

# Report: Biodiversity risk: Legal implications for companies and directors

## Key takeaways for Procurement Professionals



### GLOBAL DEPENDENCIES

The global economy and companies within it are highly dependent on the services provided by ecosystems.

### VALUE CHAIN RELATIONSHIPS

Biodiversity loss constitutes a systemic risk for the whole financial system.

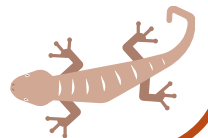


Companies' dependencies and impacts on biodiversity, often hidden in value chains, can create both business risks and opportunities.



**Procurement professionals play a key role** in protecting business operations from biodiversity risks. **They may need to:**

- Develop understanding of **biodiversity risks arising from value chains.**
- Stay abreast of **responsible sourcing policies and management tools** linked to value chain biodiversity dependencies and impacts.
- Work with supply chain partners to cascade **biodiversity related due diligence obligations.**



### DIRECTORS' DUTIES

Directors' duties to act with loyalty and care, requiring oversight of foreseeable and material risks and opportunities, are interpreted with reference to rapidly evolving market, social and regulatory context on biodiversity loss.



### BREACHES OF LEGAL OBLIGATIONS

In some circumstances **a failure to consider biodiversity risks and opportunities in governance and disclosure may constitute a breach of directors' duties of loyalty or care.**

