

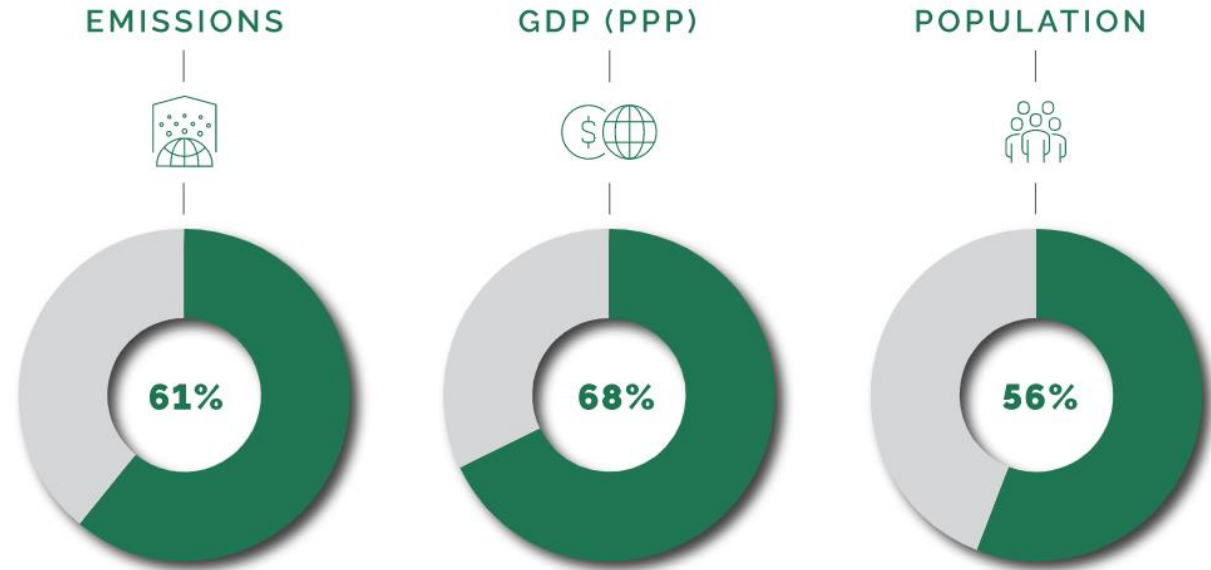
Net Zero Emissions

And the role of nature

Nicolette Bartlett, Executive Director

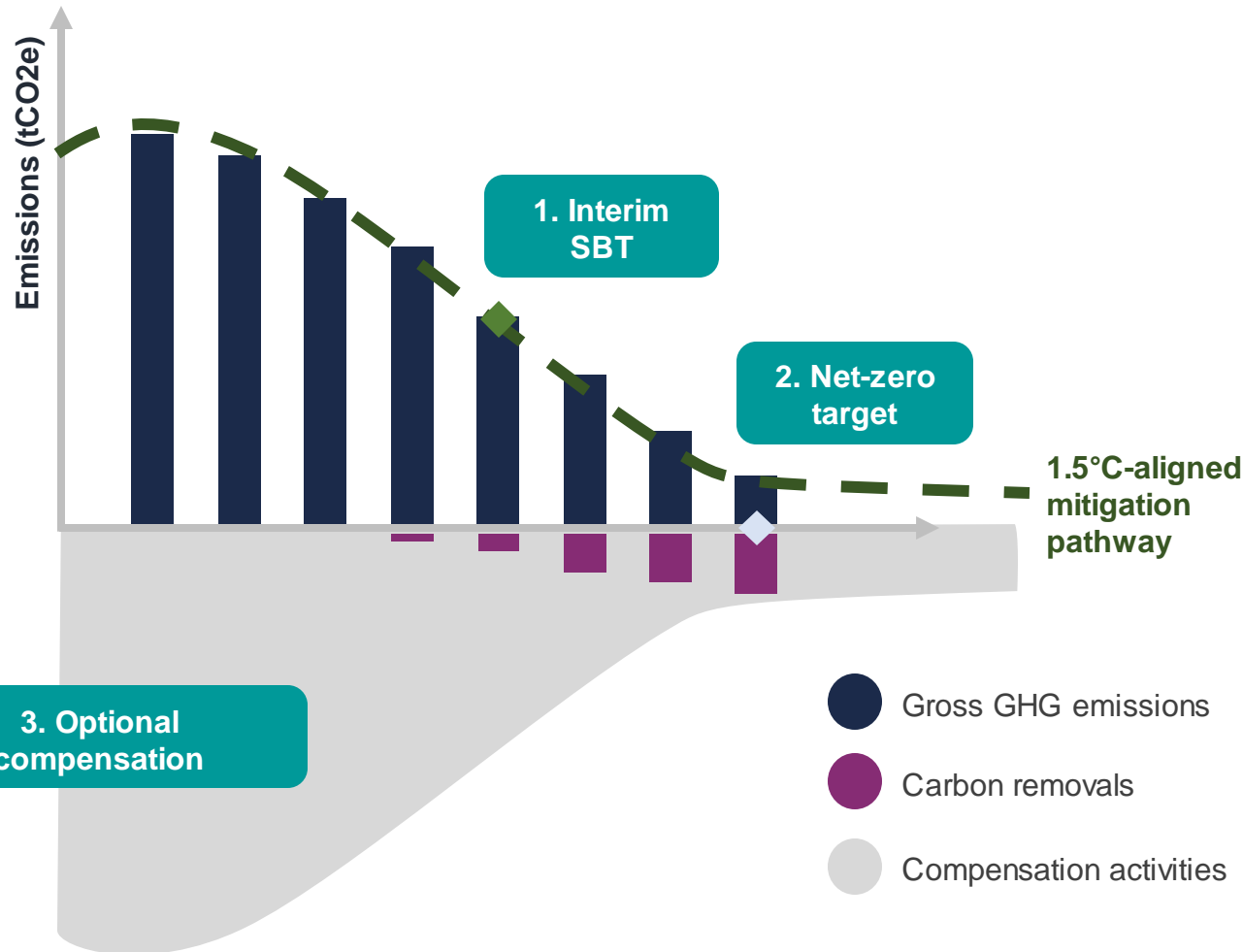
Net Zero Ambition Globally

As of 12 December 2020, over two-thirds of the world's gross domestic product (GDP) is being generated in places where authorities have set, or have proposed to set, a target of bringing carbon emissions to net zero by mid-century.



THE PATH TOWARDS NET-ZERO

GRAPHIC EXPLANATION



Net-Zero target trajectories must consist of:

