

## SESSION NOTE

### The Business Case for Action on Biodiversity by Investors

30 October 2019, 11:15-12:45

This session will discuss the implications of biodiversity loss and prevention of that loss for businesses and financial organisations. This includes the importance of valuing biodiversity, the economic and business dependencies on biodiversity and ecosystem services as well as options for scaling up business action and finance for biodiversity.

The Convention on Biological Diversity's 15th Conference of the Parties (CBD COP15) in 2020 marks a critical juncture for one of the defining global challenges of our time: the loss of biodiversity and ecosystem services, which underpin nearly all of the Sustainable Development Goals. Transformative changes are needed to ensure biodiversity conservation and sustainable use, and the delivery of the ecosystem services upon which all life depends.

Investors and corporations can have adverse impacts on biodiversity and ecosystem services through their operations, supply chains and investment decisions. Business impacts on biodiversity can result in "responsible business conduct" risks to society and the environment. The assessment and valuation of biodiversity impacts by investors, issuers and corporations, however, remains limited.

Investors and businesses also depend on biodiversity and ecosystems services for the production of goods and services. Biodiversity impacts and dependencies create risks to investors and corporations. The associated economic values can be considerable: for example, the annual market value of crops dependent on animal pollination ranges from USD 235 billion to USD 577 billion. Ecosystem services delivered by biodiversity, such as crop pollination, water purification, flood protection and carbon sequestration, are vital to human well-being. Globally, these services are worth an estimated USD 125-140 trillion per year, i.e. more than one and a half times the size of global GDP. In addition, the conservation, sustainable use and restoration of biodiversity can provide significant business and investment opportunities.

Investors' awareness of and commitment to biodiversity action remain too limited, despite some forward-thinking companies' growing awareness of the importance of biodiversity.

Investors and corporations need to integrate biodiversity factors across key dimensions of business and investment decision-making. Policy makers, businesses, financial institutions and civil society also need to co-operate to strengthen the business case for biodiversity and ecosystem services.

The OECD recently published a new report on [Biodiversity: Finance and the Economic and Business Case for Action](#) for the G7 Environment Ministers' Meeting in May 2019, at the request of the French G7 presidency. The report makes the case for urgent and ambitious action on biodiversity, including from businesses and financial organisations. **One of the OECD recommendations to the G7 is the creation of a multi-stakeholder advisory group on biodiversity, business and finance, to advise on the adoption of a common approach for measuring and integrating biodiversity in business and investment decisions.**