

# Calls for regulatory action to strengthen biodiversity disclosures

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An international team of experts calls for a regulatory approach to

ensure the effectiveness of business disclosures in the Kunming-Montreal Global Biodiversity Framework (KMGBF), a landmark agreement ratified by Parties to the Convention on Biological Diversity that outlines ambitious goals to combat biodiversity decline.

The KMGBF also states action that needs to be implemented by 2030 in order to achieve these goals by 2050. Among its many critical targets is the encouragement for businesses and [financial institutions](#) to disclose their biodiversity risks, dependencies and impacts.

However, experts highlighted limitations on the current target, including the voluntary and unstandardized nature of disclosures. The researchers argue that such approaches, predominantly led by businesses, may prioritize short-term financial interests over medium biodiversity conservation and restoration. Ambiguous disclosures, often of low quality, are more likely to hide than to mitigate biodiversity loss.

## **Incorporating biodiversity into decision-making**

The article was [published](#) in the journal *Conservation Letters* and led by Newcastle University in partnership with experts from the International Union for Conservation of Nature (IUCN) and the Church of England Pensions Board.

Drawing on a wide range of expertise, the researchers recommend a regulatory approach, supported by scientific engagement in the development of [disclosure](#) standards and associated policy indicators. They argue this will ensure that the emerging response to the KMGBF target on disclosures (Target 15) avoids negative outcomes and instead results in positive impacts on biodiversity.

In addition, this approach has the potential to provide a differentiator for investors, reduce the likelihood that biodiversity impacts are treated as

an externality, and form part of the "accountability architecture" surrounding [business operations](#).

The lead author, Dr. Louise Mair, NUAcT Research Fellow at Newcastle University's School of Natural and Environmental Sciences, said, "Simply measuring a change in the number of businesses that make biodiversity disclosures risks creating a false sense of progress, and may even hide negative impacts on biodiversity, if the content and quality of disclosures is not ensured. We need a more nuanced approach to measuring progress that explicitly considers the changing impact of business operations and financial flows on biodiversity."

"For the Global Biodiversity Framework's goals to be achieved, companies and their investors need to incorporate biodiversity into decision-making. The risks and dependencies associated with biodiversity mean that only a systemic approach to ensuring good information makes sense; we argue in this paper that company disclosures should be required, consistent, and based on conservation science," added Dr. Stephen Barrie, Deputy Chief Responsible Investment Officer, Church of England Pensions Board.

Juha Siikamäki, chief economist of IUCN, said, "Halting and reversing the loss of biodiversity requires aligning all economic activities and financial flows with nature. Private sector contributions towards this objective will be key, and it is critical that they are consistently measured and transparently disclosed using scientifically robust and standardized metrics."

**More information:** Louise Mair et al, Corporate disclosures need a biodiversity outcome focus and regulatory backing to deliver global conservation goals, *Conservation Letters* (2024). [DOI:](#)

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