

Horizon Scanning

Proteus webinar series 2024

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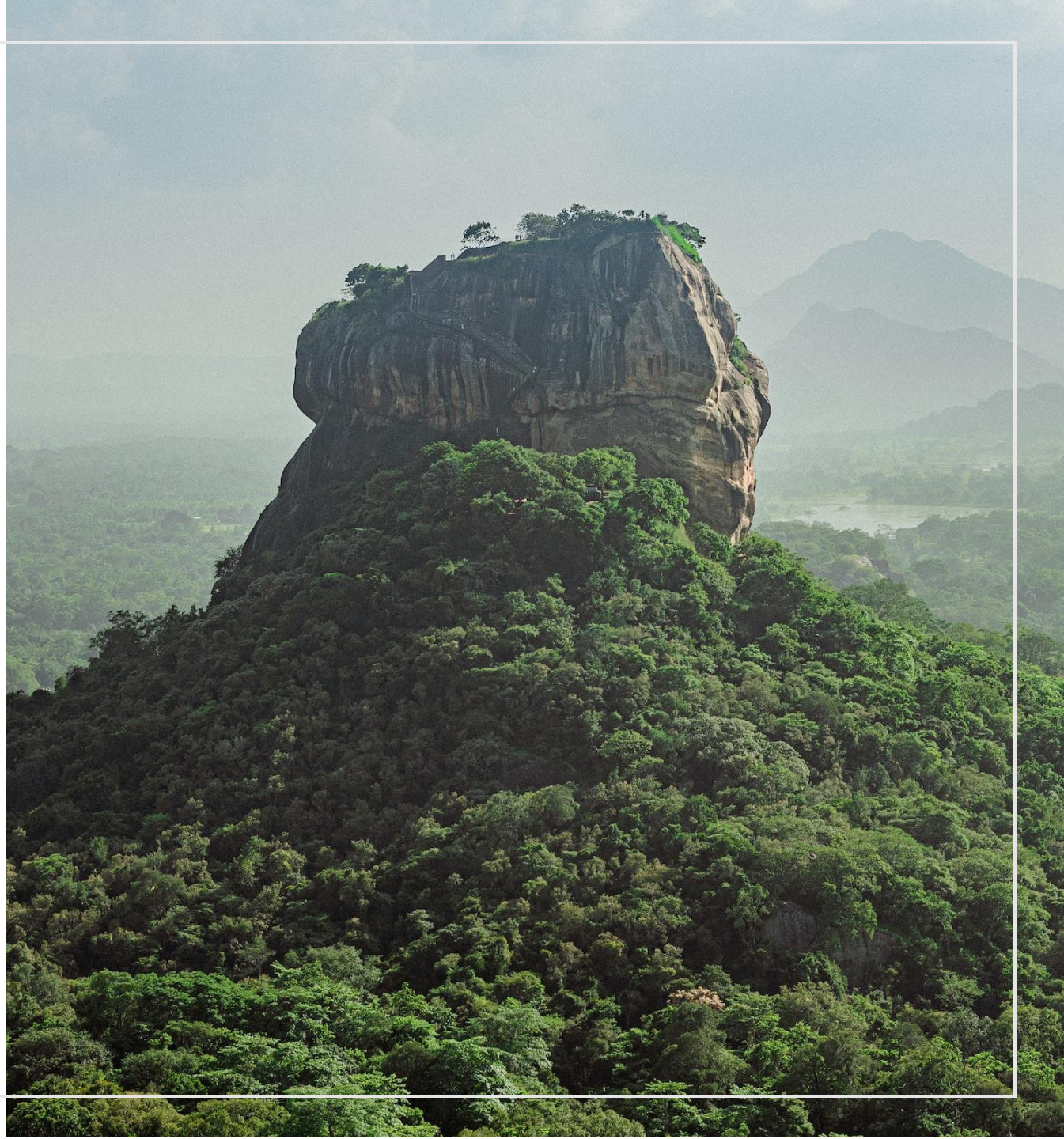
PROTEUS HORIZON SCANNING WEBINARS

A series of webinars for Proteus Partners about the latest trends and developments in biodiversity policy, initiatives, data and tools



LOGISTICS

- **Scheduling:** Recorded sessions 12:30 GMT
- **Time:** 1 hour session with additional 30 mins for discussion spill-over
- **Rules:** Chatham House rule for discussion, but presentation is recorded
- **Topics:** Your suggestions are welcome!