1. Interim SBTs

Measures to prevent, reduce or eliminate GHG emissions within the value chain

2. Net Zero target (end point)

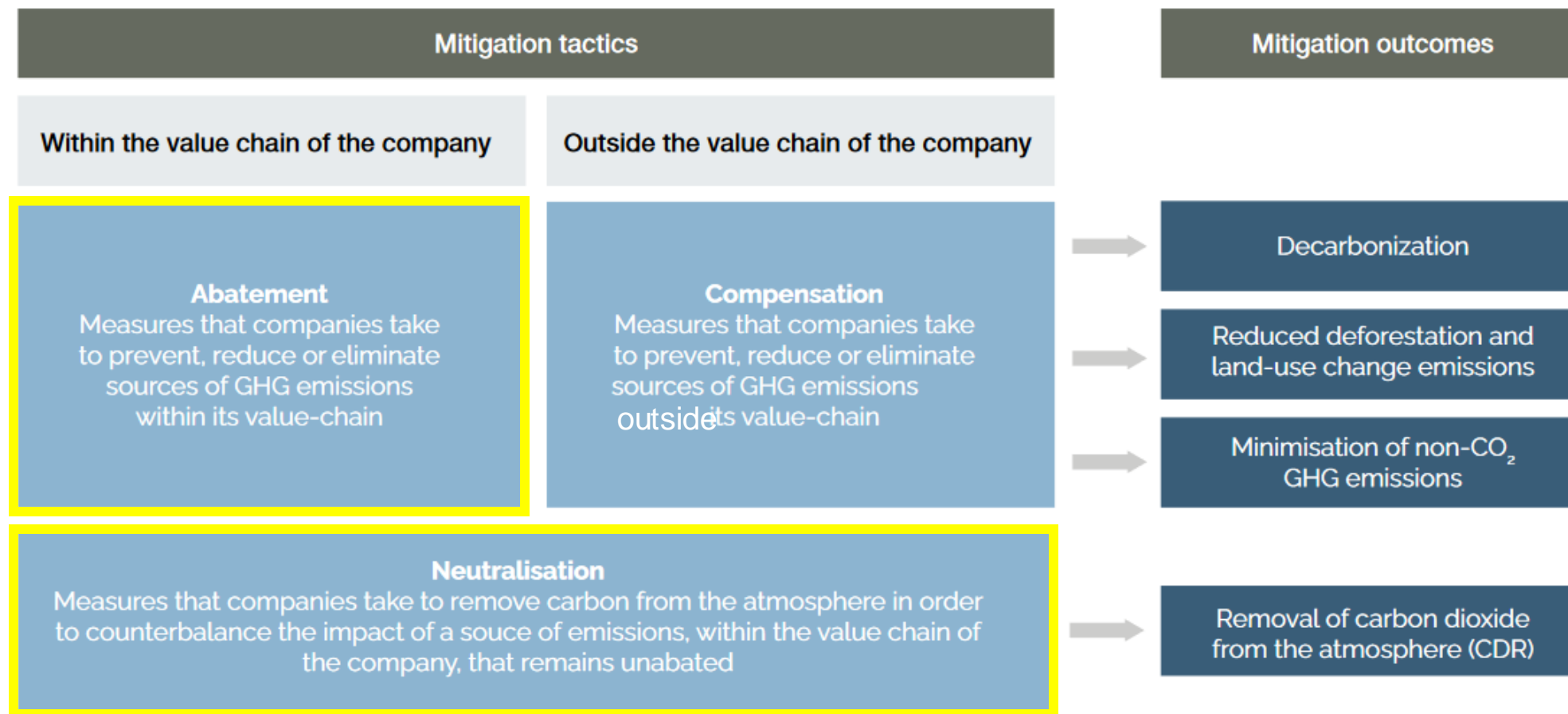
Measures to remove carbon from the atmosphere in order to counterbalance the impact of a source of emissions within the value chain that remains unabated

3. Optional compensation

Companies should consider undertaking efforts to compensate unabated emissions in the transition to net-zero as a way to contribute to the global transition to net-zero.

