

# CONTRIBUTION TO THE NATURE-BASED SOLUTIONS PROPOSITION FOR THE CLIMATE ACTION SUMMIT 2019

As a response to the call for the private sector to engage with the Nature-Based Solutions coalition for the Climate Action Summit, this document outlines an introduction to the International Platform for Insetting, following the proposed structure for contributions.

- i. **The International Platform for Insetting is scaling positive impact where it is needed most: nature**
- ii. Recent studies show that nature-based approaches to carbon capture, including climate smart agriculture, restoration and conservation, can provide more than a third of the GHG emissions reductions needed to keep global temperature rise below 1.5 degrees Celsius. However, the uptake of these approaches is currently limited compared with other climate solutions.

Insetting is a strategic mechanism to drive the uptake of effective and scalable nature-based solutions and to develop climate resilience of supply chains in line with the Paris Agreement and adding to the Sustainable Development Goals.

- iii. Under the [International Platform for Insetting](#) (IPI), sustainability leaders who are pioneering the concept of insetting collaborate in order to further enhance and develop this emerging and promising approach. They work together towards their shared vision of harmonizing corporate activities with the ecosystem. The IPI is a cross-sector initiative of diverse stakeholders from key sectors in the global economy, launched in 2015 around COP21, with founding members such as Nespresso, AccorHotels, L'Oréal, Kering and Chanel.

Members of the International Platform for Insetting envision insetting as a new way to bring systemic change to supply chain climate action and to accelerate private sector investment in sustainable landscapes and nature-based solutions.

- iv. The fundamental principle behind insetting is to identify the interdependencies of supply chains with their ecosystems, enabling businesses to develop a holistic approach to climate action, restoring ecosystems their operations depend upon. Working thoughtfully with nature is critical in reducing the amount of CO<sub>2</sub> in the atmosphere and in building healthy ecosystems. The insetting approach enables businesses to increase carbon sequestration by re-establishing natural carbon sinks, increase soil health, restore local water cycles and fight the loss of crucial forests and biodiversity.
- v. To secure its procurement of grand cru coffees, **Nespresso** has developed an [agroforestry insetting program](#) that will invest \$600 million over five years into agroforestry projects with their coffee farmers in Colombia, Guatemala, Ethiopia, Mexico and Nicaragua. Projects include tree plantings that afford multiple benefits to the coffee's ecosystem at the landscape level. They enrich and maintain soil, depollute water, protect and enrich biodiversity, sequester carbon and help the farmers to adapt to climate change. In return, these more resilient and rich coffee ecosystems secure Nespresso's product yield in quantity and quality, and offset its climate footprint.

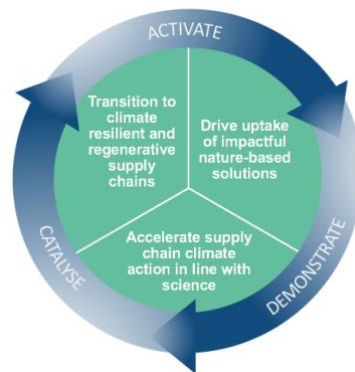
**L'Oréal's** insetting strategy, the [Carbon Balanced Program](#), is addressing potential risks across their supply chain by developing projects with the local communities in and around where key raw materials are produced. A comprehensive approach was taken by developing several projects that addressed or mitigated emissions including efficient cookstoves, agroforestry, peatland restoration and forest conservation.

- vi. Members and partners of the International Platform for Insetting:



- vii. Insetting interventions are established at the heart of a business supply chain. Involving the right local stakeholders such as local communities from the planning, and throughout the implementation and management of the intervention is key for the sustainable and long-term success of a project.
- viii. Although insetting is a relatively new concept that is still evolving, it represents an immediately available, cost-effective, strategic mechanism for businesses to turn their ambition into action and to enable the contribution towards the Paris Agreement and the Sustainable Development Goals.
- ix. Building on the successful programs of its members, the aim of the IPI is to activate the uptake of nature-based solutions through establishing a thriving community of leaders that learn from each other about effective and scalable solutions to achieve corporate goals and to future-proof business operations. Demonstrating together the business case for nature, and enabling holistic and impactful climate action by companies, will catalyze the transition to resilient and regenerative business models and ultimately lead to harmonizing corporate activities with ecosystems.

The International Platform for Insetting Theory of Impact:



- x. While insetting is related to some of the other Climate Action Summit workstreams, such as industry transition, climate finance and carbon pricing, resilience and adaptation, mitigation strategy, the IPI is not contributing to any other workstream at this point in time.
- xi. Companies engaged in insetting are effectively and efficiently fighting climate change in the areas where it most matters to them: their own supply chain. In some cases, insetting projects can help to achieve scope 3 emission reduction targets, such as Science-Based Targets. Insetting projects can also be an effective support and pathway for businesses to deliver on zero-deforestation commitments. In addition, the created co-benefits of interventions help businesses to contribute to the Sustainable Development Goals.
- xii. The objective of most insetting projects is to create carbon credits that provide an incentive to farmers and suppliers within a business' supply chain and often serve as the enabler of climate action. The multiple additional benefits of insetting interventions beyond measurable GHG reduction, such as building climate resilience and protecting important ecosystem services, can attract additional local stakeholders and other potential partnerships to support the funding of projects.
- xiii. The GHG emissions reductions generated by insetting interventions are typically verified by an independent 3<sup>rd</sup> party verifier and according to internationally recognized standards such as Gold Standard, Verra standards and others.
- xiv. The aim of the IPI is to collect the success stories of members and others in an annual "ImpACT Report" that will contribute to demonstrate the case for nature-based solutions and will inspire and activate climate action by others.
- xv. Contact:

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