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Every Job Is a Nature Job -
Procurement

Bálint Ternyik, Programme
Officer, UNEP-WCMC

JUNE 2024

AGENDA

- The relevance of nature for business value chains
- Introducing the "Every Job Is a Nature Job" concept
- Actions for embedding nature directly into the procurement process
- Enabling actions for systemic performance improvement
- Q&A and Discussion



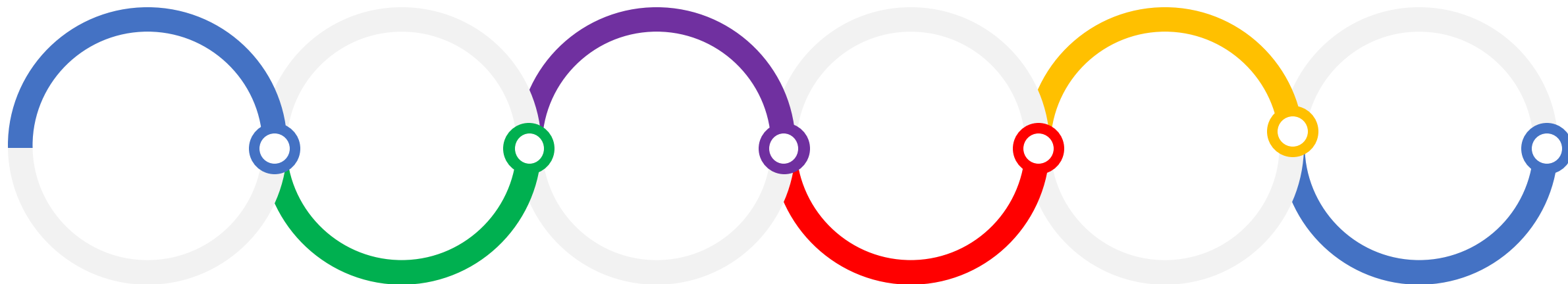


The relevance of nature for business value chains

**Nature under
multiple,
sustained,
accelerating
pressures**

**Resource
extraction
