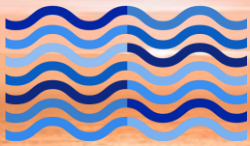


B7

United Kingdom 2021



B7 Climate and Biodiversity Statement

Principles and recommendations for G7 Climate Ministers

May 2021

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Introduction

Now is the time for coordinated business and government action to help tackle dangerous climate change by cutting global carbon emissions

There can be no hesitancy from the business community about its role in tackling climate change. Without determined action from businesses around the world, we will miss our climate targets and take a dangerous gamble on behalf of current and future generations. This is a year for action as businesses and governments work together to address the challenges of climate change, environmental damage and biodiversity loss.

2021 marks a crucial year when countries come together at COP26 to share their plans on how they will deliver commitments made as part of the Paris Agreement. The G7 and G20 meetings must provide momentum ahead of COP26 if these climate negotiations are to be a success. Meanwhile, as global economies look to turn a corner following the devastating health and economic impacts of the pandemic, there is an opportunity to shape a more sustainable future, with government-led financial stimulus packages and new policies that are designed to accelerate investment in low-carbon technologies and protect and enhance our natural environments, while supporting vulnerable communities. As commitments and action from business accelerate, these opportunities can only be maximised by the coordinated approaches from governments around the world that can help optimise the business response. The G7 can drive further progress by making commitments that will help the business community deliver on its ambitions and responsibilities to protect the planet for future generations.

As leading national business associations from G7 countries, the B7, we would like to highlight three priorities for the G7's climate and biodiversity recommendations:

- Demonstrating national climate leadership ahead of COP26
- Developing coordinated policy that enables pathways for critical sectors around the world to decarbonise
- Creating the enablers for business action with international approaches to sustainable finance and biodiversity that support investment

The business climate ambition

Business action will deliver the investment and help enable the changes in consumer behaviour needed to cut emissions and achieve the ambitions of the Paris Agreement. Many companies are already setting out their net-zero plans, with momentum building ahead of COP26. More than 2,000 companies have joined the UN Race to Zero campaign, pledging to achieve net-zero carbon emissions by 2050 or sooner, backed by science-based targets. Whether by this campaign or other metrics, it is vital all business plan for how they will reduce emissions in line with the trajectories needed to achieve the Paris Agreement.

Making net-zero emissions ‘business as usual’

The B7 strongly urges businesses to establish clear net-zero strategies and incorporate them into long-term business strategies. These strategies need to include clear near-term targets, incorporate scope 3 emissions, and establish science-based targets wherever possible. Business actions will need to be proportional and commensurate to their sector, size and nature of their business models, and the challenges that some businesses, such as SMEs face as they seek to decarbonise. After setting targets, businesses must track progress, and report consistently, with Board-level oversight and accountability for progress being a standard all business should adhere to.

As business organisations we encourage our members to consider signing-up to Race to Zero and Race to Resilience ahead of COP26 to help demonstrate the scale of business commitments and accelerate further action on climate change and prepare for the future impacts on people and nature. We acknowledge that this will be a challenge for many businesses, so we also encourage all business to engage with initiatives backed by B7 members to speed progress. These include:

- The *Goal 13 Impact Platform* that can help business track progress of their climate action, and learn from others about the most impactful initiatives and approaches to cutting carbon;
- The French Business Climate Pledge that demonstrates the role of business in using carbon as a level for innovation;
- The German Energy Efficiency and Climate Protection Networks, a voluntary bottom-up tool for groups of businesses to collaborate on a local level to achieve self-determined targets, supported by the government and many business associations;
- ‘Challenge Zero’ and ‘Commitment to a Low-Carbon Society’ for 2030, which are Japanese business collaborations with the Japanese government aiming to support the innovation that will help achieve the Paris Agreement goals.

The role of business in protecting nature

Biodiversity loss is occurring worldwide, and the decline is set to continue under business-as-usual patterns of activity. The World Economic Forum estimates that over half of global GDP is threatened by nature loss,¹ therefore preserving nature is central for a sustainable future. The pandemic has highlighted how dependent our society is on a sustainable relationship with our environment.

Business recognises the impact of their activity on biodiversity and want to work in collaboration with government to lead this action. For many industries, nature is fundamental to the way they work and they already ensure that they minimise their impact on the environment. Businesses are uniquely placed in driving change and can be part of the solution paving the way for new opportunities towards a nature-positive economy. There are also potential business opportunities and job creation in restoring natural ecosystems, in areas from forest restoration to tackling food waste².

