_metabolic.pdf)

<sup>11</sup> [https://www3.weforum.org/docs/WEF\\_The\\_Future\\_Of\\_Nature\\_And\\_Business\\_2020.pdf](https://www3.weforum.org/docs/WEF_The_Future_Of_Nature_And_Business_2020.pdf)



## **What does a target to reduce negative impacts by at least 50% mean?**

Target 15 is a global target, currently aiming at reducing the negative impacts from business by at least 50% by 2030. This needs to be broken down at national level to prioritize the categories of impacts to be addressed according to priority, the specific contribution that each sector and/or each company should make and determine the priority geographies where impacts on biodiversity are the most significant (see next question for details).

Concretely, reducing impacts means addressing the five drivers of biodiversity loss identified by IPBES: land and sea use change; direct exploitation of organisms; climate change; pollution; invasion of alien species. That would in practice mean developing sub-targets for all environmental impacts fuelling these drivers (i.e. GHG, water, pollution, waste, land use, ecosystem conversion, species exploitation ...).

Governments, when developing national targets and action plans, can use the interim targets proposed by the [Science-Based Target Network](#):

1. Zero deforestation and conversion of all natural habitats from 2020 in all corporate supply chains
2. At least X% natural or semi-natural habitat in working lands is retained and/or regenerated, per km<sup>2</sup>, from 2020
3. By 2030, reduce water withdrawals in high water impact parts of value chain(s) by X% in line with environmental flow needs.
4. By 2030, reduce water quality pressures in high impact parts of value chain by X% to align with good ambient water quality.
5. By 2030, reduce value chain GHG emissions by 50%, and by 90-95% further by 2050, in accordance with sectoral ambitions.
6. By 2030, for forestry-related companies, increase carbon removals to a level that exceeds their emissions
7. By 2030, for all other AFOLU-related companies, Increase carbon removals in line with the global carbon removal goal of 4.7 GtCO<sub>2e</sub>
8. Restoration area increased by xx% in all ecosystems (land, freshwater, marine)

Visit the [Science-Based Target Network](#) to see proposed indicators and guidance for each of these proposed sub-targets.

## **What will governments need to do to ensure such a target is implemented and achieved?**

The adoption of Target 15 is only the start of the journey and governments will have to work with stakeholders nationally to develop a supporting Framework. Indeed, while the 50% reduction target is a global target, the implementation needs to be broken down at regional or national level and will only be achieved if it is successfully implemented by all businesses and financial institutions. They will have an individual responsibility to contribute to national targets. This numerical target will help define the contribution of each sector and country and to position / measure the efforts of individual companies against these global targets.

To ensure the implementation and achievement of the target, governments will have to develop business chapters in NBSAPs, supported by roadmaps and action plans to guide, encourage, support and require all business to act.

These chapters and roadmaps will need to break down this reduction target by:

- Categories of impacts (water use, land-use, pollution...): includes sub-targets at national level clarifying what aspects of biodiversity should be covered (see proposed sub-targets in FAQ above).
- Sectors: roadmaps will also need to identify sectors and companies with higher impacts where the reduction needed is likely to be higher than 50%. Companies with lower direct impact may

focus on avoiding and reducing negative impacts in their value-chain, as well as on increasing positive impacts.

- **Geographies, landscape or ecosystems:** national assessments are needed to identify and prioritize ecosystems for action, taking a materiality approach to ensure we tackle the areas and practices that pose the biggest problems. This will ensure positive impacts sooner and avoid providing loopholes where companies could claim a large reduction in areas that are less material. This is aligned with the location requirements within SBTN and TNFD.

It is important to highlight that increasing positive impacts is as important as reducing negative impacts, for example through conservation, restoration and regeneration activities, so the reference should also be kept in the target. National targets will be needed to measure both negative and positive impacts.

NBSAPs should also ensure that business is made accountable for the responsibility in the implementation. And their contribution should be made in a transparent way. NBSAPs should require businesses to:

- Align their internal commitments, targets and strategies to national targets set in the NBSAPs. These contributions must be made public, for example through the national platforms of the Global Partnership for Business and Biodiversity (GPBB)<sup>12</sup>
- Report publicly and regularly on progress made
- Assess by 2030 the achievement of their results.

