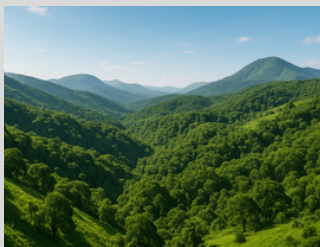


PATHWAYS LINKING BUSINESS AND BIODIVERSITY

September, 2025 | Centre for Business Leadership in Nature Restoration, UN GCNI



“We are in the decisive decade.” Companies must act now to embed biodiversity into climate strategies. Nature-based solutions are not just offsets—they’re assets - Christina Figueres, Former Executive Secretary, UNFCCC

A New Vision for Corporate Social Responsibility in Tamil Nadu: Re-prioritizing Funds for Nature Restoration

In recent years, Corporate Social Responsibility (CSR) has become a key pillar of corporate strategy in India, with the Companies Act, 2013, mandating that eligible firms spend a portion of their profits on social and environmental causes. While significant funds are being deployed, there is a compelling need for businesses to re-evaluate their spending priorities, particularly in a state as environmentally vulnerable as Tamil Nadu. By strategically directing CSR funds towards nature restoration, companies can create a lasting legacy of sustainability, enhance their brand, and meet their social obligations more effectively.

The Current CSR Funding Landscape: A Need for Re-prioritization

An analysis of CSR expenditure in Tamil Nadu reveals a clear trend: a disproportionate amount of funding is directed towards a few key sectors, while critical environmental issues receive a smaller share. Data from a Lok Sabha Unstarred Question on "Funds Utilised under CSR in Tamil Nadu" shows that from the financial years 2018-19 to 2020-21, sectors like Education and Health Care received the largest allocations. For example, in 2020-21, companies spent over ₹394 crore on Education and ₹287 crore on Healthcare. In stark contrast, the amounts spent on Environmental Sustainability and Conservation of Natural Resources were significantly lower, at ₹98.49 crore and ₹9.36 crore respectively. This data underscores the potential for businesses to shift a greater portion of their existing CSR budgets towards environmental initiatives.

This trend is not unique to Tamil Nadu, as studies show that nationally, CSR funds spent on the environmental pillar are significantly less than those spent on social causes. This creates a significant gap between corporate environmental commitments and actual on-the-ground spending.



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The Imperative of Nature Restoration in Tamil Nadu

Tamil Nadu's unique geography and ecological challenges make nature restoration a top priority. As a coastal state with a long coastline, it is particularly vulnerable to the impacts of climate change, including rising sea levels, coastal erosion, and an increased frequency of extreme weather events like cyclones. Nature-based solutions are essential for building resilience. Restoring wetlands, for instance, is crucial for mitigating urban flooding and recharging groundwater. The state's Green Tamil Nadu Mission aims to increase green cover to 33% by planting 2.65 crore seedlings, and private sector participation is key to achieving this ambitious goal.

The importance of this work is not just environmental; it's also economic. Healthy ecosystems contribute to climate adaptation, biodiversity, and the livelihoods of local communities.

How Businesses Can Invest in Nature Restoration

Instead of focusing on easily visible, short-term projects like one-day plantation drives, companies should commit to long-term, sustained programs that require ongoing monitoring and maintenance. Center for Business Leadership on Nature Restoration is committed to boosting Nature Restoration Initiatives by bringing the required expertise for businesses and their CSR teams. The time to invest in a greener, more resilient country is now.

From Trees to Credits: How Businesses Can Leverage Afforestation for Environmental Compliance and Beyond

Compensatory afforestation has long been a critical component of India's environmental policy, requiring businesses to plant trees to offset the diversion of forest land for development projects. With the notification of the Green Credit (Tree Plantation Activity) Rules, 2023, the government has introduced a new, market-based mechanism that not only incentivizes these efforts but also provides a structured way for companies to utilize their green initiatives for a range of corporate goals.

This article explains how businesses can participate in this program and outlines the specific ways in which the generated Green Credits can be used, while also clarifying their distinction from traditional carbon credits.

Understanding Green Credits vs. Carbon Credits

A crucial first step is to differentiate Green Credits from Carbon Credits. While both are market-based instruments aimed at promoting environmental sustainability, they serve distinct purposes.

Carbon Credits: These are a tradeable commodity, with one credit representing one tonne of carbon dioxide equivalent (tCO₂e) either avoided or removed from the atmosphere. They are primarily used to meet emission reduction targets, either voluntarily or as part of a regulated "cap-and-trade" system. The market for carbon credits is well-established, with a focus on climate change mitigation.

