

Advocating for Nature:

A guide for responsible policy engagement

January 2024





Businesses committed to prioritizing nature protection, restoration and sustainable use know that an enabling environment supported by the right government policies and regulations is critical to corporate action.

By advocating for pro-nature measures, and by intervening when their trade groups lobby against those measures, businesses can help accelerate the adoption of policies that unlock investment, deliver action at scale and contribute to a nature-positive economy for all.

This Nature Responsible Policy Engagement guide is designed to help companies reap the benefits of responsible advocacy and respond to rising stakeholder expectations. It sets out the steps companies should take to align their nature advocacy with their nature ambitions, and how to engage responsibly with policymakers.

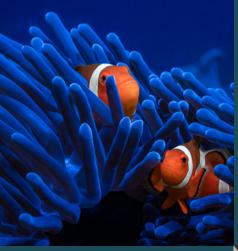
This guide is adapted from - and complementary to - the Responsible Policy Engagement Framework for Climate produced by the We Mean Business Coalition and Ceres.

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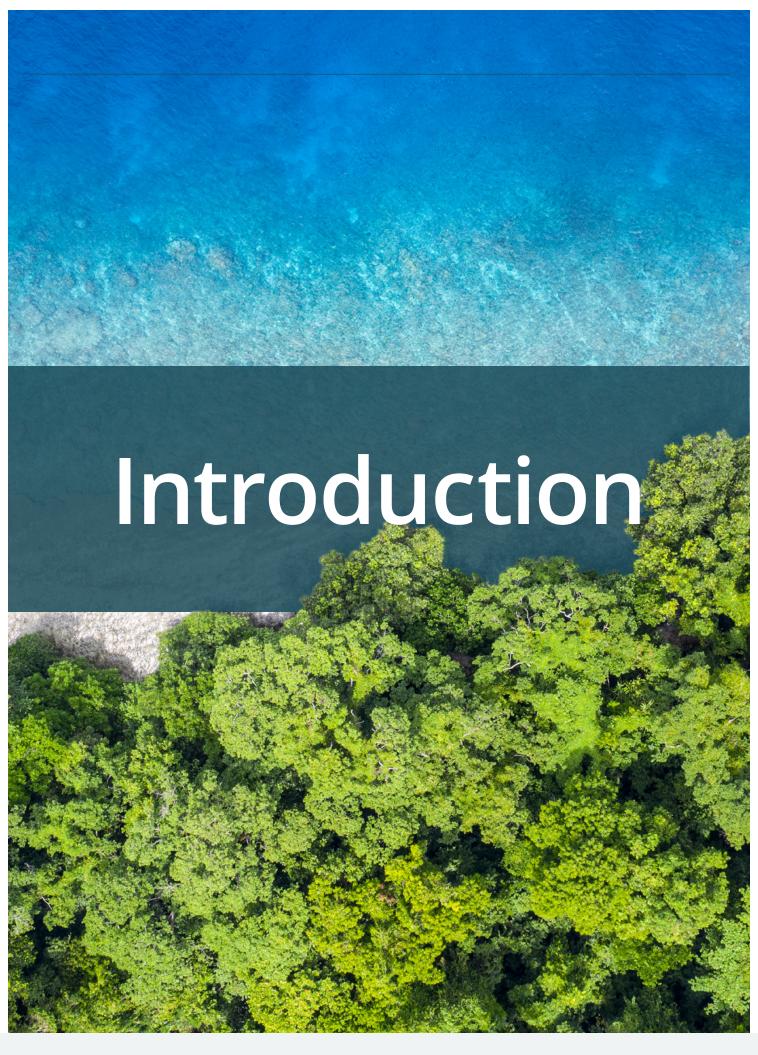
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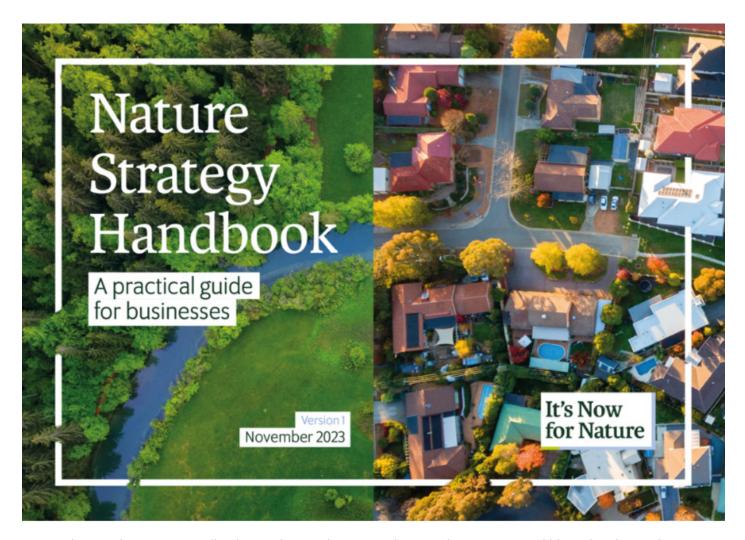


The role of business is critical to the implementation and delivery of the Global Biodiversity Framework (GBF).

