

2022 SAW NOT ONE, BUT TWO MAJOR UN environment conferences. One in Sharm El Sheikh, Egypt: COP27. The other in Montreal, Canada: COP15. Why are there two COPs? How did we go from 27 to 15? What does COP even stand for?

Many businesses are familiar with COP27, last year’s UN Climate Change Conference. Since the Paris Agreement of 2015, these annual meetings have become a staple of the international business agenda. Although COP27 drew fewer chief executives than 2021’s landmark summit in Glasgow, it had widespread media coverage and attendance by world leaders, such as Joe Biden, and representatives of hundreds of major businesses and civil society organizations.

Meanwhile, COP15—the other COP—is nature and biodiversity rather than climate and is less well known. Held just before Christmas, COP15 was significantly smaller than its climate counterpart. Aside from Canada’s own Justin Trudeau, it attracted few heads of state. Although the level of business attendance was unprecedented for a biodiversity COP, the numbers were much lower than at COP27. Nonetheless it produced sometimes tense negotiations that resulted in a landmark international agreement: the new Global Biodiversity Framework. Ratified by 196 countries, it will have significant implications for business over the next decade.

Despite being addressed in separate conferences half a world apart, the climate and nature crises are increasingly being treated as joined imperatives that must be tackled together. Nature has never been as high up the climate agenda as it was at COP27, while opportunities to create double benefits for both climate and nature provided the backdrop for every discussion at COP15.

Both conference series stem from landmark international multilateral treaties of the early ’90s. The United Nations Framework Convention on Climate Change (UNFCCC) was established at the Earth Summit in Rio de Janeiro in 1992. It is a multilateral treaty which commits signatory countries—“parties” in UN parlance—to a shared aim of combatting climate change by reducing greenhouse gas emissions. Its nearly 200 parties cover every corner of the world.

The same Earth Summit in Rio de Janeiro saw the Convention on Biological Diversity (CBD) opened for signatories and it entered into force in December 1993. It aims to conserve global biodiversity while also ensuring the benefits of genetic resources found in plants and animals are shared fairly. It has 196

parties, with the US a notable absence.

In both cases, the signatories’ representatives assemble at regular meetings, each termed a “Conference of the Parties” or COP for short, where negotiations continue to be hammered out. The climate conferences happen every year, while the biodiversity conferences happen every two years, hence the out-of-sync number series.

A Tale of 2 COPs

WHAT COP27 MEANS FOR BUSINESS

Food & Agriculture

COP27 put “food” on the table with the first-ever day dedicated to agriculture and also a “summit within a summit” dedicated to tackling commodity-driven deforestation.

A fivefold increase in companies in the food sector setting net-zero targets was a welcome sign of progress, however research shows over 90% of those are at risk of becoming undeliverable without immediate improvement on deforestation targets. Recognition is growing that nature action is central to climate action.

In the coming year, look for scrutiny on food and agriculture to rise, especially with the launch of sector-specific guidance, such as the Science Based Targets initiative’s first Forest, Land and Agriculture (FLAG) methodology, which are creating uniform expectations for business actions.

Signals of Change

Conversation around COP27 was buoyed by signals of momentum in the real world, including falling

A climate change COP in Egypt, a biodiversity COP in Montreal—confusing, yes? But their results work in tandem, pushing the world toward significant UN goals. **PHIL DREW** and **JOSEPH DOYLE** explain.



costs from the deployment of superior technology, the advent of cheap renewable electricity, increasing electric vehicle sales and planned global infrastructure projects. Analysis by the Energy and Climate Intelligence Unit shows that decarbonization is moving faster in India, the EU and China than the national pledges suggest and those countries could meet their goals sooner than expected. The transition to the net-zero economy is following a kind of Moore’s Law of industrial transformation—as technology deployment rises exponentially, costs shrink along a predictable trend line.

