

POSITION PAPER

Aligning labels with biodiversity frameworks: a call for quantitative and science-based approaches

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The global goal of halting and reversing biodiversity loss has placed significant pressure on economic actors to address their impacts and dependencies on nature. The Kunming-Montréal Global Biodiversity Framework (GBF)¹ – although it does not impose itself a direct legal obligation on companies – sets ambitious global targets that guide national and regional policy. In the European context, for example, the Corporate Sustainability Reporting Directive (CSRD)², along with voluntary frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD)³, and the Science Based Targets Network (SBTN)⁴ increasingly require or encourage economic actors to disclose qualitative and quantitative data on their contribution to drivers of biodiversity loss, as identified by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)⁵. These drivers operate across multiple scales but a growing focus within these frameworks is on ecosystem condition—recognized as a reliable indicator of the overall biodiversity state.

Labels⁶ designed to promote sustainability, including biodiversity, represent an essential tool for companies and financial institutions in their efforts to reduce their environmental impact. Once material commodities have been identified within their value chain, companies typically aim to minimize their impact on biodiversity. One of the initial strategies they adopt is sourcing certified or sustainably labelled commodities, as a way to reduce their biodiversity footprint. While many label specifications integrate

¹ Convention on Biodiversity, <u>Kunming-Montreal Global Biodiversity Framework, Target 15</u>, [consulted on January 24, 2025]

² EFRAG, <u>ESRS 4 Biodiversity and ecosystems</u>, [consulted on January 24, 2025]

³ TNFD, Guidance on the identification and assessment of nature-related issues: the LEAP approach, December 2024, [consulted on January 24, 2025], 277 pages

TNFD, Discussion paper on Nature transitions plans, October 2024, version for consultation and feedback, [consulted on January 24, 2025], 106 pages

⁴ Science Based Targets Network, <u>Our target-setting process</u>, [consulted on January 24, 2025]

⁵ IPBES, <u>Models of drivers of biodiversity and ecosystem change</u>, [consulted on January 24, 2025]

⁶ "The label aims to promote a product, a service, a company or even a person", <u>Accreditation, certifications</u>, <u>labels... what is the difference? COFRAC</u>, [consulted on January 24, 2025]

measures addressing drivers of biodiversity loss⁷, they often **overlook the broader ecosystem-scale** indicators emphasized by emerging biodiversity reporting frameworks⁸.

Furthermore, most labels fall short in establishing quantitative thresholds that ensure measurable reductions in biodiversity impacts. These quantitative thresholds are critical for enabling businesses to set clear priorities, track progress, and align with the requirements of biodiversity reporting frameworks. Without these thresholds, labels fail to provide the rigorous criteria necessary to reliably assess and compare the biodiversity impacts of labelled versus non-labelled commodities.

In practice, companies and financial institutions often turn to **labels as an initial step toward reducing their impact on biodiversity**, by seeking to improve their traceability. However, challenges remain in linking labelling efforts to measurable reductions in biodiversity pressures. This **gap between labelling efforts and the difficulty of incorporating them into reduction trajectories must be addressed**.

As a developer of biodiversity footprinting tools and a partner to public and private stakeholders in their biodiversity strategy, CDC Biodiversité recognizes the need for labels to adapt. By aligning with the demands of biodiversity reporting frameworks, labels can **secure their relevance** and **reinforce their credibility in the long term**.

This document outlines actionable recommendations to ensure labels meet the expectations of reporting frameworks and can be effectively integrated into biodiversity footprint assessments. We propose three main recommendations:

1) **Include quantitative thresholds** into label specifications to enable measurable reductions in biodiversity impacts.

2) **Support research** to evaluate and quantify the actual biodiversity outcomes of label implementation.

3) Involve biodiversity experts and stakeholders in **label governance** to strengthen credibility and ensure alignment with biodiversity goals.

Include quantitative thresholds into label specifications

Labels are designed to guarantee their effectiveness through a set of criteria. However, many of these criteria lack quantitative thresholds, a critical shortcoming that undermines their ability to ensure measurable reductions in biodiversity impacts. **Quantitative thresholds are necessary to link label criteria**

⁷ CDC Biodiversité analysed the criteria of 15 labels: all labels included biodiversity criteria related to land use, 50% of them had criteria related to hydrological disturbance and only 7% had criteria on wetlands conversion. List of labels analysed by CDC Biodiversité: Rainforest Alliance, Agriculture Biologique, LEAF, Global G.A.P., Demeter, Harmony RSPO, RTRS, ISCC (For Farms and Plantations), ISCC PLUS - Management plans, FSC, Aluminium stewardship alliance, Copper mark, Responsible steel, Better coton.