NET-ZERO CRITERIA

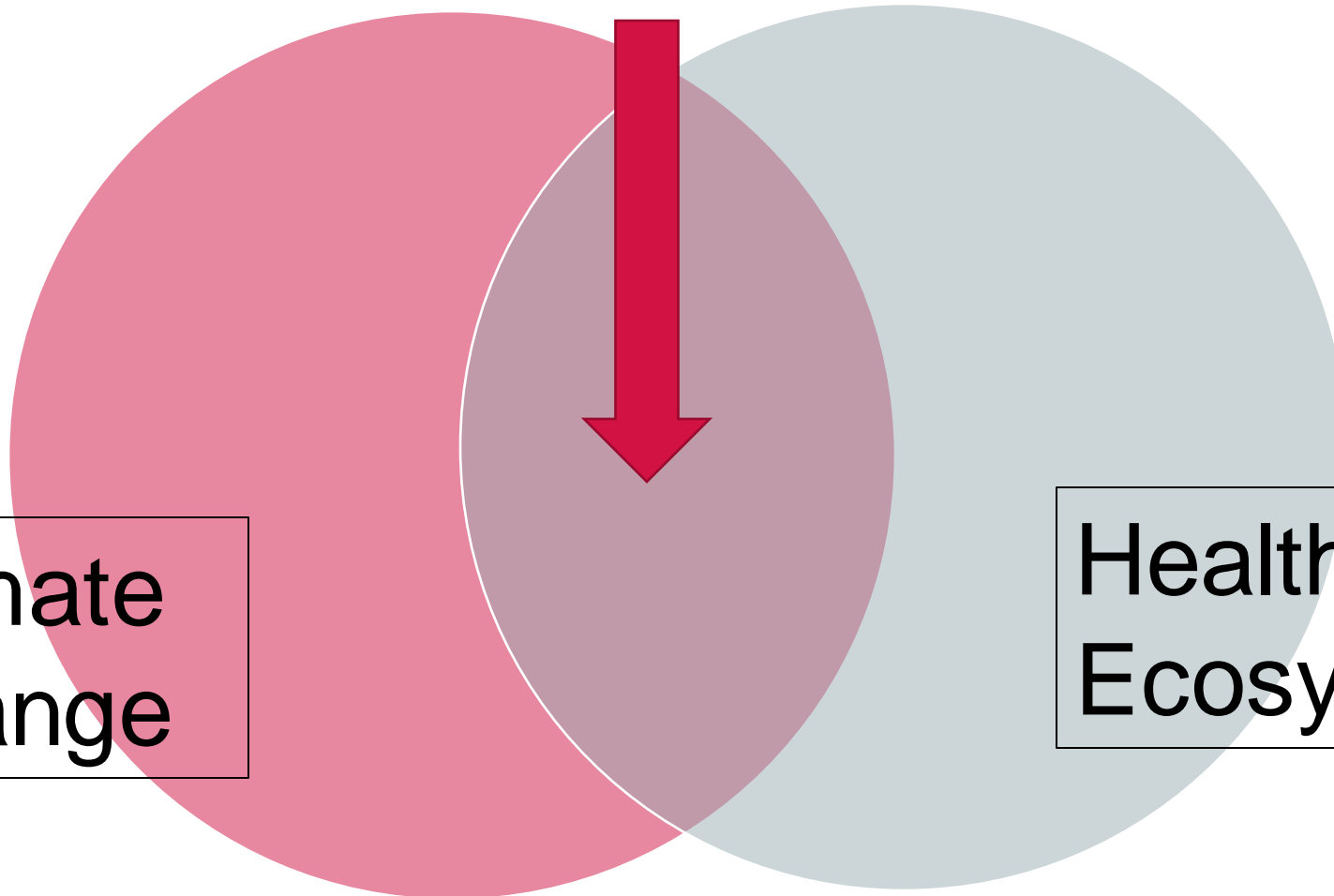
Overview



Nature
Based
Solutions


Climate
Change

Healthy
Ecosystems





Nature-based Solutions




 Protection, management and restoration of ecosystems


 Incorporation of natural infrastructure in urban areas

 Wetlands management and watershed conservation

 Climate change mitigation and adaptation

 Water security

 Socio-economic development

 Avoidance and removal of emissions

 Clean water supply

 Poverty alleviation

Nature-based Solutions and the private sector



Beyond societal benefits, **NbS can generate benefits for companies that implement them**



Meeting regulatory requirements



Reputational gains



Risk reduction



Reducing costs and generating financial gains



Innovation



Other benefits

FINDINGS (2)