Increasing International Collaboration

One of the most significant announcements was the Breakthrough Agenda—in which governments representing over half of global GDP set out a shared 12-month action plan to help make clean technologies cheaper and more accessible everywhere. Focused on seven high-emitting sectors—road transport, power, steel, hydrogen, sustainable agriculture, cement and buildings—this package of 25 actions includes growing backing to phase out internal combustion engines by 2035 and common standards and procurement targets for net-zero steel and hydrogen to drive down costs. This trend of international collaboration on standards and incentives is

COP 27

The November 2022 conference on climate change was held in the Red Sea resort town of Sharm El Sheikh, Egypt, on the Sinai Peninsula. With its focus on hammering out agreements toward meeting the goals laid out in the Paris Agreement, the conference made headlines and was attended by top leaders.

likely to continue outside of the COP process.

Corporate Greenwashing

The much-awaited publication of the UN Secretary-General’s High Level Expert Group put forward 10 recommendations to improve the credibility of voluntary net-zero commitments and to tackle greenwashing. This report has quickly set the agenda on what a credible net-zero commitment looks like, with key points including the importance of science-based transition plans aligned with 1.5°C, covering all scopes, with interim targets every five years, and transparent annual reporting on performance. Importantly for companies, the report endorsed the Race to Zero and Science Based Targets initiative as examples of high-integrity routes to commit to net zero. Expect a proposal supported by the UN Secretary-General for countries to set up a Taskforce on Net Zero Regulation this year.

Ratcheting the Pressure

COP28, planned for November 2023, will conclude the first-ever “global stocktake” on climate action—a formal mechanism to assess whether the world is on track to meet its goal of limiting warming to 1.5°C. This process will shine a light on just how much further action is needed. It will, in turn, pressure



governments to respond more forcibly and increase expectations of businesses and investors to demonstrate how they are aligned with that goal. NGOs are already planning to use this to call out corporate laggards and backsliders.

WHAT COP15 MEANS FOR BUSINESS

Ambition: 30x30

The conference's landmark agreement includes a key target, forming a new global goal: protect 30% of the world's land and oceans by 2030 while respecting indigenous and traditional territories—referred to as 30x30. Campaigners such as WWF have hailed the inclusion of 30x30 in the formal agreement as a major breakthrough that will set this new framework apart from past efforts, similar to the Paris Agreement's "well below 2°C" climate goal. Advocacy groups will increasingly campaign for these conservation goals at scale. Companies will be expected to show how production processes and growth plans are compatible with the 30x30 goal.

Nature & Climate Crises Align

Despite barriers in the past, the link between the nature and climate agendas was stronger than ever at

COP 15

The conference on biodiversity in Montreal, was smaller scale than COP27, but drew the largest business representation for any biodiversity COP. The conference, held in December of 2022, resulted in the ratification by 196 countries of a new Global Biodiversity Framework.

COP15, with an increasing emphasis on joint solutions. Three targets within the agreement explicitly focus on nature-based solutions that generate benefits for climate. Meanwhile the International Sustainability Standards Board, which benchmarks climate disclosures, committed to build biodiversity indicators into their reporting standards.

Corporate action on nature is mirroring the trajectory on climate—it's becoming mainstream. Companies will be increasingly expected to tackle the two crises together and with equal rigor. As with climate, a few organizations will set the agenda: Taskforce on Nature-related Disclosures (TNFD), Science Based Targets Network (SBTN), and Nature Action 100.

Accountability: National Plans

The new Framework introduces a regular global review process, or "stocktake," to assess global progress toward the targets. Unlike the Paris Agreement, there is not a formal "ratchet" mechanism that would require governments to review their progress and then improve their national plans at regular intervals, but these global assessments will still put a spotlight on delivery and enhance accountability for progress. The focus will now very much shift to delivery, and much will depend on how national

governments embed the agreement into domestic legislation through their National Biodiversity Strategies and Action Plans.

