



World Business
Council
for Sustainable
Development

NATURE POSITIVE: HOW? STARTING NOW.

July 2023



Everybody on earth needs food, and the way it is produced is critical to addressing the twin crises of climate change and nature loss. As a result, food companies play a critical role in our lives, and the lives of future generations.

As the 2023 UN Food System Stocktaking Moment begins in Rome, we wanted to capture a snapshot of how some of the most advanced food companies WWF and WBCSD work with see the Nature Positive agenda today. We wanted to understand what we can all learn from their years invested in tackling this complex issue and how they would advise those who are at the start of the journey.

The result was a series of fascinating conversations with individuals from six of the international food producers and retailers most focused on this issue, each of whom works on this agenda every day. To enable their insights to be useful to a wider audience, we have identified in this paper the common themes that emerged, illustrating each point with unattributed quotes from our discussions. Their reflections paint a story of immense progress in the last three years, extraordinary challenges still to be overcome, and deep awareness of how food companies can positively impact the way we farm, fish and eat.

These are the people climbing the rock face of Nature Positive, every day. We hope that by sharing their thoughts and advice, others will be able to accelerate progress towards a Net Zero and Nature Positive world.

Jason Clay

Executive Director, Markets Institute, WWF

Pepijn Rivers

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2020 VS 2023

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There's been an evolution in understanding about the interconnectedness of everything."

In the space of just three years, our interviewees said they'd seen a revolution in awareness, recognition and pressure for the protection and restoration of nature. This has come particularly from policy-makers and investors, but also as a result of their own organisations' better understanding of nature as a critical step on the pathway to delivering their climate commitments. **"In 2020, the role of nature in helping us reach Net Zero wasn't really discussed. Today, it's at the centre of the discussion."**

This was particularly prominent in the pressure to end deforestation in the food and agriculture sector, which contributes up to 25% of annual GHG emissions. **"Discussion around deforestation has increased because of the link to climate and recognition that eliminating deforestation is the quickest way to reduce a food company's footprint."**

There has also been a sea change in food companies' understanding of nature as the source of everything they produce: **"Every product that sits on the shelf – from bananas to sheets to toothpaste – it all comes from nature."**

Global frameworks, better tools and more data make the task of identifying this existential dependency easier in 2023 than in 2020, and the rise in understanding of the pivotal nature of eco-systems is illustrated by the emergence of legislation that has put a floor under stakeholders' expectations of food companies.

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The policy landscape is a lot clearer now. The Global Biodiversity Framework was supposed to be agreed in 2020 but COP15 was delayed because of COVID. The rescheduling provided an opportunity to discuss the issue and [build] political support. That resulted in a big push on the regulatory front, and then that translated into pressure on corporates, such as mandatory reporting."

As well as creating space to understand better their dependency on nature, events over the last three years such as the global pandemic, the war in Europe and more frequent, more extreme weather have also laid bare the direct commercial impact of supply chain disruption, resulting in food companies prioritising security of supply and – for the companies that grasp the connection – faster action to preserve the eco-systems essential to



food production. **"The pandemic sped up understanding of how quickly supply-chain disruption can have ripple effects across a business. Coupled with extreme weather events, companies started to internalise the vulnerability at that point."**

These individuals see Nature Positive following the same journey as Net Zero, but – perhaps learning from the early days of climate – what's emerged more rapidly is recognition of the risks relating to eco-system degradation and collapse, and the pressure to accelerate the pace. Major investors are now playing a key role and, as we saw with climate, raising the bar on how companies must engage. **"Biodiversity has become a primary topic for investors. They've increased their own capability on the subject and are coming in for workshops where we can see they are well informed."**

And while the introduction in the last three years of regulations such as the EU Deforestation Regulation and EU Corporate Sustainability Reporting Directive have put this on the agenda for legal departments, frameworks such as the Taskforce for Nature-related Financial Disclosures and emerging guidance on measurement from Science Based Targets for Nature have provided an approach and language that are helping companies to understand the way forward. **"All the policy decisions, regulation and frameworks are pushing in the same direction, and it's a lot clearer: nature has been moved from a nebulous issue in 2020 to one today that's actionable."**

HANDLING THE COMPLEXITY

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Because our business depends on nature, it should be easier to articulate than Net Zero, but it's so much more complex."

Despite global progress aligning behind Nature Positive as a destination, our interviewees face considerable remaining challenges. Lack of internal bandwidth, skills and investment were all cited, along with the difficulties of embedding ESG factors within the decision-making processes of complex organisations. But the greatest barrier, raised in every conversation, is the complexity of nature as a topic.

"What Nature Positive even looks like is still an open question: for instance, do you invest in a specific commodity, or the wider landscape?"

And while the journey on nature was acknowledged to be tracking a similar path to climate, the actual pathway looks completely different. Climate mitigation comes with a single unit of measurement, but action on nature may require detailed understanding of habitats and species, eco-system functions, landscapes and seascapes, of actions taken at multiple steps in the value chain. **"The complexity and measurement for food companies is a huge challenge: supply chains are long, they're complicated. You have to understand not only where a commodity comes from, but the conditions and practices under which production happened. Action on nature has short, medium and long-term outcomes."**

Few companies started with the understanding of how to navigate such an individual and complex picture. **"It's a new language, a new muscle and we don't yet have the toolkit to work with the terms and the timeline and expectations around the rate of return – both physical and to eco-systems."**