### **Is it an achievable target?**

Leading businesses are already acting on nature. In a recent consultation conducted by Business for Nature<sup>13</sup> with 137 businesses and business organisations, including 73 SMEs and 63 large companies, 40% responded that these targets were already aligned with the ambition to reduce negative impacts by at least 50% by 2030. This demonstrates that an ambitious Target 15 is realistic. Leading businesses are paving the way, and methodologies and tools are available and under development. What is missing now is political leadership which raises the bar, so this level of ambition becomes a reality for all economic sectors, not only for progressive businesses.

To demonstrate the level ambition in Target 15 is achievable, here are examples of commitments made by businesses. *Note that these are examples only and do not represent the totality of these companies' commitments*<sup>14</sup>:

- Bridgestone Corporation (Consumer products, Japan): committed to no deforestation in sourcing and production activities. Read the [2021 Global Sustainable Procurement Policy](#)
- Dangdai Group (Pharmaceutical, China): committed to have a positive impact on biodiversity in 100% of corporate activities, production, R&D and operations.
- De Beers (Consumer products, UK): committed to [reduce freshwater use by 50% by 2030](#)
- H&M Group (Apparel, Sweden): committed to source [100% recycled or sustainably-sourced materials by 2030](#) and 30% recycled materials by 2025
- Holcim (Built Environment, Switzerland): committed to [deliver a measurable positive impact on biodiversity by 2030 based on the Biodiversity Indicator Reporting System \(BIRS\)](#) by 2030
- Iberdrola (Energy & Utilities, Spain): committed to [net positive impact on biodiversity](#) by 2030
- L'Occitane (Retail, France): committed to [100% key raw ingredients](#) produced in line with sustainable agriculture principles by 2025

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<sup>12</sup> See the list of national platforms here: [https://www.cbd.int/business/National\\_Regional\\_BB\\_Initiatives.shtml](https://www.cbd.int/business/National_Regional_BB_Initiatives.shtml) In France the platform managed by OREE <https://entreprises-biodiversite.fr/>

<sup>13</sup> Full business consultation report from May 2022 available here: <https://static1.squarespace.com/static/5d777de8109c315fd22faf3a/t/6290c909f89c5a71fe33a917/1653655818323/Business+Consultation+Report+Target+15+GBF.pdf>

<sup>14</sup> For more examples of business actions and commitments visit: <https://www.businessfornature.org/act>

- Nestlé (Agribusiness, Switzerland): switch to [50% regenerative agriculture by 2030](#). By 2025 help advance the regeneration of local water cycles by [implementing more than 100 projects around 48 global waters sites](#).
- Sogrape (Agribusiness, Portugal): committed to [zero residues sent to landfill and 100% farmland under sustainable farming](#) certification by 2027
- Suzano (Paper & Forest Products, Brazil): committed to [connect half a million hectares of priority areas for biodiversity](#) by 2030
- Toyota Motor (Transportation & Mobility, North America): committed to [enhance 26,000 acres of pollinator habitat](#) by 2027
- Unilever (Consumer products, UK): Committed to [deforestation-free supply chain](#) in key commodities by 2023 and has committed to [cutting virgin plastic packaging by 50%](#) by 2025.

### **What does “across operations, supply and value chains and portfolio” mean?**

Adding “across supply, value chains and portfolio” to the target would require companies to report on their direct and indirect nature-related impacts from both upstream and downstream activities. Companies already report on full value-chain activities for Greenhouse Gas emissions, where emissions are classified as Scope 1, 2, 3 depending on where they fall in the value chain<sup>15</sup>. A similar taxonomy can be adapted for reporting on nature impacts.

Indeed, as is the case for Greenhouse Gas emissions, most business impacts on biodiversity occur through indirect activities in the value chain (equivalent to ‘Scope 3’ in GHG reporting) and not through direct operations. If Target 15 focused only on dependencies and impacts at operational level, it would strongly reduce the ambition and effectiveness of the target by allowing companies to omit disclosing the activities that have the most significant nature-related impact in their value chain.