Business must develop and publish <u>credible nature strategies</u>, building on guidance from the ACT-D High-Level Business Actions on Nature to Assess, Commit, Transform and Disclose. By doing so they will contribute to halting and reversing nature loss by 2030. Advocating for ambitious public policies on nature must be a key element of these nature strategies.

Indeed, while many forward-thinking businesses are already taking voluntary action, the radical transformation of our economies requires well-designed policies and mandatory requirements to accelerate action and enable companies to deliver on their own nature strategies, creating a positive feedback loop between businesses and policymakers.

Effective collaboration and transparent information sharing between the private and public spheres is key in creating the policies, regulations and finance mechanisms necessary to transform our economic systems and transition toward a nature-positive, net-zero and equitable world.



Note – The Now for Nature Handbook provides step-by-step guidance on how to set a credible and ambitious business strategy on nature.

CREATING A **POSITIVE FEEDBACK** LOOP



TRANSFORMED ECONOMY
THAT VALUES NATURE



Adapted from ambitionloop.org.

Note – Growing corporate action spurs governments to set stronger policies, which in turn empowers businesses to achieve their nature goals faster.

What is Responsible Policy Engagement?

The term Responsible Policy Engagement builds on the important work Ceres started with their 2020 Blueprint for Responsible Policy Engagement on Climate Change. In this report, Responsible Policy Engagement is defined as external corporate policy engagement that recognizes the threat of inaction on nature loss and supports policy interventions and investments that aim to halt and reverse nature loss by 2030. This is the mission at the heart of the Global Biodiversity Framework, which 196 governments committed to.

This external engagement must be enabled by internal processes that align corporate functions with nature-related objectives. Achieving this alignment is critical to enable action at the scale and speed that the nature and climate crisis demands. But the private sector has a long way to go in accelerating both corporate nature ambition and advocacy.

Corporate policy engagement on nature is new but on the rise

Corporate policy engagement on nature is relatively new but has grown over the last few years. Most notably, a group of progressive businesses played a critical role in driving momentum and leadership at the UN Convention on Biological Diversity COP15 in December 2022.

Hundreds of corporate leaders representing a wide range of companies and sectors attended the conference in Montreal and <u>urged</u> governments to secure a Paris-style agreement on nature and to adopt <u>mandatory requirements</u> on nature-related disclosure for businesses. Using a consistent and collective 'voice', these

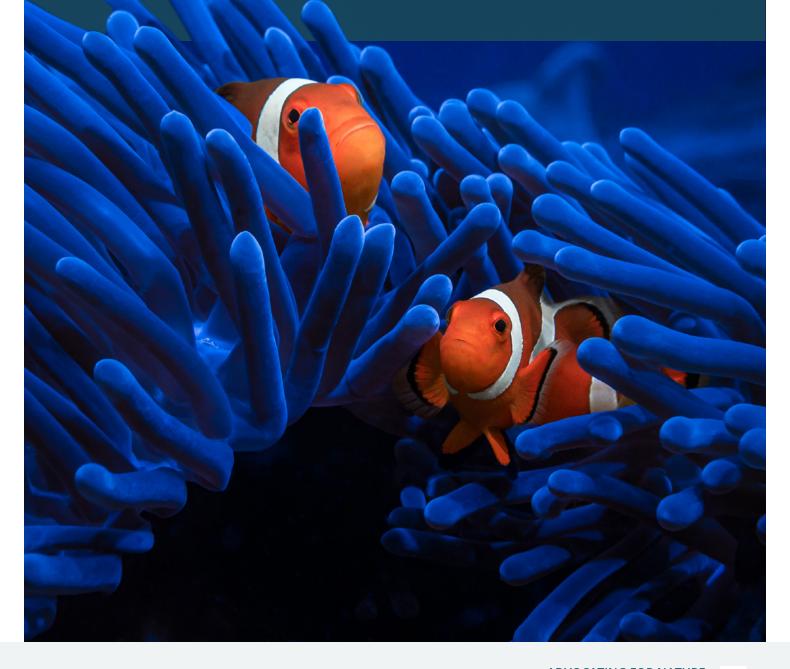
progressive businesses and finance institutions advocated for higher policy ambition before and during COP15. Their advocacy is widely regarded as one of the factors¹ that contributed to the adoption of the historic Global Biodiversity Framework.

