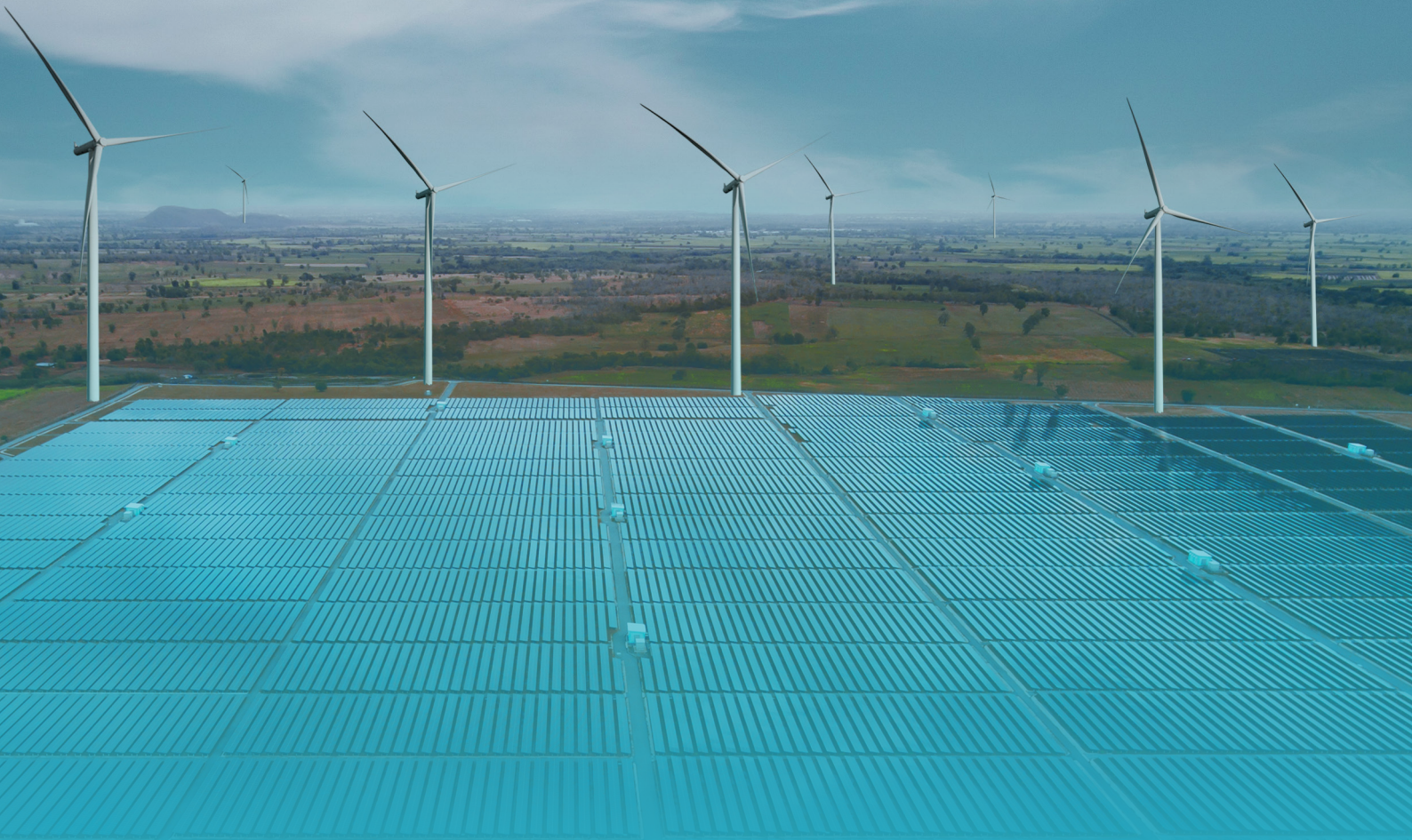


BUILDING THE ENERGY SECTOR'S CONTRIBUTION TO NATURE POSITIVE



Hosted by

Roundtable - Abu Dhabi

MASDAR 

Executive Summary

Industry experts took part in a roundtable held by Abu Dhabi Sustainability Week (ADSW), in partnership with the World Business Council for Sustainable Development (WBCSD) on how industries can acknowledge and address their impacts and dependencies on nature.