The B7 acknowledge the impact of agriculture and food production on nature and biodiversity. Businesses recognise that food system reform relies on cross cutting action: driving productivity and efficiency, reducing food waste, shifts in dietary preferences, land protection and nature-friendly farming³. The UN Food Systems Summit later this year will be a key opportunity for international actors to gather for the first time to discuss a global food systems approach.

Developing an understanding of biodiversity risk is essential in the process of setting out how businesses can respond to global biodiversity loss. B7 business associations will engage with their members to understand these challenges and look at where business can prevent and reverse damage to the natural environment. Businesses are already coming together to face these challenges – for example Act4nature international is an alliance of French businesses with international activities aiming to accelerate concrete business action for nature. The Japanese business community, Keidanren and Keidanren Committee on Nature Conservation have been encouraging their members to sign their Declaration of Biodiversity and have recently launched a "Project on Business Contribution for Biodiversity" in collaboration with the Government of Japan. Businesses are optimistic about how innovation and new technologies will enable nature-positive action, including investment in nature and nature-based solutions to climate challenges.

This year at COP15, countries from around the world will meet to negotiate a new framework agreement for the global protection of nature. The Convention on Biological Diversity (CBD) will adopt a post-2020 global biodiversity framework as a stepping-stone towards the 2050 Vision of "Living in harmony with nature." The CBD framework will contribute to the implementation of the 2030 Agenda for Sustainable Development. We encourage B7 businesses to commit to demonstrate an overall positive impact on nature in line with the CBD 2050 vision. As part of this ambition, the B7 recommends:

- B7 to further develop a set of specific principles for understanding business activity on biodiversity to reduce the negative impacts of business on biodiversity and promote 'nature-positive' business activity in support of achieving the CBD Post-2020 framework and wider UN Sustainable Development Goals.
- B7 organisations and their members to engage with the new biodiversity initiatives, for example on the disclosure of impacts on nature and ongoing work by the OECD on this topic.
- B7 support business in quantifying their impact on nature and how to value natural assets and services. Options include the development of international best practice and guidance on metrics. Businesses should support the ambition of net-zero

deforestation, and net-positive impact on natural habitats and biodiversity on a global basis.

The business community can drive global change and are ready to support this transition, but the right frameworks must be in place to enable effective change. This can be achieved by business being the catalyst to action, including within our own operations and working through our value chains and supply chains and with our partners across G7 countries and wherever we operate. The B7 will further develop these principles ahead of COP26.

Delivering a just, fair and equitable transition

The transition to a global low-carbon economy must be done in a way that brings all of society on the journey. There are disproportionate health, environmental, economic, and climate impacts on certain countries and communities around the world. Communities and individuals cannot be left behind as economies and jobs change. Plans are required to ensure that the transition is just, fair, equitable and that the opportunities it unleashes can be shared by all. This focus goes hand in hand with the challenge of protecting at risk countries and communities from the direct impacts of climate change. Businesses agree on the need to make net-zero aligned business plans that take account of the jobs and communities that will be impacted by changing employment needs. The B7 also commits to working with governments to ensure policies are designed in a way that supports such a transition and makes the most of the opportunities afforded by greening our economies, advancing a cleaner, healthier living environment and delivering productive, good quality and sustainable jobs that are secure for the future.

As businesses we support the need for clear principles on a just, fair and equitable transition.⁴ These must be grounded in meaningful conversations with governments, business and society on this issue. The B7 will take forward additional work on these principles and publish ideas ahead of COP26.

Action from governments

Making the business ambition a reality

The desire for action from the international business community has to be matched by coordinated government action. This can bring together the power of private sector investment and innovation, and the strength of policy and regulatory frameworks, where the mutual ambition for bold action can help deliver significant progress. Government-led activity will be critical in a number of areas that require rapid changes, such as emissions reduction in key sectors like power generation, transport and industrial processes. Government can also help business by supporting the flow of private capital into sustainable projects and new business models through the development of sustainable finance initiatives. Meanwhile, governments can support business efforts to protect biodiversity and nature by creating the principles and policy frameworks that create value in the existence and protection of our natural capital.

National climate leadership

As businesses around the world set increasingly ambitious net-zero emissions targets, there needs to be enhanced action and ambition from governments in the run up to COP26. The scale and impact of the Nationally Determined Contributions (NDCs) to the Paris Agreement will set the tone for business action for the 2020s, where we need to see a decade of delivery on climate action. Pledges made at the recent Leaders Summit on Climate demonstrate the ambition business is looking for.

