

Rethinking the value of biodiversity for businesses

Description

- Français
- English

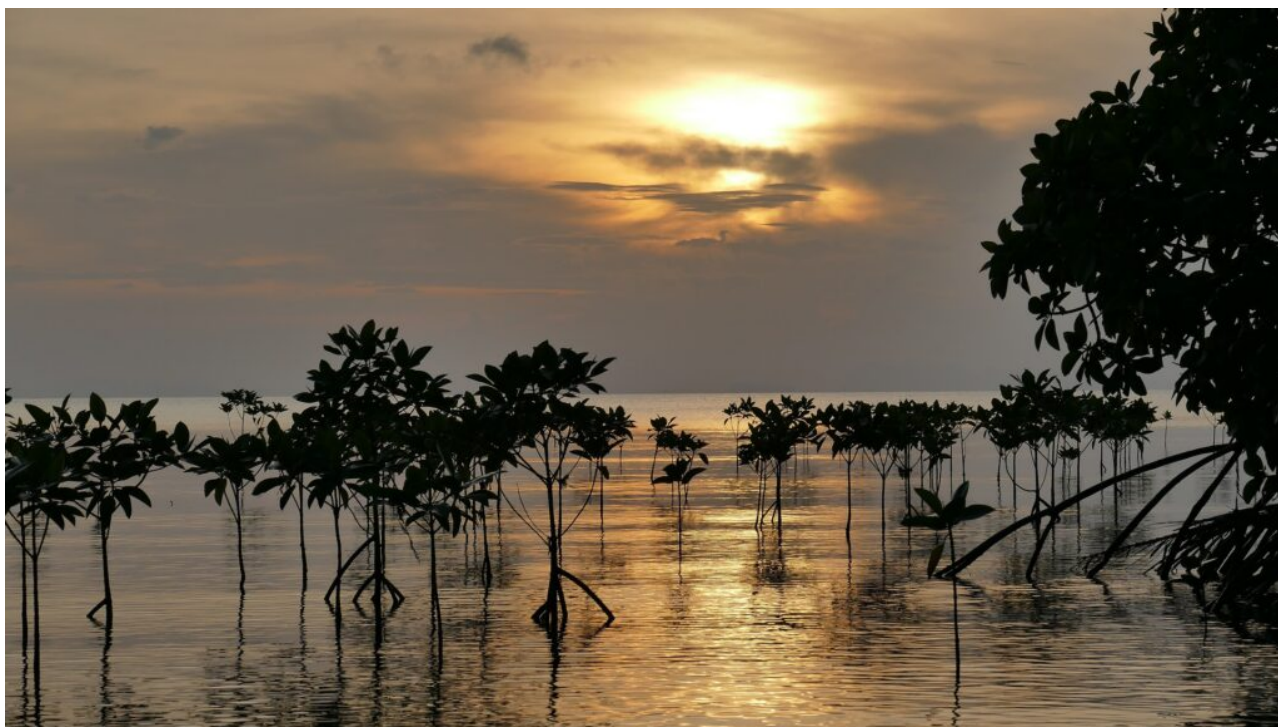
Rethinking the value of biodiversity for businesses

As of 2019, It was estimated that about 1 million animal and plant species are at risk of disappearing forever globally and that natural ecosystems have declined by 47 per cent on average. While these numbers can easily speak to some, for many the meaning behind these numbers and their ramifications for our individual well-being and the stability and economic status of nations, including the islands in the southeastern Indian ocean, is less obvious.Â Â

At the level of businesses, the connection between the natural world and businessesâ€™ bottom lines is rarely made. What does the loss of biodiversity, which is the variability of life forms including terrestrial, marine, and other aquatic ecosystems, mean for companies? Should the private sector value biodiversity more and re-adjust their economic activities accordingly? The answer is simply yes. We explain why below.Â

1) Many companies are dependent on nature

Industries interact directly or indirectly with biodiversity, and several are reliant on the services and products that nature provide. For the Indian ocean islands, healthy fish populations, healthy and productive land and beautiful thriving natural landscapes and ecosystems such as coral reefs are all essential natural assets that support and fuel key sectors such as agriculture, fisheries, and tourism.Â



Selon un rapport régional de 2022, on estime que les mangroves contribuent à hauteur de 530 millions USD par an à l'économie malgache.

2) Biodiversity loss is a financial risk for companies

The current biodiversity crisis is driven by human activities particularly business activities that contribute to the five primary causes of biodiversity loss and degradation: 1) climate change, 2) pollution of soil water and air, 3) land-use and sea-use change, 4) overexploitation of natural resources and 5) the spread of invasive species.

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As business activities drive the loss and degradation of biodiversity, they are also impacting the availability and quality of these very natural assets that support economic activities. In 2022, the world economic forum identified biodiversity loss as the third most important risk for economy and society after two other environmental risks which are climate action failure and extreme weather.



Selon un rapport de l'ONU, l'inaction face à la dégradation des terres en Afrique coûte annuellement 9,4 milliards USD ou 1,15% du PIB de 42 pays du continent.

As biodiversity decline, businesses can face important operational risks such as scarcity of and higher costs for raw materials. The loss of critical natural infrastructures such as wetlands that provide protection from flooding can also contribute to greater disruption to businesses in the event of disasters. Due to their impact on biodiversity, businesses can also face regulatory, legal, and reputational risks.

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In a changing world, companies have everything to gain when taking actions to better understand their dependence as well as their impacts on biodiversity. It is an important first step towards identifying novel opportunities for their bottom lines and to develop new business models that are resilient and nature positive.

Sources:

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- [The IPBES Global Assessment Report on Biodiversity and Ecosystem Services](#)
- [The Corporate Ecosystem Services Review](#)
- [Global Risk Report 2022](#)
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Status of Mangroves in the Western Indian Ocean Region

- Economics of Land Degradation in Africa

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