Another distinct challenge is the patience that might be required to assess the impact of action. As one example: **"Soil health takes a long time to show improvement – three to five years. For a business, that's long-term."** The time it can take to fully understand complex results – those on the intended habitat or species and on a range of connected issues such as greenhouse gas emissions or the ability of farmers to thrive – conflicts with the urgency they all feel to prevent further damage. **"We have to take action now, right now: there's urgency to take meaningful 'let's get to work' type action. But we also have to be patient, wait for the result, understand the result. For the private sector, that reality is really hard."**

This shift from a focus on protecting critical commodities to outcome-based thinking – with the commodity supporting the journey – brings further complexity to the picture, such as the lens of multiple local systems. **"You need an approach for the setting you're operating in, but this makes the issue more complex. You need knowledge of every local system to work out how to improve them."** This translates into a need to build deeper understanding of the experience and pressures at different points within the supply chain, and partner in a way that some might view as radical: **"The first step is to actually know where your products come from. If you have a farmer who has been ploughing the soil for generations and you want them to try something different, how do you help them feel de-risked and able to move away from a transactional model? You can introduce incentives, but when these incentives stop, the farmer might revert to old practices. The change people need to go through is sometimes underestimated and we need to help them with tools, financial incentives, information, to get them through the transition."**

The final critical barrier raised by our interviewees – and perceived by some as the biggest – was the desire within companies not to overcomplicate the pathway they are following to Net Zero. **"Action on carbon can disrupt eco-systems, meaning you have to take a less linear path, one that is more complex, slower, potentially more expensive. If you don't manage this [internal conversation] well, nature action can be seen as a roadblock to climate."**

While work on Nature Positive is following the same trajectory taken by climate, the road is considerably more complex and the urgency even more pronounced.





GRASPING THE IMPORTANCE

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Everybody needs to eat. If we don't get this right, we face planetary issues on the same level as climate. It's a big deal."

There is clear understanding of the risk that the depletion of nature poses to the resilience of food companies. **"There's an important resilience piece here: as food retailers, without thriving eco-systems we wouldn't have a product to put on the shelf."** Recent supply chain disruption has illustrated the chaos that results when commodities become harder to source or more expensive overnight, as well as the panic that ensues when everyday products don't reach the supermarket. Food companies also recognise that, as nature loss becomes more acute, their ability to mitigate the impacts declines, and this is reinforcing a sense of urgency for these individuals.

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Our business forecasts that due to climate change crop yields are not going to go up. If we continue the way we are, they will go down, so food security is becoming a very important issue."

And with this awareness of the impact on food security comes awareness that we need to transform the global food system into a more sustainable, resilient, equitable, Nature Positive and Net Zero state. The world's population cannot live without food, and food comes from nature, but the way we produce food is damaging nature and creating a deep vulnerability. These food companies feel compelled to act because they recognise they have the most influence over how food is produced, and if they don't change their approach, eco-systems will deteriorate further and the world will no longer be able to feed its population.

"Food companies like ours are the lowest common denominator. By definition, we have to play a role."

"We are the most present in nature and can have the most impact."

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We will always need food: how we exploit the earth and nature to produce it is up to us."

WHERE TO START?

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This idea of having to figure out something perfect before you get started is wrong. There are 'no regrets' actions anyone can take now."

Each of our interviewees was clear: nature is complicated, but action is critical. During our conversations with them, four interconnected pieces of advice emerged for those trying to figure out the first steps to take:

1. Look for the links

Your first step doesn't have to involve anyone but you. **"Think about where you intersect with nature – it doesn't have to be a long, robust study, and it will probably surprise you"** said one interviewee. And you can build a coalition of the willing within the business by understanding how nature links to the issues you're already addressing, such as climate or business resilience. After all: **"Farms that score well on sustainability impact also tend to grow more produce, so it can really help."**

2. Get close to your supply chain

"Most companies don't want volume or price volatility" remarked one respondent. Knowing where your products are coming from and – wherever you can – engaging the supply chain right through to the farmers or fishers helps build a picture of the vulnerabilities and opportunities in your own system. **"Getting to the farm level was important for us, because that's where the impact is"** explained a retailer, who went on to talk about the benefits of the less transactional relationships this has led to. For unknown producers, other systems such as EUDR, Codex Planetarius or voluntary certification can be put in place.

3. Look for the obvious steps

"You don't have to jump to restoring nature, but look for the opportunities to reduce and avoid impact: for us it was our pesticide policy." 'No regrets' actions, such as avoiding deforestation, can be taken immediately, and several individuals encouraged companies to focus on the intersection of nature and climate first: **"Roadmaps for climate open up space to talk about nature"** said one. **"Eliminating deforestation is the quickest way to reduce your footprint"** explained another.

4. Don't do this alone

"You have to find your partners, because you can't do this alone" cautioned one person, with deep conviction. Another illustrated the point **"There is a willingness from farmers to make the transition, but we need the whole playing field around the farmer to support them: the fertiliser industry, government, the feed industry"** so all the pieces of the puzzle re-align together and action is easier to catalyse. Engage with peers to accelerate your own progress. Engage through the value chain to accelerate the system shift and find ways to create and support the incentives to make production more sustainable and resilient.

The importance of taking action as soon as possible was a note sustained throughout these conversations, with interviewees remarking how a quest for 'perfect' can often be the enemy of the good. **"There's a lot of noise in the system, so there's a bit of fear of doing the wrong thing or wanting to be more prepared for all the different things we've got coming at us. So, to the extent that we can, we should collectively help companies have some confidence in moving forward. I think that will go a long way to help."**

For more insight, resources and support, contact:



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