Green Credits: As defined by the Green Credit Rules, 2023, Green Credits are a broader incentive for a range of environmental activities, with a focus on ecosystem restoration and sustainability. One Green Credit is awarded for each new tree that has a minimum age of five years and is part of a plantation with a minimum canopy density of 40%. Unlike most carbon credits, the rules explicitly state that Green Credits are non-tradable and non-transferable, except between a holding company and its subsidiary.

The key takeaway is that while an afforestation project may have a carbon co-benefit, the Green Credits earned from it are a separate form of currency. They are not to be sold as carbon credits, but rather are to be utilized for the specific purposes laid out in the rules.

The Process for Earning Green Credits

To earn Green Credits from tree plantation, a business must follow a defined process:

- **Registration and Identification:** The business must identify degraded forest land or other suitable land parcels for afforestation. This land must be registered on a dedicated government platform.
- **Implementation:** The company then undertakes the tree plantation activity and is responsible for its long-term maintenance.
- **Verification:** After a minimum of five years, the project is assessed to determine its success. The key criteria are a minimum canopy density of 40% and the survival of the planted trees.
- **Issuance:** Once the criteria are met, the business is awarded Green Credits. One credit is issued for each new tree over five years old.

The Indian Council of Forestry Research and Education (ICFRE) acts as the administrator for the program, managing the verification process and the issuance of credits.

How Businesses Can Utilize Green Credits

The Green Credit Rules, 2023, specify three primary ways in which a business can utilize the credits it has earned from afforestation activities:

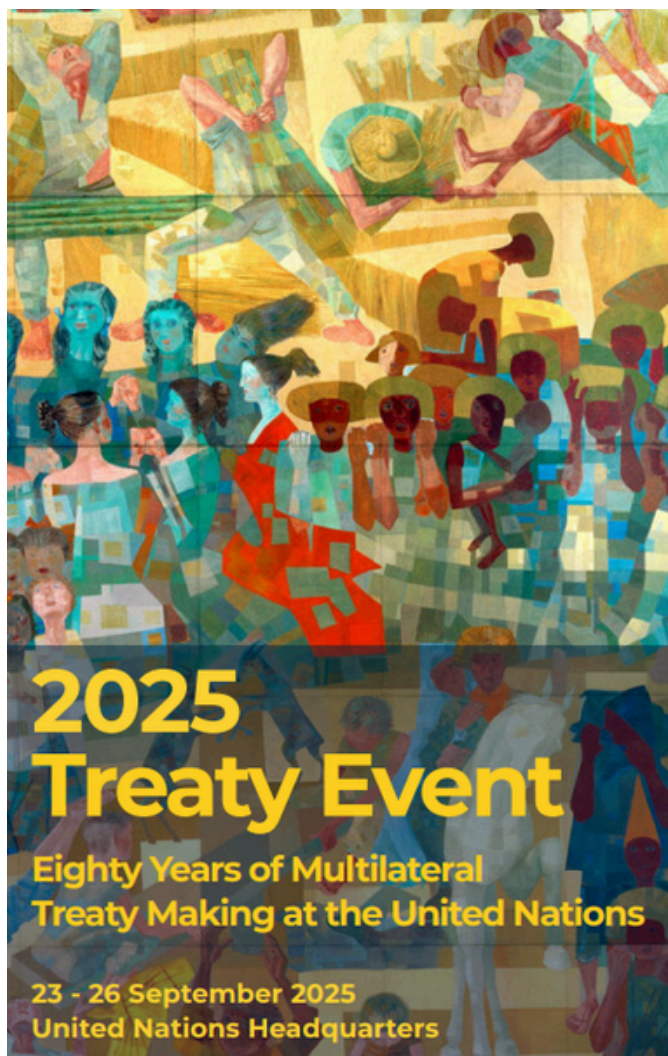
1. **Compensatory Afforestation Compliance:** A business that needs to divert forest land for a non-forestry purpose (such as a factory, road, or mining project) is legally required to undertake compensatory afforestation.
2. **Corporate Social Responsibility (CSR) Requirements:** Under India's Companies Act, certain businesses must spend a portion of their profits on CSR activities. Green Credits can be used to fulfill this obligation, with the cost of forest restoration activities being linked to the CSR expenditure.
3. **Project-Specific Plantation Obligations:** Green Credits can be exchanged to meet project-related plantation obligations, streamlining the compliance process.

