



Climate Action and Human Rights

Implementing nature-based solutions

Nature-based solutions can be defined as actions taken to protect, sustainably manage or restore natural environments and ecosystems. They can contribute significantly to addressing climate change and biodiversity loss. The climate and biodiversity crises are closely interconnected, and efforts to restore biodiversity are needed to limit global warming and address climate change.¹

Nature-based solutions, net zero and carbon credits

Companies are increasingly setting targets to reach net zero carbon emissions by 2050 or sooner. Upon reaching net zero, current guidance requires companies to neutralise their residual emissions through the removal of carbon from the atmosphere and its permanent storage. This neutralisation may include the purchase of carbon credits.

Carbon credits derived from nature-based solutions are not generally considered suitable for this purpose, due to concerns about the permanence of the carbon removal activity. Nevertheless, nature-based solutions can be used to avoid or reduce emissions, and to remove and store greenhouse gases from the atmosphere over short to medium time horizons. Net zero target-setting guidance does not discourage this use but views these solutions as an additional investment by companies, beyond their net zero targets.² These investments may be through direct involvement in nature-based solutions project development or through the purchase of carbon credits from such projects.

There are a variety of reasons why companies might still choose to make an investment in nature-based solutions. This includes making green claims, such as product or service carbon neutrality claims. Regulations and voluntary initiatives are emerging to provide requirements and guidance on how companies can make credible environmental product and service claims.

Given they are additional to the efforts required to mitigate corporate emissions to net zero, carbon offset programmes have been criticised as a “dangerous distraction” from climate actions that are needed to reach net zero targets.³ Despite this, nature-based carbon credits continue to feature in many corporate climate strategies,⁴ and so it is important to understand the human rights risks that arise through their use.

¹ [United Nations, Biodiversity](#) – our strongest natural defense against climate change.

² [Friends of the Earth, A dangerous distraction](#) – the offsetting con, October 2021

³ Science Based Targets, [Beyond Value Chain Mitigation](#), October 2021.

⁴ [OECD, Guidelines for Multinational Enterprises on Responsible Business Conduct](#), 2011 edition, OECD Publishing, Paris.

Potential human rights risks

Despite their positive impact on mitigating climate change and biodiversity loss, nature-based solutions can have clear adverse human rights impacts on communities, including:

- violations of customary land and carbon rights of local peoples, including Indigenous Peoples and traditional communities
- lack of meaningful consultation with communities about land use and benefit sharing
- inadequate compensation and exploitation of communities participating in nature-based solutions
- displacement of communities through land grabs and exclusions
- loss of land used for grazing and farming leading to loss of livelihoods
- violence by security forces
- sexual harassment and gender-based violence at project sites
- threats to environmental human rights defenders

Challenges to human rights due diligence

Conducting effective human rights due diligence on nature-based solutions can be challenging as there can be a “green haze” surrounding these projects due to their positive impacts to the environment. Often such projects are also managed by third-party suppliers and in the case of carbon offsets, they are purchased from suppliers who may be one or two tiers removed from the projects themselves. If companies are managing nature-based solution projects themselves, they may also represent a new business activity for the company. Impacts on biodiversity and human rights can be highly complex and context specific, which may create challenges in identifying and addressing the human rights impacts associated with nature-based solutions.

Companies implementing nature-based solutions may seek to partner with Indigenous Peoples due to their unique knowledge and roles as stewards or custodians of land. For example, Indigenous Peoples may collaborate with companies to support management of forests.

In their partnerships or collaborations with Indigenous Peoples, companies should respect human rights, including avoiding additional harm to Indigenous Peoples, respecting cultural traditions and land rights. Companies should meaningfully and respectfully engage with Indigenous Peoples in a manner that is sensitive to power dynamics and potential ongoing impacts of colonial practices.

Additional insights from business practice:

The following insights may be helpful to companies conducting human rights due diligence on nature-based solutions:

- Clarify expectations at an early stage regarding respect for human rights with partners implementing nature-based solutions and suppliers of carbon offsets.
- Consider capacity building and raising awareness on potential human rights issues among implementing partners, including environmental NGOs.
- Consider the role of security forces in nature-based solution projects and refer to the Voluntary Principles on Security and Human Rights.
- Since Indigenous Peoples' lands are often linked to nature-based solutions, seek to engage meaningfully with Indigenous Peoples in human rights due diligence. Adequate compensation should be offered to Indigenous Peoples' whose lands are being used for offsets, particularly if this use requires them to forego other cultural practices and land use.
- Be transparent in reporting how carbon offsets relate to overall carbon emission reduction strategies.