Since then, an increasing number of businesses have taken a public stand in favor of ambitious legislations like the <u>EU CSRD</u> and <u>EU Nature</u> Restoration Law, as well as other nature-related agreements such as a <u>binding treaty on plastic</u> <u>pollution</u>, a <u>moratorium on deep-sea mining</u>, and the reform of environmentally harmful subsidies.



¹ https://www.reuters.com/business/sustainable-business/how-business-helped-drive-historic-agreement-nature-cop15-2022-12-21/

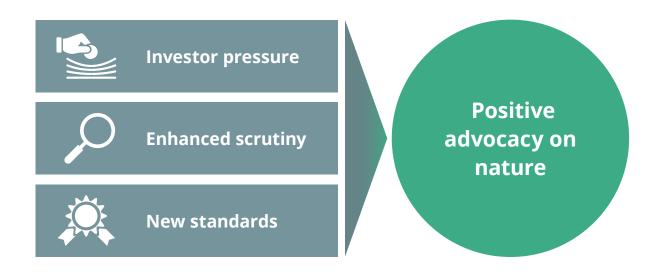
Drivers of Responsible Policy Engagement





As corporate action on nature gathers pace and more businesses set nature strategies, their political activity – and how it aligns with their public commitments on nature - will come under increasing scrutiny.

As we are seeing on climate change, a growing set of stakeholders will start holding companies to account on their actions on nature, demanding more responsible practices, and monitoring and rating corporate nature advocacy performance. Taken together, these external pressures create powerful incentives for companies to adopt Responsible Policy Engagement practices.





Investor pressure: Investors are leading the charge in demanding increased accountability from companies on their political activity. This is exemplified by the <u>Global Standard on Responsible Climate Lobbying</u> created by leading investors in the Climate Action 100+ coalition which "helps companies and investors to assess and ensure that all lobbying efforts are directed towards the attainment of the Paris Goals". Additionally, there has been a sharp increase in the number of shareholder resolutions targeting corporate lobbying activities and climate transition action plans.

Enhanced public scrutiny: Civil society groups have taken note of the misalignment between the environmental commitments of certain companies and how they engage policymakers, resulting in campaigns calling out greenwashing. The greater awareness raised by these campaigns has led to increased scrutiny from civil society, governments and intra-government bodies.



Lawmakers are already moving on regulation to target misleading environmental claims in product advertising in the UK and the EU, resulting in severe penalties for companies.

There are also entities keeping watch, tracking and reporting on the political activity of companies. <u>InfluenceMap</u> produces an extensive library of analysis and benchmarking reports of the climate lobbying of the largest 500 companies and their major trade groups. Other ratings and disclosure bodies, such as CDP or the World Benchmarking Alliance, are increasingly considering lobbying in their evaluation of companies.



New standards: The ecosystem of voluntary commitments is becoming increasingly formalized, and their architecture and rigour has been enhanced by the UN High Level Expert Group and by the proposed framework under the <u>UNFCCC Recognition</u> and Accountability Framework.

The OECD has updated its <u>Guidelines for Multinational Enterprises and their Implementation Procedures</u> which has heightened expectations of corporate lobbying in relation to sustainability and climate commitments. There are also updates underway to the public policy standards from the Global Sustainability Standards Board.

Furthermore, the Nature Action 100 and well as the UN Principles for Responsible Investment are developing investor engagement indicators and criteria that fully integrate how companies approach policy engagement on nature.



In addition to the external pressures driving companies to align their political influence with their nature strategies and objectives, there is a strong business case for embracing Responsible Policy Engagement, based on range of factors:

Risk reduction: Robust policy is essential for mitigating nature-related risks to businesses and the economy. Strong policies at a national level raise global ambition, and spur action by other countries.

Cost reduction: Swift action is critical to address the nature crisis at the lowest possible cost. The longer governments delay, the more drastic and expensive the inevitable response and the greater the cost to business will be.

Achieving nature goals: A company's success in meeting its nature goals may depend on government policies, for example, reform environmentally harmful subsidies.

Stakeholder expectations:

Investors will increasingly be asking companies to align their lobbying with the mission of the Global Biodiversity Framework. Environmental leadership is becoming a key factor in attracting and retaining employees. And consumers expect businesses to be part of the solution, not part of the problem.

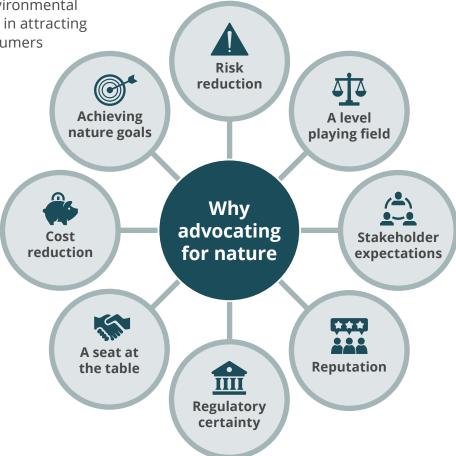
Regulatory certainty:

Prolonged uncertainty and ever-changing policies on nature are bad for business. By contrast, clear and predictable policies enable long-term planning and investment.