intensifying**

**Window of opportunity
to address climate
crisis closing**

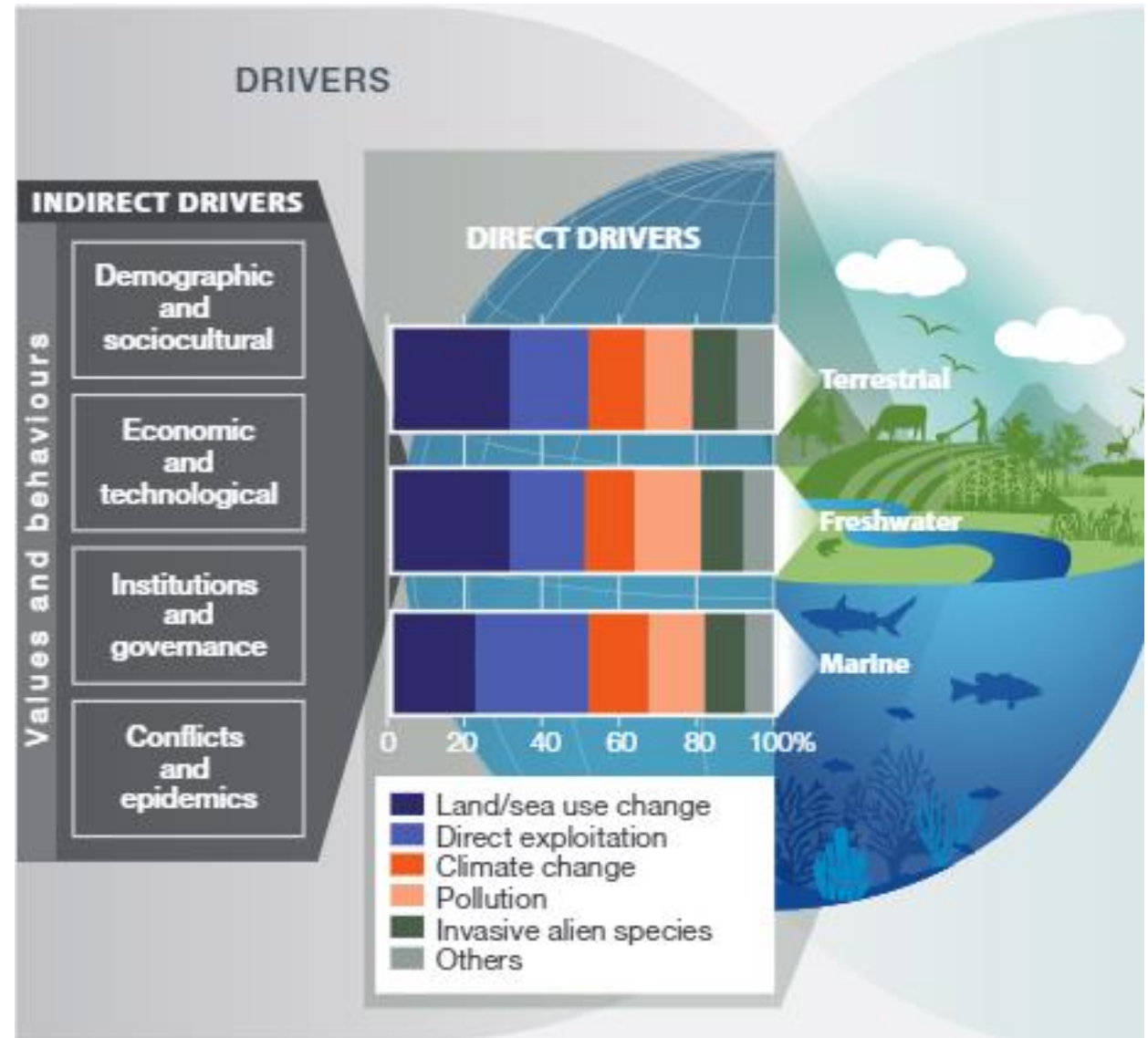


**Ecosystem
services in
decline**

**Economic growth
drawing down on
natural capital**

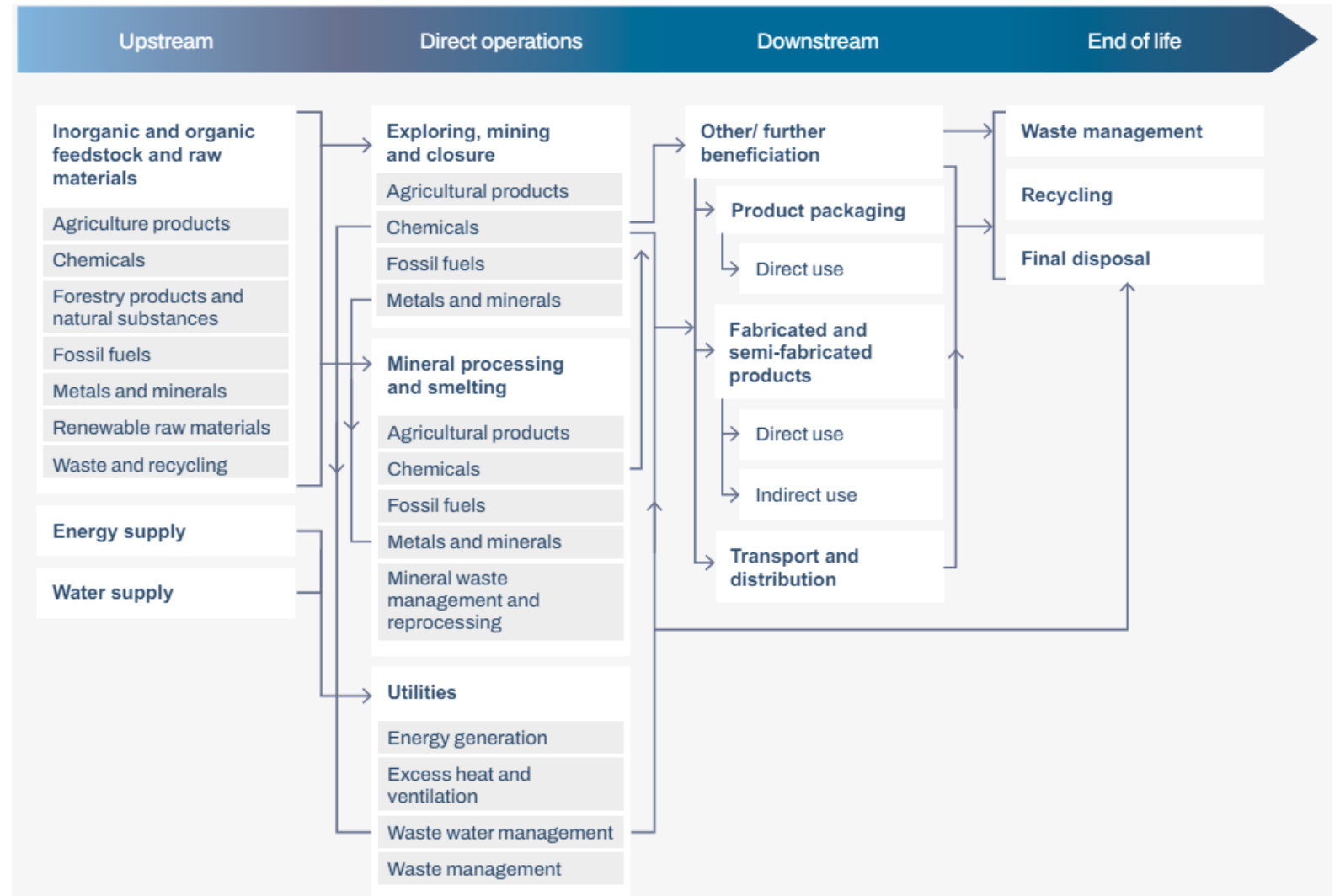
**Nature loss
creating real
business risk**