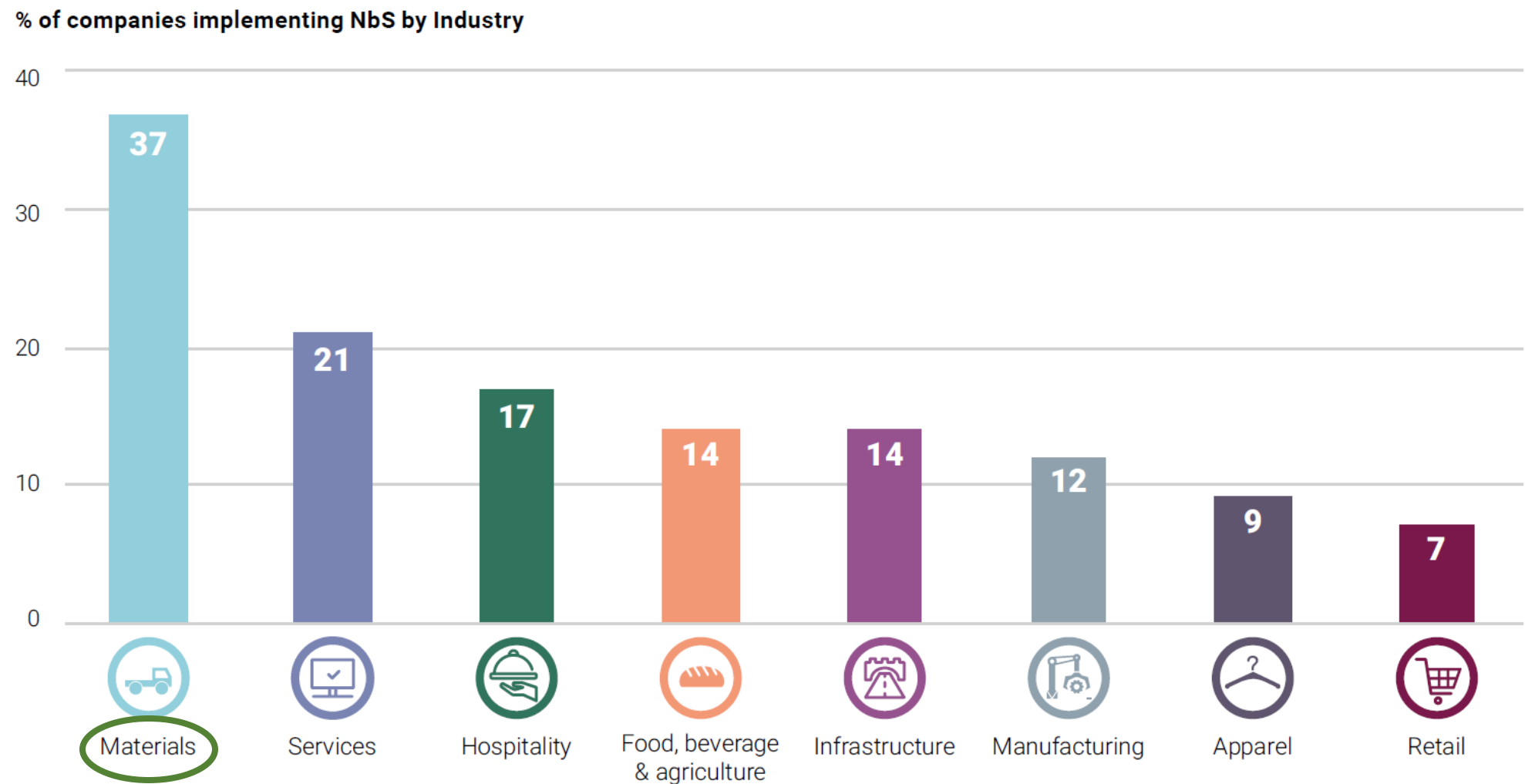


Figure 2 – Percentage of Companies in CDP’s primary industries implementing NbS (sectors with more than 10 reporting companies)



1%

**of disclosing companies
are demonstrating best practice
on actions to reduce deforestation**

#CDPForests

Companies reported

US\$53.1 billion

**in risks from deforestation, with the total
cost of response estimated at**

US\$6.6 billion

#CDPForests

COMPANIES ARE BEGINNING TO JOIN THE DOTS BUT MORE COLLABORATION IS NEEDED



- ▼ 2 in every 5 reporting companies are engaging in ecosystem restoration or protect projects



- ▼ Too few suitable targets have been set by companies



- ▼ Not enough businesses are participating in collaborative measures to successfully transition to a forest-positive future.



