

Action Research Collaboratories

Securing business natural capital dependencies by shifting from short-term impacts to investing in long-term supply chain resilience

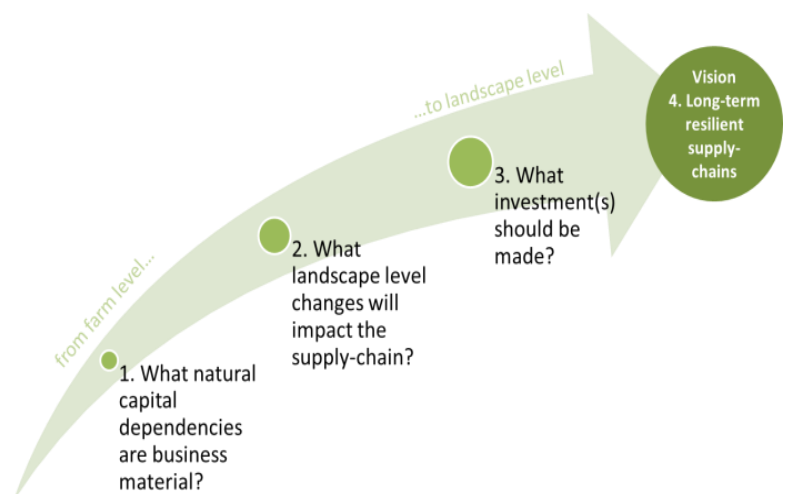
The global economy is consuming more resources than the planet can sustainably provide and reducing the productivity of many of the vital natural services on which business and society depend. Critical planetary boundaries for biodiversity loss, climate change and the nitrogen cycle have already been breached, with the risk that abrupt or irreversible environmental change will take place with unknown consequences. It is often difficult for companies to relate these global boundaries to their supply chain impacts and dependencies at a more local level.

Typical natural capital challenges are complex and cannot readily be addressed by single industries, let alone individual companies. For example, unsustainable water use may be caused by dozens of different actors, multiplied by global phenomena such as climate and demographic change.

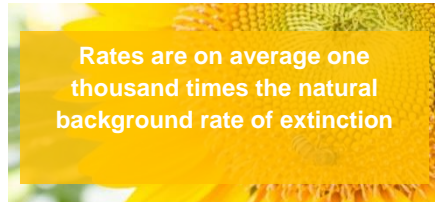
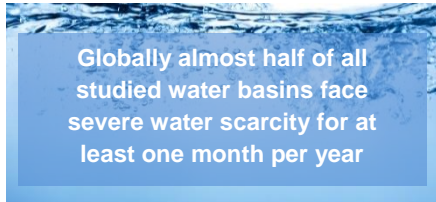
The solutions lie in combining diverse business interests, operational locations and points along the value chain to promote peer learning and innovation. In order to create momentum at scale, our members look to the Natural Capital Leaders Platform to provide a simple and structured path to finding solutions - one that demonstrates what can be achieved through collaboration between academia, business, investors and government.

The Collaboratories and their process

Companies that depend on natural capital do not have sufficient information on which to assess their material exposure to risk. A deeper understanding of their critical dependencies, a method to prioritise them and a range of complementary, evidence based interventions are all required by these companies to secure supply of raw materials. With Board members and investors showing interest in whether their companies can demonstrate that they are measuring and managing this new generation of risks, a more diagnostic approach to natural capital dependencies is required.



The Natural Capital Leaders Platform is exploring the key themes of water, biodiversity and soil through a series of Action Research Collaboratories (ARCs). Each ARC is a vehicle of engagement designed to build linkages between business, academics, investors and governments with a focus on enhancing natural capital at a landscape level. The ARCs focus on the landscape in which specific commodities are grown exploring the different regions in which they are sourced.



We at CISL invite businesses concerned with questions and challenges around soil, water and biodiversity, and with an interest in identifying the commercial benefits of investing in natural capital, to partner with us in this important research. Business needs to find the most appropriate solutions that have a natural capital focus, can solve the underlying environmental degradation problem and are business relevant.

Many current approaches are resource intensive, costly and time-consuming, and do not adequately address the spectrum of natural capital challenges associated with water, biodiversity and soil.

The Action Research Collaboratories:

- Explore these approaches
- Determine the best business relevant landscape approaches to minimise these risks and secure sustainable supply chains for long-term business resilience
- Identify where business is best placed to focus its investments
- Highlight and communicating the next generation of business risks and opportunities associated with natural, social and financial capital from key dependencies
- Recognise the gaps in addressing core natural capital challenges
- Inform the decisions necessary to secure the natural resource supplies that underpin business practice

Focussing on a range of commodities and landscapes, these ARCs will validate a new approach to secure supply.

The ARCs will help business to ensure the **long-term** viability of supply chains by identifying the critical **dependencies** upon natural capital and determining the appropriate mix of **investments** to address these.

“As natural capital challenges become increasingly apparent, we need to develop a new way of thinking we acknowledge the need for rigorous understanding of the water, biodiversity and soil impacts and dependencies of our industry and are eager to explore these through our work with the University of Cambridge.”

Andy Richardson

Head of Corporate Communications, Volac