A number of indirect and direct drivers contribute towards nature loss



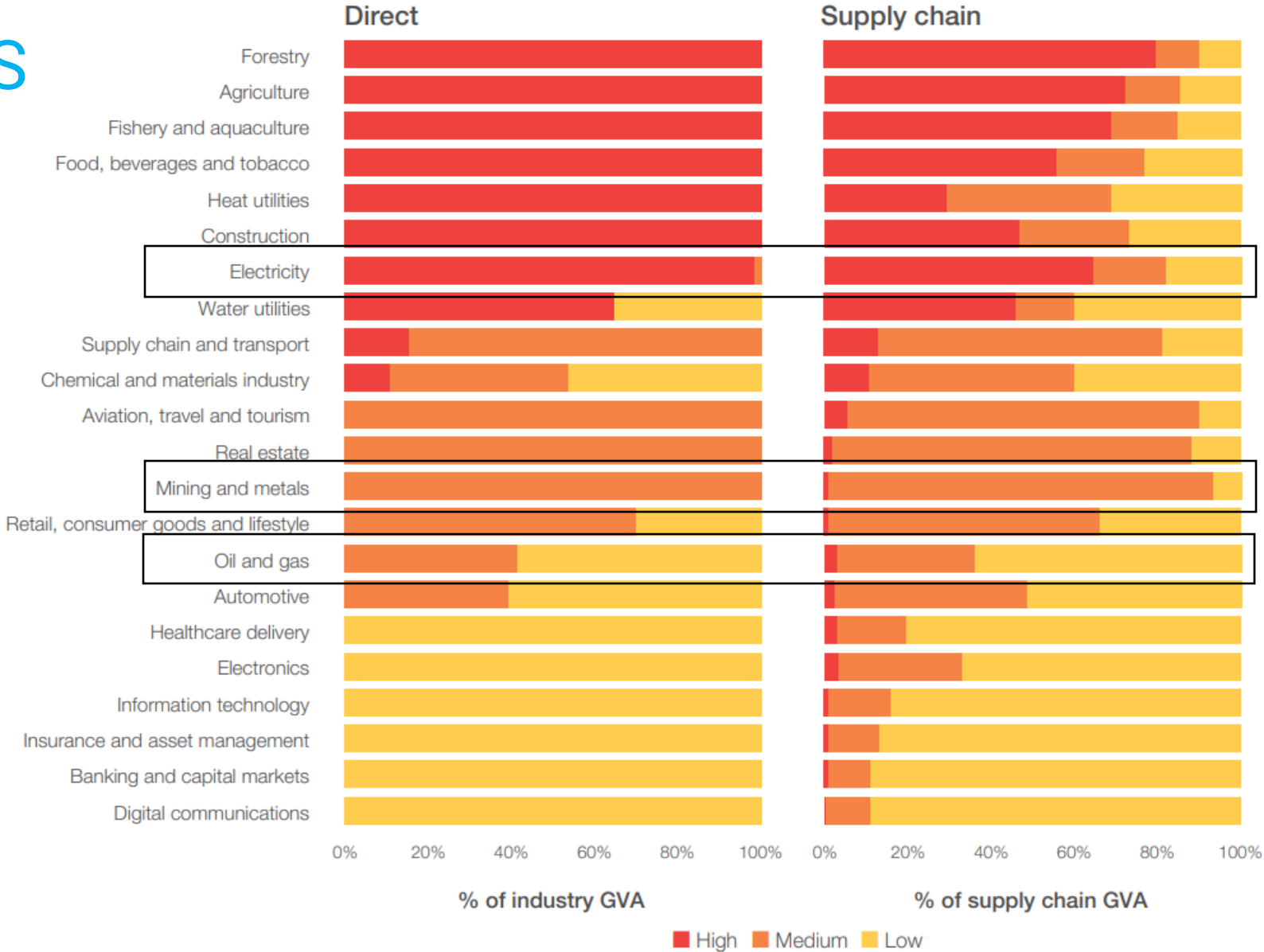
IMPACTS OCCUR ACROSS THE VALUE CHAIN

- Businesses rely on tens to thousands of suppliers
- Significant impacts can therefore occur across the value chain e.g.
 - Freshwater extraction
 - Land/sea use
 - Emissions and pollutants



THIS TRANSLATES TO POTENTIAL DISRUPTION FOR BUSINESSES

\$44 Trillion at risk
(50% of Global GDP)



WEF, Nature Risk Rising 2020; TNFD, Sector Guidance – Mining & Metals, 2023

POLICY AND STANDARDS DEVELOPMENTS

- **Global goals:** The Kunming-Montreal Global Biodiversity Framework
- **Regulation:** e.g. the EU regulation on deforestation-free products, Corporate Sustainability Reporting Directive, Due Diligence regulations
- **Voluntary frameworks and standards:** e.g. The Taskforce on Nature-related Financial Disclosures, the Global Reporting Initiative, the Science Based Targets Network





HOW ARE VALUE CHAINS COVERED?

- KM GBF – *...along their operations, supply and value chains and portfolios (Target 15)*
- TNFD (V1.0) – *direct operations; upstream; downstream*
- SBTN (V1.0) – *direct operations and upstream.*
- GRI 101 (biodiversity standard) – *operational sites and supplier's operational sites, downstream optional where significant impacts occur*
- ESRS 4 (EFRAG/CSRD) - *own operations and its upstream and downstream value chain*
- EU deforestation regulation - *Operators required to trace the commodities they are selling back to the plot of land where they were produced*



Introducing “Every Job Is a Nature Job”

HOW CAN WE TRANSFORM BUSINESS OPERATIONS?