Clarity on targets and the trajectory needed to achieve them give businesses the confidence to invest in markets where clean energy and low-carbon technologies are being prioritised. The plans to deliver on these commitments should include granularity about medium targets, including the progress required by 2030, as well as longer-term net-zero targets. Importantly, enhanced ambition does not just entail a stronger emissions reduction target. To ensure high quality NDCs, such targets must be underpinned by robust, transparent, and realistic policy pathways. Having set these targets, G7 members should work to encourage other high emitting nations to step-up their ambition and set equally bold targets that deliver global emissions reduction in-line with the Paris Agreement.

The challenges of the pandemic, including the need for fiscal stimulus programmes to help restart economies and create jobs do offer opportunities to enhance government-led action on climate and biodiversity. G7 countries have a unique opportunity to coordinate their responses in a way that supports a resilient and sustainable economic recovery around the world.

Enabling global decarbonisation in key sectors

Delivering on the Paris Agreement requires significant decarbonisation this decade in key sectors, including power generation, transport and industrial processes. To build on progress already being made, clear decarbonisation pathways for these sectors are needed, with policies designed to create markets and stimulate investments in supply, demand and infrastructure. Co-ordinated action by the G7 can create the foundation for national climate plans and Paris-aligned decarbonisation strategies for these sectors that

can deliver progress across borders. The G7 can maximise the impact of these plans by coordinating on overarching objectives and milestones that will enable action from global businesses.

The suggestions here should be viewed as complimentary to other priorities and initiatives that national and corporate climate plans are delivering on.

Transitioning away from the use of unabated coal for power generation is an imperative that business supports due its carbon-intensity, and the importance of low-carbon power sectors that are necessary to deliver whole economy transitions to net-zero. A number of lower-carbon technologies offer clear alternatives to enable an orderly and affordable transition away from unabated emissions from coal, including renewables where costs are falling fast, natural gas, advanced nuclear, grid-scale energy storage, hydro, geothermal, biomass, and abatement technology, like retrofitting existing plants with carbon capture and storage. This shift in power production must be delivered by various means, adjusted for local conditions, to achieve the Paris Agreement.

Recognising the global need to achieve net-zero emissions by 2050; and the common but differentiated responsibility which was agreed under the Paris Agreement, G7 governments are showing leadership through setting net-zero targets by 2050 and developing plans to achieve these targets. In addition, we note that many of the G7 members have set out coal phase-out strategies by 2030 or soon after as part of their climate plans.

We encourage G7 governments to work towards a common approach to phasing out unabated coal power generation and supporting other countries to do so as a key part of the world reaching net-zero emissions, by:

- Being transparent about their national plans and milestones for phase out and retirement of unabated coal fire power generation and how this aligns with their near term NDC commitments and longer-term net-zero targets.
- Having roadmaps for transition in the power sector aligned to their NDCs, taking account of the role of zero carbon technologies for electricity generation, including renewables, green hydrogen, sustainable biomass, CCUS and nuclear as alternatives to unabated coal. These plans should consider how to stimulate private sector investment in alternatives and abatement options, such as market-based measures like carbon prices or regulations including emissions performance standards.
- Shaping national strategies that ensure no workers are left behind, with transition plans that put communities first to enable a just, fair and equitable transition across society. Some communities are particularly dependent on the coal industry for jobs and livelihoods, so plans must be made in conjunction with stakeholders to ensure ongoing employment opportunities and social support.
- Working towards common policy approaches, that can be shared beyond the G7, which can accelerate the switch away from unabated coal fire power generation, including mechanisms and funding for accelerating the adoption of alternatives;

ensuring security of power supply through cooperation of regulatory mechanisms and innovative financing mechanisms to ensure workers are re-skilled.

Setting a date for a phase out of unabated coal in power generation, sends an important political signal to businesses that can support innovation and deployment of alternatives. The appropriate date in each country is dependent on the above factors and is subject to revision, including the possibility to bring forward dates if technology options accelerate.

The B7 recognises the need for G7 countries to be ambitious and therefore calls on G7 governments to lead international action by accelerating ambition in the power sector. As a key enabler for the cross-economy net-zero targets that G7 countries have already committed to by 2050, decarbonised power generation will underpin progress, and in this context setting a target to phase out unabated coal in power generation, where feasible by 2040, as a benchmark for policy ambition could be an important signal. Governments will need to implement detailed policy plans and incentives to support industry, workers and communities impacted by the transition, and drive innovation in abatement technologies and alternative zero-carbon power generation technologies. Setting a target date provides valuable market signals that business will use to accelerate investment in the low-carbon alternatives that will underpin economy-wide net-zero plans. Delivering these phase-outs will be subject to progress of policy frameworks, new innovations, secure supplies of energy, and support programmes for workers and communities.