- ▼ More companies are demonstrating progress towards eliminating palm oil-related deforestation, even outperforming companies in timber product supply chains.



- ▼ Companies operating in the cattle products market and soy supply chains continue to trail behind.



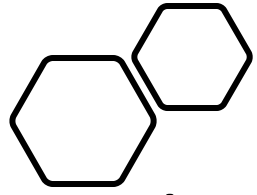
Ecosystem restoration and protection

15 Beyond no-deforestation*

42% of companies are moving beyond no-deforestation by implementing ecosystem restoration and protection projects.

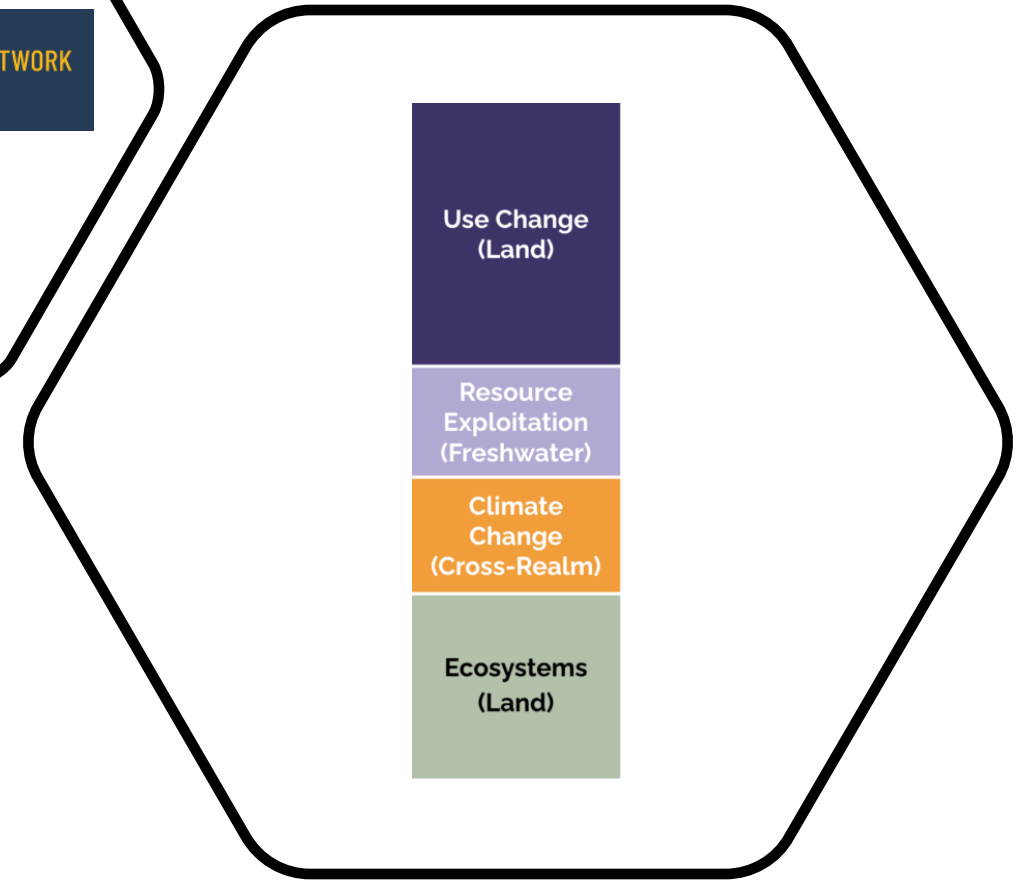
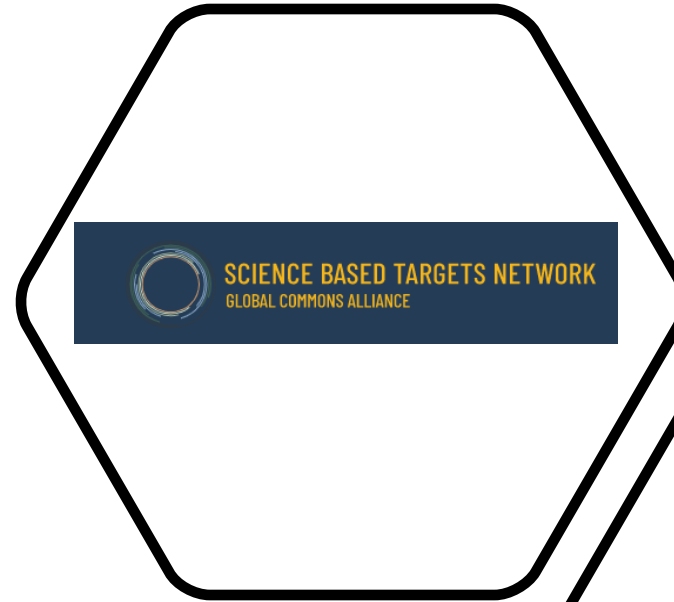


