



Loss of biodiversity

Biodiversity encompasses the diversity of species, variations within species (genetic variation), different types of natural environments and habitats, and the interplay between them. Diversity is necessary to maintain the Earth's natural ecosystems and their ability to sustain vital processes and ecosystem services which we humans also depend on.

For more than a decade, the Council has worked on cases where loss of biodiversity formed the basis for the exclusion of companies from the GPF. Forest and plantation companies have been excluded if large areas of forest in good condition, have been destroyed. The Council's starting point is that commercial logging and the conversion of forest land to plantations (deforestation) constitute one of the most serious threats to the preservation of ecosystems and biodiversity, particularly in the tropics.

Companies with operations that may harm World Natural Heritage Sites have also been excluded from the GPF. Sites are listed under the World Heritage Convention because of the unique and universal value of their natural landscapes, geology, ecosystems and/or biodiversity. Universal value means that their value is defined in a global perspective, not in a national or regional perspective.

In its recommendations, the grounds for exclusion have mainly been the potential loss of endangered species or important ecosystems, in other words attributes of high conservation value. Recommendations have only to a small extent addressed other consequences, such as the impairment of ecosystem services, and indirect consequences (cascade effects, such as the loss of one species accelerating the loss of another). This is because the risk of such consequences is not well documented.

The Council finds no advantage in drawing up general criteria for what constitutes an attribute of high conservation value. This has been assessed on a case-by-case basis, partly in light of international agreements and norms. However, it is possible to provide examples of the "fundamental norms" that underpin what is deemed to constitute an attribute of high conservation value in the recommendations.

- The presence of species that are included on the International Union for the Conservation of Nature Red List of Threatened Species³
- Areas that fall within the scope of the WWF's Global 200 Ecoregions⁴
- Areas identified as Biodiversity Hotspots⁵
- Areas identified as Important Bird and Biodiversity Areas⁶
- Areas identified as Ramsar Wetlands⁷
- Areas defined as UNESCO World Natural Heritage Sites under the World Heritage Convention.⁸

With the exception of operations that harm World Natural Heritage Sites, recommendations have often rested on a combination of the factors mentioned above. Overall, great emphasis has been placed on species and ecosystems that are rare and vulnerable, and that contain high conservation values.

In May 2019, the UN's Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) published its Global Assessment Report on Biodiversity and Ecosystem Services. The report provides a scientifically based assessment of how human activity is affecting biodiversity and ecosystem services.⁹ The IPBES considers the loss of biodiversity to be as great a threat to the world as climate change, at the same time as biodiversity is one of the most important tools we have to slow the pace of climate change. The report estimates that one million out of eight million species are endangered, many are at risk of becoming extinct altogether in the coming decades. The International Union for the Conservation of Nature (IUCN) states that 27 per cent of all the species it has assessed are endangered.

3 <https://www.iucnredlist.org/>

4 <https://www.worldwildlife.org/publications/global-200>

5 <https://www.cepf.net/our-work/biodiversity-hotspots/hotspots-defined>

6 <https://www.birdlife.org/worldwide/programme-additional-info/important-bird-and-biodiversity-areas-ibas>

7 <https://www.ramsar.org/>

8 <https://whc.unesco.org/en/convention/>

9 Global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services, 29 May 2019, https://www.ipbes.net/system/tidf/ipbes_7_10_add.1_en_1.pdf?file=1&type=node&id=35329

Change in land use is the most important cause of biodiversity loss on land. This includes the conversion of land for agricultural use, the growth of urban areas, and a huge increase in infrastructure-building. Over-fishing, pollution and the development of coastal areas are the most important causes of the decline in marine biodiversity.

The loss of species, habitats and ecosystems is, therefore, largely due to human activity. Nature is being eroded locally and regionally, but the consequences can be more far-reaching. When ecosystems are destroyed, nature will eventually stop being able to provide ecosystem services to a growing human population. Such services include clean drinking water, fertile soil and clean air. The IPBES also highlights the "cascade effect", which means that ecosystems will collapse and disappear when a large enough number of species have been lost and large enough areas of the natural environment have been destroyed.

There is not normally enough information to determine how many species are necessary for or which species are critical to the maintenance of a functioning ecosystem. However, there is broad agreement that biodiversity is important to prevent ecosystems from tipping over into a dysfunctional state, even though it is not possible to determine where precisely the tipping point lies.

The Council will continue to work with companies whose operations pose a major risk to biodiversity. In this context, the Council will also consider whether interventions that affect areas of high conservation value other than those designated World Natural Heritage Sites should also constitute grounds for exclusion. The IUCN has established a set of categories for protected areas that is recognised by the UN and many nation states (including Norway), and provides a global standard for their classification. This system has defined a hierarchy of protected areas based on ecological principles and the purpose of their management. These categories naturally underpin the Council's assessments.