G7 countries can also support the global transition towards low-carbon transport. While the pandemic has suppressed transport emissions, this is likely to be temporary as travel demand increases and key sectors like aviation begin their recovery.

Tackling road transport emissions is a priority, and this is a decade for action due to the rapid shift to electric vehicles that is taking place in a number of international markets, including within some G7 countries. Facilitating the rapid roll-out of electric vehicles, alongside vehicles powered by new low-carbon fuels, such as hydrogen, is something governments can support. New markets will need to be created, with intervention from governments required to aid consumers and businesses transition to new technologies. **We encourage G7 nations to deliver a complementary mix of national plans and international cooperation to cut global transport emissions. For private transport, this could include roadmaps for the widespread uptake of electrified vehicles, and low-carbon fuels such as hydrogen or synthetic fuels.** We believe this approach can support the mass uptake of both battery electric and other electrified vehicles, such as Fuel-cell and Plug-in Hybrid vehicles, and development of new technologies that can be deployed in a mix of markets, depending on consumer requirements and infrastructure capabilities. Supporting the development and use of public transport systems is a priority that G7 nations should include where geographically and societally appropriate in their decarbonisation policy frameworks.

The decarbonisation of shipping and aviation must be addressed by governments working together at an international level. The decisions made by the International Maritime Organisation (IMO) and International Civil Aviation Organisation (ICAO) can help deliver coordinated action needed to create long-term emissions reduction pathways for these transport sectors. **G7 nations should proactively support efforts in the ICAO General Assembly in 2022 and the IMO adoption of its climate strategy in 2023 to set emissions reduction targets for international aviation and shipping in line with the Paris Agreement.** Setting such targets at an international level will support coordination of national policies designed to help deliver on these, such as research and development into new technologies and creating markets for sustainable aviation fuel.

G7 nations should further support the technological innovations that will make net-zero emissions flight a reality. This includes advancing the development and use of Sustainable Aviation Fuel (SAF) on a global scale as this is critical to the decarbonisation of aviation. Supportive policies, such as targeted government investment and time limited mandates will accelerate uptake and regional generate jobs, reuse waste and reduce emissions.

A range of sectors will need new and developing technologies to help them decarbonise. The routine use of clean and low-carbon hydrogen, carbon capture, use and storage (CCUS), and synthetic fuels across a swathe of industries is an essential step in creating low-carbon economies and delivering on the Paris goals. While market forces might be expected to deliver these changes over the time, the urgency of reducing emissions means governments need to intervene to help accelerate commercialisation, create markets and develop the supply chains for new technologies. **G7 countries should commit to developing clear sector pathways for scaling-up hydrogen, CCUS and new fuels that include R&D support, clear product standards and measurement frameworks to incentivise the production and use of low-carbon products, and coordinate these plans with international partners.** Harmonised approaches, rather than geographically constrained efforts offer the best opportunity to transform industrial communities and economies around the world, which will support broader efforts to deliver a just and fair transition.

G7 governments should focus in particular on providing the right policy frameworks and incentives to support the low-carbon transition in heavy industry, which will be underpinned by deployment of key technologies like CCUS, hydrogen, ammonia and electrified alternatives for heat and industrial processes.

When shaping these strategies, there is a role for government procurement to help stimulate the demand for net-zero aligned products and services. As G7 nations prepare their domestic plans to deliver their NDCs, the opportunities to use “green” public procurement should be explored to maximise the impact of government spending on the transition towards carbon neutrality.

Recommendations

- 1. G7 governments to lead international action on agreed cross-economy net-zero targets by progressing decarbonised power generation. Setting a target to phase out unabated coal in power generation, where feasible by 2040, as a benchmark for policy ambition could be an important signal. Governments will need to implement detailed policy plans and incentives to support industry, workers and communities impacted by the transition, and drive innovation in abatement technologies and alternative zero-carbon power generation technologies.**
- 2. G7 nations should commit to deliver a complementary mix of national plans and international cooperation to cut transport emissions across sectors. National roadmaps for the uptake of electrified vehicles and new low-carbon fuels should be developed alongside international agreements on emissions reduction targets for aviation and shipping.**