- Expanding our reach beyond biodiversity specialists
- Recognising that everyone can contribute to improving biodiversity performance
- Providing guidance on tangible actions to specific job roles
- Initial focus on Procurement, followed by C-Suite and Business Development





PROCUREMENT AND NATURE ARE INHERENTLY LINKED

- Procurement is integral for every company and its processes can shape supplier behaviour
- Despite business dependencies on nature in the supply chain, current incentives can disregard emerging risks:
 - Reduced stability and availability of products
 - Increased procurement costs
 - Decreased well-being of stakeholders at sourcing locations and beyond
 - Emerging regulations and disclosure requirements

OPPORTUNITIES FOR PROCUREMENT TEAMS

- Targeted action on procurement practices can build resilience and create new opportunities:

1

Think about
your suppliers

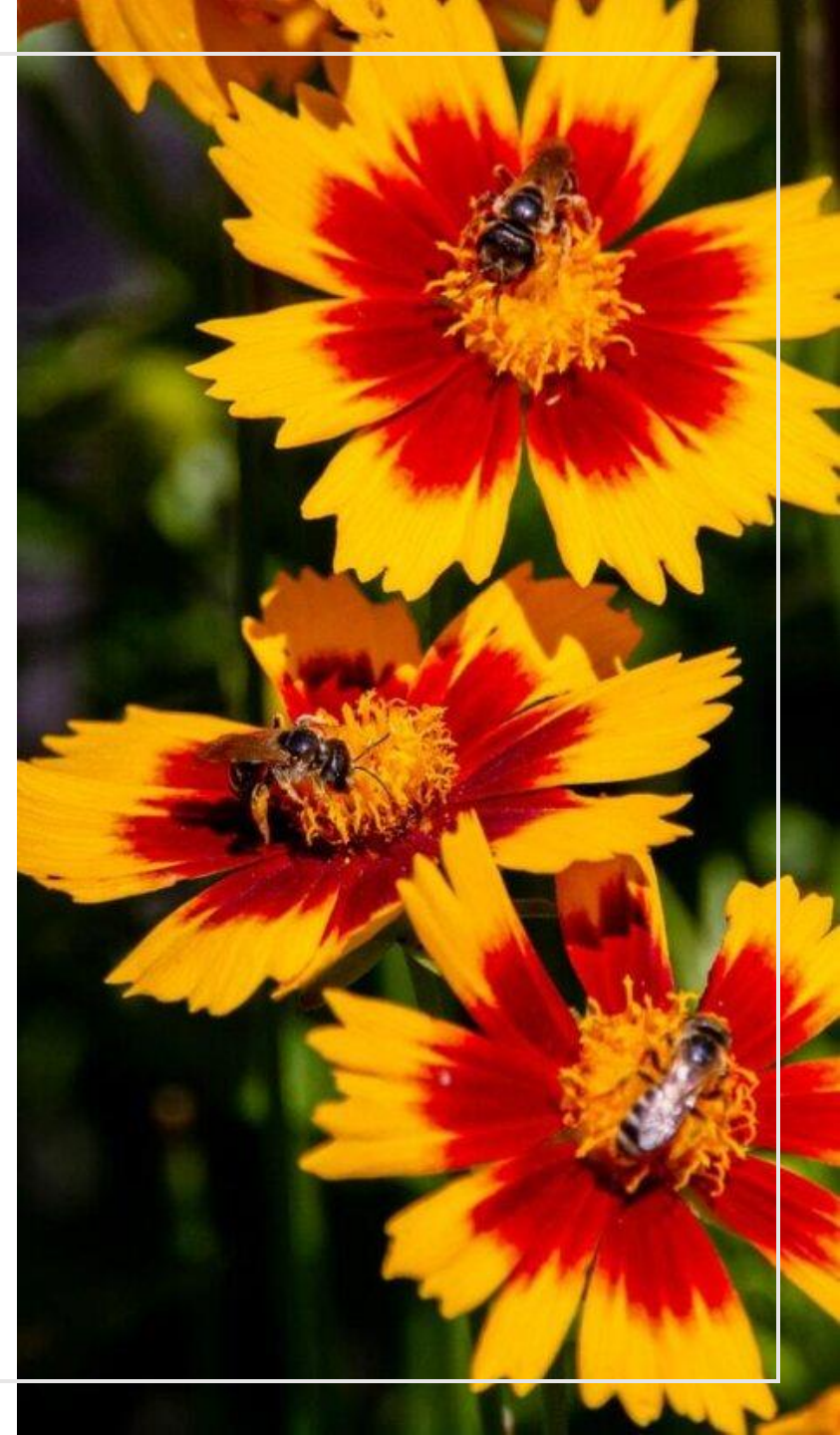
2


Engage and
negotiate

3

Track
environmental
impacts

- Benefits of improving nature performance:
 - Reduced operational risks
 - Increased regulatory compliance
 - Competitive edge in markets with increasing attention to biodiversity