Taking place on the sidelines of the World Future Energy Summit in Abu Dhabi, the roundtable convened leaders from energy and heavy industry companies, along with leaders from government, civil society, and financial institutions, to discuss the increasing focus on nature, the main challenges, and the possible enablers for businesses to design and implement

a sound nature strategy. It is critically important that companies and other stakeholders come together and collaborate to raise awareness, share knowledge and opportunities, and foster nature-positive action to ultimately contribute to the shared goal of halting and reversing nature loss by 2030.

Why nature matters for business and especially for the energy system

Nature is the backbone of the world economy: all businesses depend on nature. Societies cannot survive, let alone thrive, without the essential functions that the natural world provides: clean air, water, food and a stable earth system to exist within. And yet, humanity is using double the resources that the Earth can regenerate each year.

Nature loss is already impacting business. Industry value chains that are highly and moderately dependent on nature (relying heavily on direct extraction of resources from land, freshwater and ocean realms) generate over half of global GDP. Among these value chains, the energy system has high nature-related dependencies, using water for its operations and land to develop projects on. At the same time, the energy system impacts nature in significant ways, accounting for around 75% of global GHG emissions, 10% of global freshwater use and 10% of biodiversity loss globally. These impacts and dependencies present risks to biodiversity, the health of ecosystems and the planet's natural balance. These risks for nature also threaten business continuity and enterprise value, as well as society's well-being and the achievement of global climate change and conservation targets. But the energy system also has great potential to drive positive nature change within its value chain and beyond, because energy is used by almost all businesses and by domestic households.

Companies that sustainably manage natural resources have a competitive advantage compared to peers that do not. This creates an important opportunity to strengthen business performance in the eyes of investors and other stakeholders. These advantages will increase given the long-time horizons that characterize the sector: plants built today will generate and distribute energy for many years, and during this time current and future nature-related risks will increase. This highlights the urgency to embed nature assessments into corporate strategies and investment decisions.



For all these reasons, nature has rapidly risen in importance on the agenda, both within the real economy and for the financial services industry and investors. Governments have sent a particularly strong signal: the Kunming-Montreal Global Biodiversity Framework (GBF), adopted at the 15th United Nations Biodiversity Conference (CBD COP15) in December 2022, sets a global ambition to halt and reverse biodiversity loss by 2030.

Tools and resources to support companies on their nature-positive journey

In order to support companies in designing and implementing their nature-positive journey, WBCSD, the World Economic Forum and Business for Nature released 12 Sector Action overviews in September 2023, outlining the main dependencies, impacts and priority actions required for high-impact sectors.

At the same time, WBCSD launched the Roadmaps to Nature positive. They include cross-sectoral guidance for all businesses and extended sector-specific guidance for the most impactful systems and sectors, namely agriculture and food, built environment, forests and indeed energy.



This foundational guidance is designed to provide companies with a how-to guide they can use to begin or advance their nature journey and take action to halt and ultimately reverse nature loss. The nature journey is represented as an iterative process, where each company progressively refines and adapts its own assessments and strategy.

Beyond the theoretical description of the suggested steps to follow, the guidance includes tables about impacts, dependencies, risks and opportunities for each stage of the value chain and each impact driver. These tables can be downloaded and should be intended as a starting point, which can be further used, customized and refined according to the company's circumstances to support the materiality assessment.

The main focus of the Roadmap to Nature positive Foundations is on actions, especially priority actions, that companies can start implementing even before having in place a full measurement process. The guidance provides a list of illustrative actions grouped by impact driver, for both direct operations and supply chain, that energy companies may implement based on the material drivers identified during the materiality assessment. According to their maturity level, companies can start identifying and implementing actions within their direct operations and actions to do "less harm" (Avoid and Reduce, in the AR3T framework). Then they can move to actions in the supply chain and focus on actions to do "more good" (Regenerate, Restore and Transform, in the AR3T framework).

To help companies translate these theoretical steps into practical implementation, WBCSD recently launched the Roadmap to Nature Positive: Examples from the energy industry, developed with 5 energy member companies. The objective is to showcase best practices and facilitate knowledge sharing and potential future collaboration among peers and across value chains.