- 3. G7 countries should set clear, ambitious, consistent and measurable roadmaps for hard-to-abate sectors to reach net-zero emissions. Given the global nature of supply and value chains, G7 countries should coordinate efforts in establishing such roadmaps and the necessary policy incentives by convening key players and governments.**

The enablers for business action

In addition to the specific, sector-focused recommendations above, there needs to be a broader suite of enablers for business action that governments can deliver. These will cut across the economy and support progress towards net-zero emissions and environmental protection. Enabling the flow of finance into sustainable economic activities and projects will be a key enabler in combating climate meeting net zero targets. Establishing global systems for data collection that support targets and policy action on biodiversity and nature, and placing environmental protection at the heart of government fiscal and pandemic recovery responses will also enable further business action.

Sustainable Finance measures to drive climate action

Responding to climate change will impact businesses across all sectors. The financial services industry is stepping up to meet the challenge, the G7 countries have the opportunity to lead and support. Sustainable finance (*the process of taking due account of environmental, social and governance (ESG) considerations when making investment decisions in the financial sector, leading to increased longer-term investments into sustainable economic activities and projects*) will be a key enabler in combating climate change and meeting net zero targets.

In principle we believe the overarching key policy recommendation should be to **increase international alignment in developing sustainable finance taxonomies, disclosures, regulations, and policy frameworks** to support climate risk mitigation and facilitate the growth of sustainable finance.

Internationally recognised sustainability reporting standards and requirements, such as TCFD-aligned disclosure adoption can be key enablers in the development and growth of sustainable finance globally, providing frameworks so that the financial sector can allocate capital, manage risks, opportunities and support the transition to net zero. **All G7 countries should support the acceleration of the adoption of climate risk and opportunities disclosures such as those aligned to the FSB's TCFD.** G7 governments should agree to develop national roadmaps on disclosures factoring in where mandatory action will be required whilst being mindful on proportionality. Such national roadmaps could initially focus on public companies, financial services firms and pension funds. Disclosures should focus on decision-useful information for investors. Where critical and relevant, disclosures could include comprehensive and credible organisational transitional plans, to support the achievement of national net zero targets. G7 governments should also provide support to businesses on how to meet these disclosures requirements. Furthermore, to ensure international interoperability and avoid duplication, leading global standards and regulatory bodies, who oversee financial and non-financial reporting should support the IFRS Foundation's Working Group for Global Sustainability Reporting to create a standard setting body. Taxonomies, if well designed, can play a role in the development and growth of sustainable finance globally. Aligned principles, such as a i) science-based evidence and ii) periodic reviews, could guide the design and use of taxonomies. Shared international principles should improve global interoperability for investors to improve effective capital allocation, that supports the transition to net zero economies. **G7 countries could encourage the development of an agreed framework on which G7 economies should develop and adopt taxonomies.** G7 leaders should support a need

to achieve international alignment on guiding investments to reach net-zero targets, through a common principled based approach to developing and using taxonomies. This should help to mitigate regulatory fragmentation and ensure that the cost impacts for businesses are contained. G7 governments should support the work of the International Platform on Sustainable Finance (IPSF) and look to identify areas of interoperability whilst working towards future global convergence. The G7 governments should align on the need for taxonomies to enable the transition to net zero through the development of non-binary approaches which factor in different 'shades of green' and avoid the risk of investments stalling in the 'hard to abate' sectors facing decarbonization.

If governments could set tangible targets and clear climate policies, finance can be mobilised more suitably and actively ,thereby providing more certainty to crowd in private investment. Clear policies and roadmaps could ensure alignment of long-term investment plans of financial services firms. As a principle, policy frameworks need to be set that give businesses clear confidence to invest, including setting out sector policies, roadmaps and decarbonisation pathways. **The G7 governments should develop supporting policies with clear roadmaps to support with financing the transition.**

G7 governments should agree to develop climate change policies that will encourage the mobilisation of sustainable finance to fund the transition to net zero. G7 governments should establish coordinated/aligned national decarbonisation funds, that would provide base funding or develop de-risking mechanisms and other such public private partnership routes to enable investment that would not otherwise be possible. Such policies could also seize the post COVID-19 opportunity to 'build back better' and encourage post-COVID investments into sustainable related projects. Effective policy would enable businesses of all sizes across all sectors and all in-country regions to access green finance to fund the transition.