Implementation: Business and Finance

Target 15 of the new Biodiversity Framework requires large and transnational businesses and financial institutions to assess and disclose “their risks, dependencies and impacts on biodiversity” by 2030 at the latest.

Finance is always a contentious sticking point in negotiations, but most countries saw the explicit pledge to mobilize at least \$200 billion for biodiversity protection per year by 2030—with at least \$30 billion per year from developed to developing economies—as a significant step forward.

Expect the finance sector’s key role to be increasingly in the spotlight and for companies more broadly to be encouraged to scale up investments in nature.

A new global goal: protect 30% of the world’s land and oceans by 2030.

Inclusion: Indigenous Communities

Indigenous peoples are mentioned 20 times in the agreement, with a clear emphasis on human rights-based and indigenous-led conservation models. Indigenous people, who represent 6% of the world’s population but protect 80% of its biodiversity, have been strikingly absent from previous agreements.

This marked shift toward inclusion at the conference is seen as a major development. A representative of the International Indigenous Forum on Biodiversity said: “For us, it’s like a change of paradigm.” Expect pressure on companies to demonstrate how nature plans throughout their value chains support human rights-based and indigenous-led conservation models. ♦

PHIL DREW, Partner, was on location at the COP27 in Sharm El Sheikh, Egypt, and **JOSEPH DOYLE**, Associate, was on location at COP15 in Montreal, Canada, for Brunswick’s global Business & Society team. Both are based in London.

2 LEADING VOICES ON NATURE



RITA EL ZAGHOUL is a Coordinator for Costa Rica of the High Ambition Coalition for Nature & People, an intergovernmental body of over 116 countries that was the driving force behind the 30x30 target. She writes:

The campaign for 30x30 has been one of the most challenging and wonderful experiences of my life. Building a coalition around this goal came from the fact that I believe in it. If we truly protect 30% of our lands and oceans by 2030, we can bring about

the transformation we need to safeguard our planet. The science on biodiversity loss is clear, and we are looking at a closing window of opportunity.

The Post-2020 Global Biodiversity Framework is historic. Now, we must urgently move on to implementation and that is what we are doing in this new phase supporting HAC members to reach the 30x30 target. The private sector must be a key partner, and its support will be critical. We want to see the private sector taking the lead in changing damaging production patterns to make them more sustainable.

Looking ahead, something that gives me hope is our experience that multilateralism works, despite all the challenges and geopolitical tensions we see before us. The clarity of the scientific reality helps build bridges across political divides. Each and every country in the world is realizing that protecting our planet is not negotiable. We achieved this in the High Ambition Coalition—a coalition of all regions, from Small Islands Developing States to the US.

Our work shows it can be done, and that is the message we must keep repeating.



EVA ZABEJ is Executive Director of Business for Nature, the influential advocacy group that leads the business voice at COP15. She writes:

The Global Biodiversity Framework significantly raises the world’s ambition on nature, placing collaboration between governments and business at the heart of a nature-positive transition. It is a recognition that business as usual is economically short-sighted, will destroy value over the long term and will no longer be accepted.

Target 15, in particular, is a strong message: All large and transnational businesses and financial institutions should get ready as governments will require them to assess and disclose their biodiversity risks, dependencies and impacts, at the latest by 2030.

The level of ambition set by Target 15 is central to resetting our relationship with nature. Success will rely on the transformation of entire value chains, sectors and socio-economic systems—underpinned by unprecedented levels of collaboration, innovation and investment. Embracing nature positive will yield sizeable opportunities. Acknowledging the reliance of our economies on ecosystem services could well be the most profitable investment we ever make.

There are plenty of resources already available to help companies respond and the High Level Business Actions developed by Business for Nature and its partners show how these existing tools fit together.

Through Target 15, governments have explicitly stated—for the first time in a multi-lateral agreement—what they expect from businesses on nature. The private sector must now step up and scale up to translate the commitments made at COP15 into effective action and play its part in securing a nature-positive future for us all.