



BIODIVERSITY LOSS: NO FUTURE FOR BUSINESS AS USUAL

Philip Linsley¹, Rasha Abdelbadie², Roba Abdelbadie³

¹ School for Business and Society, University of York, United Kingdom, philip.linsley@york.ac.uk,
ORCID: <https://orcid.org/0000-0003-2005-5079>

² School of Business, University of Dundee, United Kingdom, RAbdelbadie002@dundee.ac.uk,
ORCID: <https://orcid.org/0000-0003-3739-6128>

³ School for Business and Society, University of York, United Kingdom, robaashraf.abdelbadie@york.ac.uk,
ORCID: <https://orcid.org/0000-0001-8462-466X>

Received: 7.12.2022 | Revised: 3.01.2023 | Accepted: 10.01.2023 | Available on-line: 27.02.2023

ABSTRACT

There is an urgent need to reverse biodiversity loss as has been identified in a wide range of reports. This short commentary article considers the need for businesses to act on biodiversity and nature loss. In particular, the focus of the article is a statement issued in November 2022 by a number of businesses imploring governments to take action to address biodiversity loss. The businesses are petitioning for government action on the basis that they can only pledge to radically change their business models if there is political certainty in respect of government actions on biodiversity. This commentary considers this November 2022 statement and sets out relevant context for understanding the statement.

KEYWORDS: biodiversity, nature loss, COP15, Convention on Biological Diversity.

JEL: Q5, H0, M1.

1. INTRODUCTION

In November 2022 a group of corporates and financial institutions signed a statement urging governments to take action to address biodiversity loss. The number of businesses signing the statement exceeded 330 with signatories including, for example, IKEA, BNP Paribas, Nestle, Rabobank and Sony Group. These signatories called for other businesses to follow their lead and to sign the statement too (see Appendix 1 for the full statement titled COP15 Business Statement for Mandatory Assessment and Disclosure).

The statement was issued shortly before COP15 was held in December 2022 in Canada¹. Thirty years earlier, in 1992, the Convention on Biological Diversity (CBD) was signed, and the CBD had the prime objective of conserving biodiversity (UN, 1992). At the 10th biodiversity COP in 2010, there was agreement reached on a ten-year biodiversity plan for halting biodiversity loss – the *2011-2020 Strategic Plan for Biodiversity* (UN, 2010). This plan incorporated the 20 Aichi Biodiversity Targets which were aligned to the CBD objectives. In 2020 a UN report found these 20 targets had not been achieved (UN, 2020).

Consequently, to advance progress on biodiversity loss and build on the 2011-2020 Strategic Plan the CBD has been working on a post-2020 Global Biodiversity Framework (GBF) (UN, 2021). The *COP15 Business Statement for Mandatory Assessment and Disclosure* is a call to governments to use COP15 to ensure that GBF is sufficiently transformational and will result in a nature-positive world grounded in equity and will succeed in realising the sustainable development goals (UN, 2015).

2. REVERSING BIODIVERSITY LOSS IS CRITICAL

The critical need to reverse biodiversity loss has been understood for some time now and is discussed in a range of reports such as the *Global Assessment Report on Biodiversity and Ecosystem Services* (Brondizio et al., 2019). The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) 2019 report is prepared by scientific experts and whilst it is over 1,000 pages the report contains the key messages: nature is deteriorating, the deterioration has been quickening at an unparalleled pace over the last 50 years, and there needs to be truly radical economic, social, political, and technological change to reverse this deterioration. In discussing nature, the report states:

Nature embodies different concepts for different people, including biodiversity, ecosystems, Mother Earth, systems of life and other analogous concepts. Nature's contributions to people embody different concepts, such as ecosystem goods and services and nature's gifts. Both nature and nature's contributions to people are vital for human existence and good quality of life (human well-being, living in harmony with nature, living well in balance and harmony with Mother Earth, and other analogous concepts). (Brondizio et al., 2019, p. xiv).

The businesses signing the *COP15 Business Statement for Mandatory Assessment and Disclosure* recognise the need to reverse nature loss and that business needs to change radically if this is to be achieved. Actions it lists businesses need to take are to assess the impacts they have on nature and related dependencies on nature, make a public pledge to take actions to prevent or decrease their impacts, adopt business strategies and business models which rebuild nature, and undertake to publish nature-related disclosures.

Their appeal for government action is based on the premise that companies can only commit to radically changing their business models if there is political certainty; that is, companies "need governments globally to transform the rules of the economic game" and once those new rules are known companies will be able to change business models appropriately.