Recommendations

- 4. Increase international alignment in developing sustainable finance taxonomies, disclosures, regulations, and policy frameworks to support climate risk mitigation and facilitate the growth of sustainable finance.**
- 5. All G7 countries should support the acceleration of the adoption of climate risk and opportunities disclosures such as those aligned to the FSB's TCFD.**
- 6. G7 countries could encourage the development of an agreed framework on which G7 economies should develop and adopt taxonomies.**
- 7. The G7 governments should develop supporting policies with clear roadmaps to support with financing the transition.**

The role of carbon pricing and carbon markets

Carbon pricing through various forms is already prevalent, both explicitly and implicitly, in many markets around the world. From emissions trading schemes to fuel duties, they create a complex environment for businesses to navigate. Carbon pricing mechanisms can create markets and support investment, but they can also create market distortions and risk the offshoring of manufacturing and emissions to other territories (carbon leakage) which will *not* support global efforts to reduce carbon emissions. The optimal policy mix will vary depending on the circumstances of each country and region, and various types of

carbon pricing schemes, including explicit and implicit, are implemented. If delivered well, carbon pricing can continue to play a crucial role in underpinning efforts to get to net-zero emissions across global economies. **The G7 should commit to support the development of coordinated market-based mechanisms, including carbon pricing, that support investment in low-carbon technologies and protect competitiveness.** For example, this could be demonstrated by progressing linkages of established carbon trading systems. The stand-alone UK Emissions Trading System (ETS) could benefit from formal linkage with the EU's ETS to aid market liquidity and certainty for investors. New carbon pricing mechanisms should be considered carefully and developed in detail with business input to avoid unintended consequences. Carbon Border Adjustment Mechanism are one such tool, which in principle could support domestic low-carbon manufacturing and production; however, the implementation of such measures comes with significant risks, including the creation of multiple carbon borders that could entrench disparities between areas of high and low emission activities.

Progressing the creation of international carbon markets will be supported by a set of robust rules governing Article 6 of the Paris Agreement, which is being negotiated at COP26. Making the most of this opportunity for setting an international framework will help drive investment in infrastructure and natural carbon sinks. This action can support biodiversity goals, as well as deliver investment in sustainably produced low-carbon and recyclable materials for circular economy. **The G7 can support by setting expectations for the outcome of the Article 6 negotiations at COP26, which need to be successful in order to drive further business action and investment.**

Recommendations

- 8. G7 to commit to supporting the development of coordinated market-based mechanisms, such as carbon pricing, and support progress of Article 6 negotiations on the Paris Agreement.**

Government policies to support biodiversity and protect the natural environment, and business commitments

Protecting our environment for future generations is one of the great challenges of our time, and it is appropriate that government ambition matches the scale of this challenge.

Reversing biodiversity loss is one of the most effective ways to remove carbon from the atmosphere and store it away permanently. But it has many other benefits – in parallel with emission reductions, this natural solution can create a 'win-win', inextricably linking climate and biodiversity. Governments should develop policies to support market creation alongside government funding; to incentivise the recognition of value not only of carbon stored in nature (carbon sinks) but biodiversity preserved on land and in the sea. Nature must be central to decision making in government. To enable business action, governments must work collaboratively to develop appropriate metrics and data to support the development of targets and policy frameworks. Collaborative efforts between businesses and governments is the key to solving the challenges and unlocking the benefits of this blueprint for a sustainable future. In line with the CBD post-2020 goals, businesses, governments and other key stakeholders should commit to encouraging

information sharing and the facilitation of greater understanding and action on biodiversity conservation by businesses at the national and regional levels.⁵

The B7 call on governments to put in place policies that support the role of business in addressing the biodiversity challenges:

- G7 countries to protect and conserve nature through global and domestic land and ocean targets (for example, a National Biodiversity Strategy, with targets set in line with objectives set out in the CBD Post-2020 framework)
- Government investment in initiatives and incentives that support the development of a nature positive economy (for example, the development of circular economy initiatives)
- International collaboration to support business, with options including advice on best practice and the development of science-based, globally recognised metrics for business in quantifying their impact on nature and how to value nature in economic and accounting terms.

Business and government must work together to support biodiversity and the natural environment. Governments should work with business to determine the priorities in this challenge and develop sustainable finance policies which accurately reflect the value of nature. Creating an environment that enables investment to drive the development of new markets and initiatives will be essential. We call on governments to work in collaboration with business to put in place policies that unlock business commitment and action.

Recommendations

- 9. G7 nations should prioritise national policies to support the development of markets that value biodiversity, natural environments and natural carbon sinks, and nature-positive business activity.**

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