Biodiversity: Why Should Business Care?

Unlike the climate crisis, biodiversity loss is just starting to get the attention it deserves.

On a typical day, one minute I might find myself reading about the rescue of stranded dolphins by the **Maio Biodiversity Foundation** – a Cabo Verde conservation organisation I helped set up in 2011 – and the next, about **1,100 dolphins dying on French beaches**.

Extremes of hope and despair are common in conservation – and as conservationists, we need to find coping mechanisms. One of mine involves engaging business in finding solutions to biodiversity loss. But why is biodiversity so important?

Nature's infinite richness, from the smallest bacteria to the most charismatic megafauna, underpins the health and functionality of the living systems that give us clean air, fresh water, food, and more – or what we call ecosystem services. New York City's drinking water, for example, comes from the **largest unfiltered water system in the US**, one entirely supported by nature rather than by costly filtering processes.

We rely on such systems for our survival and prosperity. The World Economic Forum estimates that more than **US$44 trillion in annual economic value generation** depends on nature but in reality, *all* commerce and enterprise depend on a healthy planet.

Yet the world currently spends at least **US$1.8 trillion** annually on environmentally harmful subsidies, while land degradation has **reduced the productivity of 23 percent of all land**, and more than a million species are at risk of extinction. To give just one example of the consequences, California's almond business now relies on commercial instead of natural pollination whose providers lose **30 percent of their bees every year** due to exposure to disease and toxins.

The good news is that transitioning to a **nature-positive economy** could generate up to US$10.1 trillion in annual business value and create 395 million jobs by 2030.

Global goal for nature

Unlike the climate crisis, biodiversity loss has not received the attention it deserves from government and business leaders. Thankfully, that is changing. Through the **Leaders' Pledge for Nature**, 93 countries and the European Union have pledged to reverse nature loss by 2030. At COP26 last year, nature finally came to the fore in climate negotiations with the **Glasgow Leaders' Declaration on Forests and Land Use** underscoring nature's vital role in tackling climate change.

Recognition of the central role that indigenous

peoples and local communities can play in delivering on global commitments to biodiversity is growing. For example, five years ago, in a world-first, local M□ori people in New Zealand won **recognition of the Whanganui river as a living entity** holding the same legal rights as people.

Later this year in Kunming, at the 15th Conference of the Parties to the **UN Convention on Biological Diversity**, world leaders are set to agree plans for the protection and restoration of nature over the next decade. Alongside **civil society**, business is calling for these to include a **variety of measures**, including redirecting environmentally damaging subsidies, integrating action on climate and nature, as well as greening mainstream finance.

Perhaps most critical is the call for a **global goal for nature** akin to the 1.5°C goal of the Paris Agreement on climate change designed to align efforts to combat nature loss. At the very least, governments should commit to becoming **nature-positive by 2030**, agree an area-based target such as protecting **30 percent of land and sea by 2030**, and establish an effective implementation mechanism that holds countries to account and allows for ratcheting up of action over time.

Financing biodiversity

Nevertheless, without finance that meets the scale of the challenge, commitments and targets will be meaningless.

Civil society organisations recently called on the world's richest nations to commit at least **US$60 billion a year to protect and restore biodiversity in developing countries**. With a 1.5°C future impossible without investment in **nature-based solutions** such as reforestation, natural flood protection and regenerative agriculture, this would be a highly strategic investment, helping fill an overall biodiversity funding gap of over **US$700 billion a year to 2030**.

Developing countries in particular need significant support to sustain their natural capital, especially given that international trade, including in commodities such as palm oil and soy produced in those countries, accounts for **30 percent of threats to biodiversity**.

More fundamentally, we need financial and economic system reform, including the adoption of more **inclusive metrics of success** that go beyond GDP and recognise **our economies are embedded in nature**. We cannot have infinite growth on a finite planet.

Going nature-positive

Irrespective of what comes out of Kunming, business action for nature is a must. Consumer **demand for sustainable products is growing**, and investors are increasingly interested in how companies are **reporting on impacts and dependencies on nature** and addressing '**double materiality**'.

While all sectors need to take **integrated action on climate and biodiversity**, agriculture in particular, which accounts for **29 percent of global greenhouse gas emissions, and 70 percent of freshwater use**, must change. Disruptive brands such as Oatly and Beyond Meat are already making the most of opportunities in 'future foods' by producing plant-based alternatives to meat and dairy – but they are still pioneers in a desperately needed transition to **nature-positive food production**.

Elsewhere, dozens of other purpose-driven brands, from Patagonia and Veja to Unilever and BNP Paribas, are also evolving business models, sourcing policies and investments. And for companies wanting to follow their lead, help is at hand.

Technological innovation in the shape of eDNA, satellite data and AI are transforming our understanding of life on Earth, enabling us to map and monitor the millions of species on our planet. In Liberian rivers, for example, eDNA has supported the **identification of 170 species, including the endangered pygmy hippo**.

In turn, technology and data, while not a silver bullet, mean business has more and more tools available to help chart long-term strategies for sustainability. **SYSTEMIQ**, in collaboration with UNEP-WCMC, for example, is building the SPACES coalition that uses spatial intelligence to support the implementation of climate and nature goals. And a wealth of complementary approaches such as **science-based targets** and the **Accountability Framework** are helping business act for nature.

As a conservationist and a business person, I understand that securing an equitable, net-zero, nature-positive future requires us all to step up. Companies now engaging in social and environmental purpose will succeed. And it's incumbent upon all business schools to put sustainability at the heart of their curricula.

Biodiversity is the sum of all life on Earth, and in the fight to survive and prosper in business, nature should be our biggest ally.

Elisa Dierickx *(INSEAD MBA '21J) is an Associate at SYSTEMIQ Ltd and an FT change maker award-winner. Her particular expertise lies in biodiversity (BA Harvard University, PhD Cambridge University),*

and she explores why business and finance need to engage in saving life on Earth.

*INSEAD Knowledge is now on **LinkedIn**. Join the conversation today.*

*Follow INSEAD Knowledge on **Twitter** and **Facebook**.*

Find article at
https://knowledge.insead.edu/responsibility/biodiversity-why-should-business-care-18536

Download the Knowledge app for free

Visit INSEAD Knowledge
http://knowledge.insead.edu