Accompanying the statement is a report – *Make It Mandatory: the case for mandatory corporate assessment and disclosure on nature* – which is a joint publication of Nature for Business, Capitals Coalition and CDP (2022). The report states the case for governments to make it mandatory that companies assess and disclose nature-related impacts and risks and asks that this is incorporated in Target 15 of GBF (see appendix 2 for this target). The societal benefits listed in the report of mandating assessment and disclosure of nature-related risks and impacts relate to incentivising businesses to take action to invest in nature, enabling investors to focus on financing nature-positive companies, and facilitating consumers to make informed choices. Further, the report states that another benefit will be securing and respecting the rights of Indigenous Peoples and Local Communities. This last benefit is of immense importance and concerns the nature-human rights nexus. Indigenous Peoples and Local Communities have been stewards of nature across generations and have suffered unduly from the effects of nature loss as caused by business, and any reversal of nature requires acknowledgement and recognition of their rights.

3. BUSINESS AND GOVERNMENTS NEED TO ACT ON NATURE LOSS

It is noteworthy, and unusual, that businesses should request governments impose regulation. Mandatory assessments and disclosures of nature-related information will necessitate additional work for companies and financial institutions. Central to this request to governments is the recognition that business depends on nature and, therefore, nature loss, brings financial risks. Hence, the statement notes that if governments act as requested this will “send a strong signal to the business and finance communities that the status quo is economically short-sighted and will destroy value over the long-term”.

This recognition that business depends on nature might be seen as belated given biodiversity and nature loss has been happening, and has been known to be happening, for decades. Further, it is well understood that certain industry sectors are particularly associated with biodiversity and nature loss, for example, agriculture, mining, and forestry. The report is not focused on highlighting how business has harmed nature. Instead, it errs towards adopting a more positive stance stating, for example, that of their own volition “(m)any leading businesses are already taking action to assess and disclose their impacts and dependencies on nature” (Business for Nature, Capitals Coalition, CDP, 2022, p. 18) and that doing so now on a voluntary basis is potentially good for a business in respect of enhancing reputation and competitive advantage, and accruing better knowledge of its risks and opportunities. To convince companies that moving to a radically new economic model is not necessarily harmful to business the report refers to a World Economic Forum (WEF) 2020 report (*New Nature Economy Report II: The Future of Nature and Business*) to contend that “(s)hifting to a nature positive economy will create almost 400 million jobs and an annual business value of over \$10 trillion by 2030” (Business for Nature, Capitals Coalition, CDP, 2022, p. 10). Will the *COP15 Business Statement for Mandatory Assessment and Disclosure* make a difference? It is to be hoped that if sufficient numbers of companies are sufficiently convinced to commit to addressing nature loss and sign up to the statement then there is some possibility that governments will, in turn, be convinced they need to act on biodiversity in collaboration with business. There are hopeful signs this might happen. For example, the European Union (EU) has incorporated biodiversity in the European Green Deal. This has resulted in the EU developing a *2030 Biodiversity Strategy* (EU, 2020) which is aimed at rebuilding nature (Europarc Federation, n.d.). The *2030 Biodiversity Strategy* fully recognises businesses affect nature and to assist managers in acting on biodiversity has created the *EU Business @ Biodiversity Platform*². Government-business collaborations of this sort are vital if biodiversity loss is to be fully addressed.

¹ COP15 is a UN biodiversity COP (Conference of the Parties to the United Nations Convention on Biological Diversity). UN biodiversity COPs differs from UN climate change COPs (Conference of the Parties to the United Nations Framework on Climate Change). The most recent climate change COP (COP27) was held in Egypt in November 2022.

² The *EU B@B Platform* is at: https://ec.europa.eu/environment/biodiversity/business/index_en.htm

FUNDING | Not applicable.

CONFLICTS OF INTERESTS | The Authors declare no conflict of interest.

DATA AVAILABILITY STATEMENT | Data available on request from the authors.

AUTHOR CONTRIBUTIONS | Authors have equally contributed to the content of the paper.