Furthermore, the rules allow businesses to use the generated Green Credits for reporting under Environmental, Social, and Governance (ESG) leadership indicators, which is increasingly important for attracting investment and enhancing corporate reputation.

By participating in this program, businesses can transform their environmental efforts from a mere compliance burden into a strategic asset. The Green Credit mechanism provides a clear, verifiable pathway to demonstrate pro-planet actions, meet regulatory requirements, and contribute to the restoration of India's natural ecosystems.



United Nations Treaty Event 2025: Celebrating Eight Decades of Global Collaboration



From September 23 to 26, 2025, the United Nations Headquarters in New York will host the annual Treaty Event. This important gathering invites countries to sign and ratify critical international agreements. This year carries special significance as it celebrates 80 years of the United Nations facilitating multilateral treaties that address global challenges such as human rights, disarmament, climate action, and biodiversity conservation. Several biodiversity-related treaties will be a focus, reinforcing international commitments to preserve our planet's natural heritage.

The BBNJ Agreement: A Test of Global Resolve

One of the key highlights of the event will be the signing of the Biodiversity Beyond National Jurisdiction Agreement, known as the BBNJ Agreement. This landmark treaty represents a historic step in protecting marine biodiversity outside of national waters, covering nearly two-thirds of the world's oceans. The agreement sets out rules for the conservation and sustainable use of marine life in these areas, promoting cooperation among nations. The upcoming treaty event will be a critical moment to demonstrate global political will to safeguard marine ecosystems that play a vital role in climate regulation, food security, and livelihoods.

Implications for Governments, Businesses, and Citizens

The Treaty Event is more than a mere formal occasion. It signals renewed determination among governments, civil society, and the private sector to tackle biodiversity loss with urgency and fairness. Businesses are increasingly expected to align their operations with international environmental standards and support biodiversity conservation initiatives. For individuals and communities, it is a call to stay informed, advocate for sustainable practices, and partake in efforts that support global sustainability. The success of these treaties depends on collective commitment and meaningful action beyond diplomatic signatures.

COP 30 Set to Unite World Leaders in Belém for a Just and Urgent Climate Transition

From November 10 to 21, 2025, the city of Belém in Brazil will host the Conference of Parties 30 under the theme of **"Solutions for a Just Transition."** This conference will bring together a diverse group of participants including heads of state, indigenous representatives, scientists, business leaders, and activists. Together, they will navigate critical negotiations to fast-track climate finance, scale up nature-based solutions, and forge pathways that ensure no community or ecosystem is left behind in the journey toward a sustainable future.

For businesses, COP 30 offers an invaluable opportunity to align strategies with emerging climate and biodiversity frameworks, to invest in solutions that support both planetary health and social equity, and to demonstrate leadership in the global effort to address climate change. For individuals and communities, it calls for collective participation, advocacy, and action. Belém will not only witness talks but will become the heartbeat of a decade-defining movement aimed at delivering fair, inclusive, and effective climate solutions for everyone.



UN GCNI Spotlight: Building Resilience One Seed at a Time



On August 20, 2025, the District Planning Committee Hall in Dharashiv witnessed the launch of a pioneering initiative to establish community-managed seed banks of indigenous crop varieties. Organized by the UN Global Compact Network India (UN GCNI) in collaboration with BASF, the workshop brought together district officials, academic institutions, civil society representatives, corporate stakeholders, and farming communities. The event emphasized the critical role of indigenous seeds in enhancing climate resilience, preserving biodiversity, and securing sustainable livelihoods. Key speakers from UN GCNI included Mr. Ratnesh, who delivered the welcome address outlining the project's vision rooted in farmer custodianship and partnership-based implementation, and Shri Suneel Padale, Senior Consultant, Biodiversity, who moderated the panel discussion emphasizing community-led seed sovereignty. Senior BASF leaders, including Mr. Sanjeev Kalia, highlighted CSR as a commitment to co-creating sustainable futures with local farmers through science-based, community-led approaches.

Key discussions during the workshop centered on policy alignment, community ownership through farmer participation, and rigorous technical standards for seed quality and storage. The event also featured heartfelt farmer testimonies underscoring women's vital role in biodiversity conservation. Complementing these were presentations on innovative digital tools like the Biomass Mobile Application to promote circular economy practices. Collectively, the inception workshop set a strong foundation for collaborative efforts to transform Dharashiv into a model district for indigenous seed sovereignty and climate-resilient agriculture.



Conception: Mr. Suneel Padale

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