A photograph of a mangrove forest. The image shows a narrow waterway or canal cutting through a dense thicket of mangrove trees. The trees have complex, exposed root systems that create a maze-like structure. The water is calm and reflects the surrounding green foliage and brown roots. The lighting is natural, suggesting a bright day. The overall scene is lush and vibrant, highlighting the intricate ecosystem of the mangroves.

Actions for embedding nature directly into the procurement process

SCREEN FOR RISKS AND IDENTIFY PARTNERS WITH GOOD NATURE PERFORMANCE

1

Think about your suppliers

GETTING STARTED



Conduct a high-level screening exercise



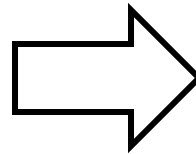
Collect information on priority suppliers



Develop a procurement policy



Select suppliers with clear commitments and certified commodities and processes



ADVANCED



Gather granular information on location-specific impacts and dependencies



Screen purchase orders to identify risks



Implement due diligence process with agreed approach to non-compliance



Select suppliers who are proven to go beyond regulatory requirements



Consider alternative production technologies and operations

DRIVE AMBITION IN YOUR SUPPLIERS BY NATURE INCENTIVES IN THE CONTRACTS

2

Engage and negotiate

GETTING STARTED



Translate nature-related priorities into supplier contracts



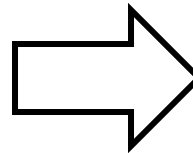
Challenge your suppliers for proposals



Focus on raising the ambition of priority suppliers first



Understand requirements of other clients of your suppliers



ADVANCED



Consider links, risks and synergies



Establish multistakeholder partnerships



Create financial incentives for nature



Include contractual requirements on indicators and monitoring processes



Define the support mechanisms in the contract

TRACK THE PROGRESS OF YOUR SUPPLIERS AND SUPPORT THEM ON THEIR JOURNEY

3

Track environmental impacts

GETTING STARTED



Ensure alignment of KPIs with your company's nature strategy



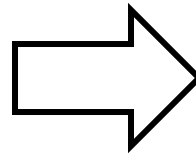
Establish KPIs and monitoring mechanisms



Measure the improved performance



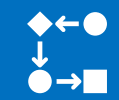
Provide your suppliers with personalized recommendations



ADVANCED



Share the methodology for evaluating your suppliers




Design a more detailed improvement process



Communicate clearly about nature-related issues



Regularly audit supplier performance



Enabling actions for systemic performance
improvement

BUILD CAPACITY, DEVELOP STRATEGIES, AND EXPLORE SYNERGIES WITH SUSTAINABILITY ACTIONS

GETTING STARTED



Integrate your nature strategy into the procurement strategy



Regularly re-evaluate your procurement strategy



Allow time for considering environmental aspects in processes



Include nature-related requirements in prescribed specifications



Look for opportunities to shorten your supply chains



Adopt more circular economy models



Join trainings and courses on nature and biodiversity

COLLABORATE ACROSS LANDSCAPES AND CREATE FINANCIAL INCENTIVES

ADVANCED



Develop sector and region-specific actions



Promote exchange of best practices and data



Support incentives in pay packages for delivering nature-related results



Engage with landscape or commodity level initiatives



Thank you

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GUIDING QUESTIONS

- 1) As a **Nature Focal Point**, do you already use any of the presented and/or other approaches to engage your procurement department?
- 2) As a **Member of the Procurement Team**, have you already implemented some of these ideas? Which one could be the easiest to implement next?
- 3) What further resources and information is needed to help procurement teams embed nature in their processes and approaches?