REFERENCES

- Brondízio, E. S., Settele, J., Díaz, S., & Ngo, H. T. (eds). (2019). *Global assessment report of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services*. IPBES. <https://doi.org/10.5281/zenodo.3831673>
- Business for Nature, Capitals Coalition, CDP. (2022). *Make It Mandatory: the case for mandatory corporate assessment and disclosure on nature*. https://static1.squarespace.com/static/5d777de8109c315fd22faf3a/t/635930f22c677e36eefb6807/1666789622524/Make+it+Mandatory+Report_final.pdf
- Europarc Federation (n.d.). *The EU 2030 Biodiversity Strategy*. <https://www.europarc.org/european-policy/eu-biodiversity-strategy-protected-areas/eu-2030-biodiversity-strategy/#~:text=Bringing%20back%20nature%20into%20our%20lives%20The%20EU,fork%2C%20Zero%20pollution%2C%20Greening%20cities%2C%20Energy%20transition%20etc..>
- European Commission [EU]. (2020). *EU Biodiversity Strategy for 2030*. <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1590574123338&uri=CELEX%3A52020DC0380>
- United Nations [UN]. (1992). *Convention on Biological Diversity*. <https://www.cbd.int/convention/text/>
- United Nations [UN]. (2010). *2011-2020 Strategic Plan for Biodiversity*. <https://www.cbd.int/sp/>
- United Nations [UN]. (2015). *The SDG goals*. <https://sdgs.un.org/goals>
- United Nations [UN]. (2020). *Global Biodiversity Outlook 5*.
- United Nations [UN]. (2021). *The post-2020 Global Biodiversity Framework*. <https://www.cbd.int/doc/c/abb5/591f/2e46096d3f0330b08ce87a45/wg2020-03-03-en.pdf>
- World Economic Forum [WEF]. (2020). *New Nature Economy Report II: The Future of Nature and Business*. WEF. https://www3.weforum.org/docs/WEF_The_Future_Of_Nature_And_Business_2020.pdf?_gl=1*tk4txo*_up*MQ..&clid=EA1a1QobChMI78vdl4TI_AIVBQitBh2d0AhZEAAYASAAEgJAqvD_BwE

Appendix 1: COP15 Business Statement

The full text of the COP15 Business statement is as below. The statement is available at: <https://www.businessfornature.org/cop15-business-statement>

Business and finance call for negotiators at COP15 to make assessment & disclosure on nature mandatory

Dear Heads of State,

It is the final sprint to adopt a transformative Global Biodiversity Framework at the UN Biodiversity COP15, to set us on track to halt and reverse biodiversity loss by 2030. Now is your opportunity to change course and leave a historic legacy that delivers an equitable, nature-positive and net-zero future.

This will help us achieve the Sustainable Development Goals, reach net zero emissions and increase prosperity and wellbeing for more people, especially the most vulnerable.

We – a range of businesses and financial institutions recognize we have a critical role to play in the implementation of this once-in-a-decade agreement.

We are on a journey towards reducing negative impacts and increasing positive impacts by restoring and regenerating nature and we must accelerate our efforts. The Natural Capital Protocol, Science-Based Targets Network (SBTN), the Taskforce on Nature-related Financial Disclosures (TNFD), and many others are equipping us with the guidance, tools and methodologies to go further, faster.

We are playing our part, taking actions such as:

- Assessing our impacts and dependencies on nature
- Disclosing our material nature-related information
- Committing publicly to avoid and reduce our negative impacts, prioritizing the most material issues across our operations, value chains and portfolios

- Transforming our business strategies and models to restore and regenerate nature and collaborate across river basins, land and seascapes

This won't be easy, but it must happen if we are serious about achieving the Convention on Biological Diversity's 2050 Vision to 'Live in Harmony with Nature'. We also know more is needed to halt and reverse biodiversity loss.

We need governments globally to transform the rules of the economic game and require business to act now.

At COP15 in Montreal, we call on you to adopt, in Target 15, mandatory requirements for large and transnational businesses and financial institutions to assess and disclose their impacts and dependencies on biodiversity, by 2030.

This must be complemented by a clear aim to reduce negative impacts and increase positive impacts to drive collective action by business and finance, supported by a proper enabling environment including financing to ensure equitable and effective implementation in all countries.

COP15 is a unique opportunity to send a strong signal to the business and finance communities that the status quo is economically short-sighted and will destroy value over the long-term. Mandatory assessment and disclosure will create fair competition for business, increase accountability, engage investors, empower consumers, involve SMEs through supply chains, help ensure the rights of indigenous peoples and local communities and ultimately accelerate the transformation of our economies.

Currently, businesses and financial institutions don't have the political certainty they need to change their business models. And governments don't have the information they need to enforce these changes and track progress. Assessment and disclosure are an essential first step to generate action, but it will only have an impact if it is made mandatory.

We stand ready, alongside many other stakeholders, to help implement a successful global agreement on nature.

Nature is everyone's business.

Appendix 2: Target 15 of the first draft of the post-2020 Global Biodiversity Framework

All businesses (public and private, large, medium and small) assess and report on their dependencies and impacts on biodiversity, from local to global, and progressively reduce negative impacts, by at least half and increase positive impacts, reducing biodiversity-related risks to businesses and moving towards the full sustainability of extraction and production practices, sourcing and supply chains, and use and disposal.