Definitions:

- Operations: used to describe a broad range of activities a company does day-to-day to keep running. For example, the electricity usage of a supermarket would be considered as direct operation.
- Supply chains: refers to the system and resources required to move a product or service from supplier to customer<sup>16</sup>. It represents the steps it takes between a company and its suppliers to produce and distribute a specific product to the final buyer.
- Value chains: the concept builds on supply chains to also consider the manner in which value is added along the chain, both to the product / service and the actors involved. From a sustainability perspective, ‘value chain’ has more appeal, since it explicitly references internal and external stakeholders in the value-creation process<sup>17</sup>. It also encourages a full-lifecycle perspective and not just a focus on the upstream).
- Portfolio: A collection of finance activities or investments

Avoiding negative impacts, based on the [mitigation hierarchy](#), means that all direct negative impacts that can be totally avoided must be eliminated before moving onto other mitigation measures. To reduce, by at least half, impacts across value-chains, the target would also need to be unpacked into the different drivers of biodiversity loss with specific indicators. This would ensure there is no tradeoff made between the different drivers (for example, reducing GHG emissions while increasing pollution or freshwater use)

<sup>15</sup> Scope 1, 2 and 3 is a [way of categorising the different kinds of carbon emissions](#) a company creates in its own operations, and in its wider value chain. Scope 1: covers the Green House Gas (GHG) emissions that a company makes directly. Scope 2: emissions it makes indirectly. Scope 3 - all emissions associated, not with the company itself, but that the organisation is indirectly responsible for, up and down its value chain. For example, from buying products from its suppliers, and from its products when customers use them.

<sup>16</sup> <https://www.cisl.cam.ac.uk/education/graduate-study/pgcerts/value-chain-defs>

<sup>17</sup> <https://www.cisl.cam.ac.uk/education/graduate-study/pgcerts/value-chain-defs>

and pressures that have the most impacts on biodiversity loss are the ones addressed. Business could refer to guidance and indicators provided by SBTN<sup>18</sup>.

### **What baseline should be used?**

A general baseline for Parties to assess progress should be adopted for the overall 50% reduction target in this target. We suggest using 2020 as the general baseline, depending on the baseline agreed in other targets. However, each business will need to identify and set specific baselines for each type of impact they want to reduce/increase, for instance: “By 2030 reduce by 70% solid industrial waste sent to landfill compared to a 2025 baseline” or “By 2030, reduce freshwater use in the industrial segment by 15% compared to a 2015 baseline”. (see SBTN methodology step 3 above). Collectively these targets will contribute to the global 50% reduction target.

### **How can business measure the achievement of the target?**

To measure and value their impacts and dependencies on biodiversity, business can follow the [Natural Capital Protocol](#). The [Natural Capital Toolkit](#) helps business find the right tool and where relevant use supplementary guidance on [finance, biodiversity](#) and [food systems](#). [We Value Nature](#) assists business build capacity in the process. SBTN is also working on a detailed method for business to monitor and review progress made on targets and guidance will be available in 2023.

### **How can governments measure the achievement of the target?**

To track progress on the 50% reduction target, the measurement of impacts by business and governments needs to be consistent. Governments need to adopt a system for business to report progress and to compile at national level the contribution of individual businesses. Implementation would be facilitated if disclosure is already mandatory. Governments can assist by aligning biodiversity accounting done by business (for example by using the [Natural Capital Protocol](#)) with governments accounting via the SEEA-Ecosystem Accounting framework: the standardized statistical framework governments use for organizing data about habitats and landscapes, measuring ecosystem health and services. The SEEA-Ecosystem Accounting framework links ecological data with economic and other human activities in a spatially explicit way (i.e. through maps). By implementing this framework, governments can provide necessary support for business to assess and disclose their impacts and dependencies on biodiversity<sup>19</sup>. Governments should align this with business applications to ensure accessible national biodiversity data are contextually and spatially relevant for business.

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<sup>18</sup> <https://sciencebasedtargetsnetwork.org/take-action-now/take-action-as-a-company/what-you-can-do-now/interim-targets/>

<sup>19</sup> UNSD, 2022, [SEEA Ecosystem Accounting for Business A quick introduction](#)