

Challenges and Opportunities for Corporate Investment in Nature-Based Solutions

About this brief

This brief presents insights from interviews with European companies examining their experience in **integrating NbS into their practices and navigating the sustainability regulation landscape**. It highlights:

- ▶ Profiles and quotes of companies interviewed
- ▶ Challenges faced by companies
- ▶ Policy recommendations to enhance support for companies to adopt NbS and comply with CSRD

For more details and sources, read the Invest4Nature report:

Report on Stakeholders' Motivations, Needs, and Hurdles (Deliverable 4.1)

➤ [Read the full report](#)

Context

Sustainability is playing an increasingly significant role in the corporate world, as businesses seek to balance economic growth with ecological and social responsibility. In recent years, the urgency of addressing climate change and environmental degradation has pushed companies to adopt more sustainable practices.

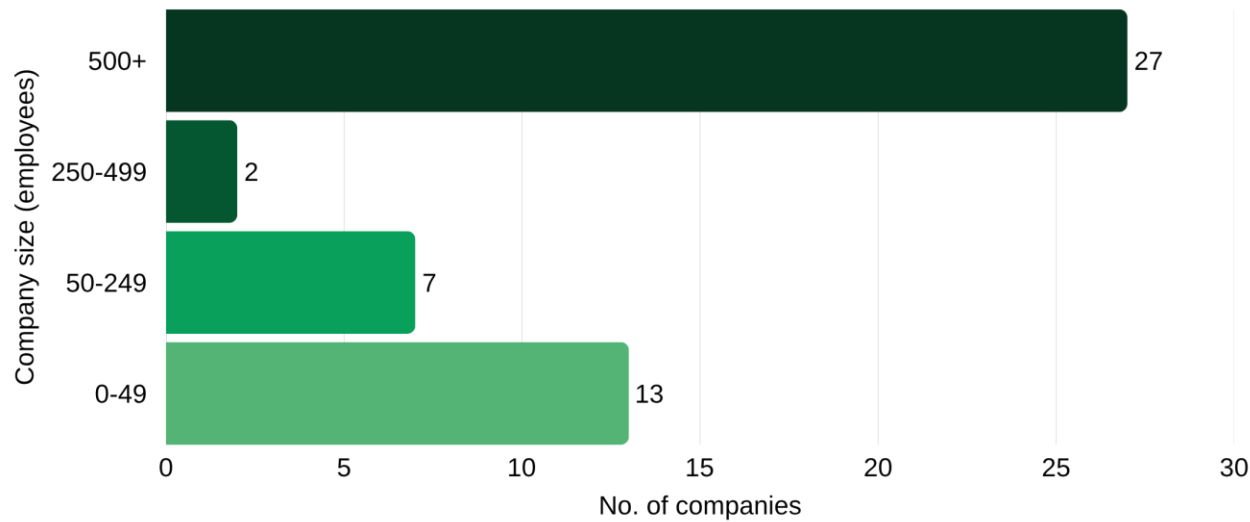
The use of Nature-based Solutions (NbS) have the potential to contribute significantly to corporate sustainability goals. Yet, integration of sustainability into business models requires companies to navigate complex regulatory landscapes, such as the **Corporate Reporting Directive (CSRD)** mandating stricter Sustainability reporting for companies.

To explore the perspectives of the private sector, Invest4Nature has studied in depth the challenges, opportunities, and regulatory impacts of the CSRD through interviews and workshops with 49 companies.

The interviews have revealed significant variations in how businesses across different sectors and sizes experience EU sustainability regulations. While companies recognise the importance of sustainability, they face substantial barriers in implementing NbS due to unclear definitions, administrative burdens, and a lack of harmonised frameworks.

Profiles and Quotes of Companies interviewed

Distribution of companies interviewed by size



Semi-structured interviews were carried out with key identified stakeholders from a total of 49 companies. These companies were based in 17 different European countries: Austria, Belgium, Czech Republic, Denmark, France, Hungary, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Spain, Switzerland, Turkey, the UK.

The old legislative framework in the chemical sector still applies to products of natural origin you are trying to develop, and that just does not work.

CEO of a bio-industry company

Limiting climate impact is very important for the future anyway.

Sustainability director at an R&D company

CSRD legislation has accelerated everything even further.

Sustainability director at an R&D company

Measuring biodiversity is not evident, we first need a matrix, and then we can set our goals. Often things cannot be valued or priced and end up given a lower priority.

CEO of a bank

These investments are not always paid back, while the work pressure of implementing sustainability is high: it is required in addition to all your other tasks and with very limited resources

CEO of a company in the smart tech sector

The whole sustainable agenda will stifle many SMEs. One person cannot manage this.

CEO of an SME

Challenges

► Conceptual ambiguity

Companies across sectors report a lack of clarity regarding NbS concepts, leading to inconsistent approaches and hesitation. The lack of scalable and auditable metrics for assessing NbS remains a significant barrier to meaningful NbS investment.

► Administrative burden

CSRD compliance costs are substantial, particularly for external auditing and reporting requirements. This is a particular challenge for SMEs, which frequently lack dedicated compliance personnel.

► Regulatory fragmentation

Unequal competitive conditions arise from varying national implementations of EU directives. Some countries adopt stricter interpretations (“gold-plating”) while others follow minimalist approaches, creating an uneven playing field for businesses operating across borders.

► Outdated legislation

Legislation sometimes does not keep up with new technological developments.

Policy Recommendations

Companies need harmonised, stable, and simplified EU legislation with clear implementation guidance and standardised methodologies that reduce administrative burdens while enabling long-term strategic planning for sustainability and biodiversity initiatives.

- 1. Offer training workshops** on NbS concepts.
- 2. Define clear standards:** Develop market-oriented NbS standards with auditable metrics for nature quality and environmental impact assessment.
- 3. Support SMEs:** Enhance access to EU Green Assist programmes and provide standardised templates to reduce compliance costs for smaller enterprises.
- 4. Simplify & harmonise:** Efforts to harmonize the MS implementation of EU sustainability legislation (eg. so-called concerted action).
- 5. Legislative modernisation:** Revise outdated regulatory frameworks and align national rules with EU requirements to reduce administrative complexity. Regulatory stability and predictability are critical factors for enabling long-term strategic planning in sustainability investments.



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