Roundtable insight into best practices

During the roundtable, leaders from energy and heavy industry companies, government, civil society and financial institutions shared insights into best practices and showcased examples of transformative actions. Especially, they shared cases where nature-related considerations changed the strategy, as renewables projects moved due to nature and equity assessments.

Additionally, they discussed new business models, as commercial innovations to increase circularity and seize the opportunity of reselling recyclable parts or components, that other companies are interested in using in their value chain. Efforts from governments and financial institutions in supporting companies while monitoring nature and equity risks were mentioned. Furthermore, additional frameworks and tools to support companies in their nature journey were shared among participants, including the Net Zero Navigator, a unique AI-driven platform developed by ADSW to unite diverse stakeholders in their shared mission to achieve net zero by 2050.

Challenges and enablers

As part of the roundtable, participants discussed the main challenges they currently face in building the case for a nature strategy and implementing it, as well as the possible enablers and solutions, while also exploring avenues to unlock nature-related opportunities for companies.



The **financing gap** is still an important roadblock, due to lack of a common environmental cost accounting. Such a system would significantly increase the number of companies, including SMEs, that are taking action on nature. In the meantime, the risk-perspective approach seems to be the most commonly used by companies, financial institutions and governments.



Supply chain engagement and management is often a blind spot, especially in the case of long supply chains. Partnerships with suppliers and innovative solutions, as well as new commercial opportunities involving suppliers, were mentioned as possible enablers.



Resource capacity is often a constraint, due to the increasing list of external requirements. To overcome this challenge, an integrated approach considering climate, nature and social aspects together could be helpful. It is important to keep in mind that, although it is important for compliance, disclosure must not be considered the ultimate goal, but a lever to improve a company's performance and increase transparency.



Companies operating in **emerging markets** are usually facing additional challenges due to lack of specific regulations, less data sharing and a general focus on growth and climate. Here too, a holistic approach can support the design of a strategy integrating climate, nature and equity, instead of considering them as incremental add-ons.

Key takeaways

Beyond challenges and possible solutions, additional takeaways emerged during the discussion:



In most companies, a common definition and a shared understanding of the nature-positive concept and its implications would increase awareness and relevant buy-in from top management: Nature Positive is a global societal goal to halt and reverse nature loss by 2030 on a 2020 baseline and achieve full recovery by 2050. To put this more simply, nature positive means ensuring there is more nature in the world in 2030 than in 2020 and continued recovery after that.



A powerful means to increase the uptake speed of the nature topic in the sector was identified in the domino effect triggered by “champions”, companies that are pioneering on nature and could help other companies to start or progress on their nature journey. Businesses which are moving first on nature can have a competitive advantage but also raise the sector ambition and entice other companies to start incorporating nature into their strategy.



Partnerships and dialogue among peers were widely recognized by participants as key elements to foster nature-positive action and increase companies’ ambition. Additionally, public-private partnerships and a multistakeholder approach, with the involvement of governments and other stakeholders, represent a strong lever for all interested parties to collaborate toward the ultimate collective goal of a nature-positive world.



Chair and Moderator

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Abu Dhabi Sustainability Week (ADSW) is a global initiative championed by the UAE and its clean energy powerhouse, Masdar, to accelerate sustainable development and advance economic, social, and environmental progress. Established in 2008, ADSW provides a global platform for all who have a stake in the future of our planet.

ADSW brings together leaders from across governments, the private sector, and civil society to discuss and engage in bold climate action and innovations that will ensure a sustainable world for future generations.



Masdar (Abu Dhabi Future Energy Company) is one of the world's fastest-growing renewable energy companies. As a global clean energy pioneer, Masdar is advancing the development and deployment of solar, wind, geothermal, battery storage and green hydrogen technologies to accelerate the energy transition and help the world meet its net-zero ambitions. Established in 2006, Masdar has developed and invested in projects in over 40 countries with a combined capacity of over 20 gigawatts (GW), providing affordable clean energy access to those who need it most and helping to power a more sustainable future.

Masdar is jointly owned by TAQA, ADNOC, and Mubadala, and is targeting a renewable energy portfolio capacity of 100GW by 2030 while aiming to be a leading producer of green hydrogen by the same year.



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