Companies must step up to protect forests, end biodiversity loss and tackle climate change.



Task Force on Nature Related Financial Disclosure

- Double materiality: this is different from the TCFD
- Four-pillar approach: governance, strategy, risk management, metrics and target like the TCFD.
- Definition of impact and dependencies: TNFD adopts the definition of impacts offered by the Science-Based Target Network (SBTN), same for Dependencies.
- **Aim to include interactions between climate and nature**
- Prioritization on sectors and topics



BIODIVERSITY AT A CROSSROADS



None of the **Aichi Targets** have been fully achieved.



Corporate environmental disclosure: what role does this play? Biodiversity metrics, reporting and disclosure standards are being integrated into CBD's post-2020 framework and strategies



Investors seeking data and action from companies



Already some coverage in our forest questionnaire; mining companies




Biodiversity to become a cross-cutting theme across CDP's work



Almost
two-thirds
of companies are reducing
or maintaining their water
withdrawals...

...yet **only**
4.4%
of businesses
are reporting
progress against
water pollution
reduction
targets.



ENABLERS OF CHANGE

– from transparency to transformation



Water issues integrated into long term business objectives, strategy & financial planning



C-suite incentives tied to water use or pollution reduction or supply chain engagement



Climate-related scenario analysis to inform strategy



The cost of inaction on water risks is **up to**

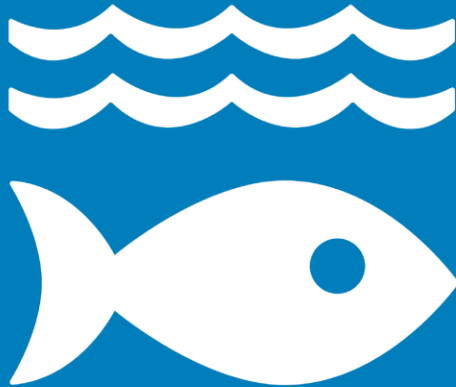
five times

the cost of action. Business-as-usual
is not an option.



#CDPWater

14 LIFE BELOW WATER



SDG 14 TARGETS:

14.1 By 2025, prevent and significantly reduce marine pollution of all kinds

14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts

14.3 Minimize and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels

14.4: By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices

14.5: By 2020, conserve at least 10 per cent of coastal and marine areas

14.6 By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing

14.7 By 2030, increase the economic benefits to Small Island developing States and least developed countries from the sustainable use of marine resources