A level playing field: Comprehensive and consistent nature policies ensure that all businesses play by the same rules, so that the efforts of companies that lead in sustainable practices are not undermined by laggards.

A seat at the table: Public policy responses to nature loss are playing out across the globe and becoming more ambitious. Companies that engage early will have an opportunity to shape the agenda.

Reputation: Supporting ambitious nature policies shows a serious commitment to environmental stewardship. With more people willing to support from companies that are making a positive impact on the planet, visible advocacy on nature is likely to result in an increased and loyal customer base.





For business advocacy to be effective, it needs to build on credible action. As explained in the introduction, businesses must first develop and publish a <u>credible nature strategy</u> by following the "<u>Assess, Commit, Transform and Disclose</u>" high-level actions. Meaningful action is pre-requisite to credible advocacy.



Note - Advocating for ambitious policies and initiatives is a central element of the "Transform" step.

Business leaders can be a positive advocate for nature. They can meaningfully contribute to a private-public 'ambition loop', whereby growing corporate action spurs governments to set stronger policies, which in turn empower businesses to achieve their nature goals faster.

Business leaders can:

1. Commit to support ambitious policy

Credible action on nature requires companies to embed positive nature advocacy into their core strategies. Corporate leaders should make a public commitment to advocate for ambitious nature policy and engage key stakeholders.

- Publicly promote the companies' commitment to ambitious nature policy
- Establish governance, decision-making and review processes on lobbying on nature
- Rally management, directors and employees, suppliers and customers in a broader commitment to advocate for nature

2. Align trade associations

Align the nature advocacy goals of trade associations, alliances and coalitions with the goal to halt and reverse nature loss by 2030. Corporate lobbying against strong nature policy is still too common and extremely powerful when carried out by business groups and associations. It risks diluting companies' individual advocacy efforts, and discrediting the voice of business more generally in the nature debate. Trade associations are often misaligned with individual members' own nature ambition — and silence implies support.

- Map links to trade associations and make a robust assessment of their alignment with a naturepositive economy
- Publicly acknowledge any misalignment and set clear escalation steps and deadlines by when to take action to resolve this
- Collaborate with other businesses to put pressure on trade associations to champion positive nature advocacy



3. Allocate advocacy spending

Fund activities that advance nature policies, not obstruct them. Corporate spending can greatly influence policymakers, and political giving and funding of third-party organizations sends a strong message about the nature policies a company supports.

- Assess all spending that's relevant to nature policy
- Support organizations that advance pro-nature policies and stop financial contributions to those that undermine them

4. Speak out publicly

Publicly advocate for bold, science-based nature policies and call out those that obstruct the pathway to a nature-positive economy. Businesses must clearly and confidently make the case for ambitious policies at the international, national, sub-national and sectoral levels, and not lobby against them. This helps drive the 'ambition loop'.

- Engage with policymakers across geographies directly, or through ambitious organizations
- Mobilize business networks and collaborate with peers and suppliers; communicate and guide industry groups
- Use corporate activities and investments to leverage and influence
- Be consistent and coherent across corporate and sustainability strategies

5. Disclose advocacy activity

Be fully transparent about direct and indirect advocacy and lobbying. Companies must disclose their memberships, financial contributions and direct engagement on nature policy, while reporting any misalignment with nature-positive goals and plans to address those. This is a critical point that not many companies currently implement, undermining their credibility².

- Publicly disclose:
 - Memberships, support, involvement in organizations
 - Any financial or in-kind support to organizations or political contributions and any active role on the nature agenda
 - Assessment of influence³ and company's ability to meet its own nature goals
- Acknowledge and report on actions and plans to address misalignment

²Only 2 out of the 769 companies assessed by the <u>World Benchmarking Alliance</u> are disclosing lobbying activities

³ Refer to the Global Standard on responsible corporate climate lobbying indicator 14



There is a strong case for companies to practice Responsible Policy Engagement and a growing expectation on them to do so. Yet this is an evolving space, with best practice advancing as standards are formalized and consolidated.

To help companies navigate this fast-moving landscape, businesses can draw on the <u>Climate Responsible Policy Engagement Framework</u> produced by the We Mean Business Coalition and Ceres, which compiles best-in-class resources, available tools, guides, standards and case studies. While the Framework focuses on climate advocacy, many of the resources can be useful for companies, while nature-specific tools on monitoring and ensuring responsible nature advocacy are being developed.

