

The Bio-Mo-D project brought together leading biodiversity reporting standards setters at the UN Biodiversity Conference CBD COP 15 in Montréal

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At the UN Biodiversity Conference CBD COP 15 in Montreal the member states adopted the *Kunming-Montreal Global Biodiversity Framework*. A major outcome is the agreement on Target 15, which calls on member states to establish policies to ensure that in particular large businesses and financial institutions assess and disclose their impacts and dependencies on biodiversity by 2030.

On the "Finance and Biodiversity Day" at CBD COP 15, the [Bio-Mo-D Project](#) hosted a Side Event on the role of global sustainability reporting standards for biodiversity accounting and reporting. The event was organised by the Helmholtz Centre for Environmental Research – [UFZ](#) together with the Value Balancing Alliance ([VBA](#)) and bringing together leading organisations involved in developing standards and corresponding frameworks with regard to sustainability reporting on biodiversity.

In a keynote to the event, the UFZ highlighted critical links between business and biodiversity and how impacts on and dependencies of biodiversity can create risks but also opportunities across economic sectors including respective supply chains. These economic risks are increasingly recognized, studied and monitored by central banks and other regulatory agencies as potentially systemic risks to the financial system ([NGFS 2021](#)).

The VBA together with its member Holcim underlined the significance of meaningful corporate reporting and shared their experience with regard to incorporating biodiversity impacts and dependencies within decision making. Holcim further stressed the importance of making such reporting mandatory referring to the business-lead initiative '[Make it Mandatory](#)' by Business for [Nature](#), in which more than 400 companies and financial institutions (with combined annual revenue of more than US\$ 2 trillion) from 53 countries call for regulations that make meaningful and relevant biodiversity reporting mandatory for corporates.

With the EU already staying abreast of such demands, the European Financial Reporting Advisory Group (EFRAG) presented the European Sustainability Reporting Standards (ESRS), the thematic content within the Corporate Sustainability Reporting Directive (CSRD). The presentation focused on the ESRS on Biodiversity and Ecosystems (E4), which is expected to be adopted by the EU Commission by June 2023 ([EFRAG 2023](#)). According to the scope of the directive, more than 50.000 companies within the European Union and 15.000 companies in Germany will be required to report and disclose their biodiversity impacts and dependencies ([Bundesverband Nachhaltige Wirtschaft 2023](#)). Besides large corporations this eventually includes small and medium-sized companies (SMEs).

The IFRS Foundation's (IFRS) International Sustainability Standards Board (ISSB) referred to its widely acknowledged announcement at CBD COP 15, highlighting their plans for developing a global biodiversity reporting standard while stressing that nature is the foundation for any economic activity. As the IFRS is the widely accepted global standard setter for corporate reporting, the announcement by the ISSB is a significant signal for corporates worldwide to assess and disclose their link with biodiversity in particular where related to climate change.

Another globally acknowledged standard is the private Global Reporting Initiative (GRI), which builds on their over 15 years long expertise with regards to biodiversity impact reporting. In their

presentation GRI shared the updated draft biodiversity standard, which is open for public consultation and feedback until end of February 2023 ([GRI 2023](#)).

The Taskforce on Nature-related Financial Disclosures (TNFD) outlined the goal of the initiative to develop a framework for the assessment and management in particular of the financial risks related to biodiversity ([TNFD 2023](#)). The initiative is led predominantly by financial institutions that have recognized the need to better understand, value and address biodiversity risks. Eventually the TNFD framework also aims to reduce financial flows that are harmful to biodiversity and to promote biodiversity positive investments. The presentation at the Side Event outlined the next steps in finalizing their framework on biodiversity risk assessment and management, and how such guidance is relevant for the financial sector, corporates as well as standard setters.

The United Nations Statistics Division reported on the extensive work already underway on national ecosystem accounting ([UN SEEA EA](#)) and how this can support and potentially facilitate corporate reporting.

In conclusion and reflecting on the key messages of the panelist, a stronger multi-stakeholder exchange on methodologies, data availability and indicators was considered helpful. This, but also what the new standards on biodiversity and ecosystem services exactly entail, will be further analysed and communicated by the Bio-Mo-D project

People involved in the Side Event:

Organizers:

Tobias M. Wildner from the Helmholtz- Centre for Environmental Research – UFZ and the Value Balancing Alliance VBA and Dr. Johannes Förster from the Helmholtz- Centre for Environmental Research – UFZ

Panelists:

Christian Heller, CEO, Value Balancing Alliance (VBA)

Magali Anderson, Chief Sustainability and Innovation Officer at Holcim

Emily McKenzie, Technical Director, Taskforce on Nature-related Financial Disclosures (TNFD)

Philippe Diaz, Lead on ESRS E4 Standard, European Financial Reporting Advisory Group (EFRAG)

Ravi Abeywardana, Technical Director, International Sustainability Standards Board (ISSB)

Elodie Chêne, Lead BD Standard, Global Reporting Initiative (GRI)

Alessandra Alfieri, Chief Environmental-Economic Accounts Section, United Nations Statistics Division