⁸ Out of 15 labels analysed by CDC Biodiversité, only 20% have special consideration for ecosystems. List of labels analysed by CDC Biodiversité: Rainforest Alliance, Agriculture Biologique, LEAF, Global G.A.P., Demeter, Harmony RSPO, RTRS, ISCC (For Farms and Plantations), ISCC PLUS- Management plans, FSC, Aluminium stewardship alliance, Copper mark, Responsible steel, Better coton.

to scientifically demonstrable reductions in pressures and impacts on biodiversity⁹, as identified in existing literature and biodiversity footprinting models. These thresholds can be defined at different scales according to key commodities, operational context and the broader sustainability co-benefits they provide. They must be based on robust, auditable data, and must be realistic and achievable.

For example, the Forest Stewardship Council (FSC) label notably aims to reduce or avoid the use of fertilizer and pesticides¹⁰, which contribute to pollution—a major driver of biodiversity loss. While this objective is commendable, the absence of a quantifiable target (*e.g. a 30% reduction in the use of pesticides compared to national regulations or average national practice when the regulation does not mention this aspect*) makes it impossible to calculate associated biodiversity benefits. As a result, when assessing the biodiversity footprint of a company using FSC-labelled products, the potential reduction on biodiversity impacts linked to this criterion is difficult to quantify, without realizing additional modelling that would undermine the precision of the potential measured outcomes.

Similarly, the Responsible Wool Standard (RWS) label requires pasture rearing¹¹, a practice that can be considered into biodiversity footprint assessments as it corresponds to a specific land use type. However, the criterion prohibiting overgrazing¹² lacks a defined quantitative threshold (*e.g., at what point is a pasture considered overgrazed?*). In theory, such criteria could be measured at the field level on a site-by-site basis but in many cases we only know whether a practice is labelled or not, without access to the precise on-site data that would tell us exactly when a pasture is considered overgrazed. By establishing clear, measurable quantitative thresholds, labels would improve their transparency and traceability for sector actors, providing the detailed data needed to guide environmental strategy effectively.

To ensure labels remain relevant solutions in the biodiversity strategies of economic players, their criteria must be explicitly tied to measurable changes in biodiversity pressures or outcomes. This also implies adaptive thresholds built according to local realities, with labels choosing the local scales that seem relevant (national, regional). By integrating quantitative thresholds, as far as possible on a common set of indicators, labels can align with voluntary and regulatory frameworks strengthening their role in supporting biodiversity-friendly practices.

⁹ The BiodivLabel study stresses that "Mandatory measures generally structure the coherence and ambition of a specification, and are the only practices that the label certifies". Clara Ulrich (coord.), Françoise Lescourret (coord.), Olivier Le Gall (coord.), Valentin Bellassen, Claire Bernard-Mongin, Christian Bockstaller, Luc Bodiguel, Claire Cerdan, Cécile Chéron-Bessou, Fabienne Daurès, Alexandra Di Lauro, Anne Farruggia, Colin Fontaine, Marine Friant-Perrot, Guillaume Fried, Didier Gascuel, Sarah Huet, Thierry Laugier, Morgane Le Gall, Sophie Le Perchec, Harold Levrel, Allison Loconto, Sterenn Lucas, Pierre-Alain Maron, Clémence Morant, Anne Mérot, Emmanuelle Porcher, Mégan Quimbre, Adrien Rusch, Marie Savina-Rolland, Clélia Sirami, Fabrice Vinatier, José-Luis Zambonino-Infante, Catherine Donnars (2025). <u>Agriculture, aquaculture and fishing: impact of food standards on biodiversity, Summary of the scientific report of the study,</u> INRAE-Ifremer (France). 12 pages

¹⁰ "The Organization shall use integrated pest management and silviculture systems which avoid, or aim at eliminating, the use of chemical pesticides*. The Organization shall not use any chemical pesticides prohibited by FSC policy. When pesticides are used, The Organization shall prevent, mitigate, and / or repair damage to environmental values* and human health", FSC, Principles and criteria for forest stewardship, FSC-STD-01-001V5-3, 8 March 2023, [consulted on January 24, 2025]

¹¹ "Sheep shall have access to natural pasture at all times unless emergency or severe weather conditions would otherwise negatively impact on their welfare.", Responsible Wool Standard, <u>Responsible Wool Standard 2.2, RAF-101a-V2.2-2021.10.01</u>,[consulted on January 24, 2025]

¹² "Land shall not be degraded by overgrazing and/or other management techniques", Responsible Wool Standard, Responsible Wool Standard 2.2, RAF-101a-V2.2-2021.10.01, [consulted on January 24, 2025]

Support research to evaluate and quantify the actual biodiversity outcomes of label implementation

For a label to effectively contribute to an economic actor's biodiversity strategy, it must demonstrate measurable reduction in biodiversity impact. The ability to provide evidence of actual outcomes is a key challenge for labels. Demonstrating biodiversity benefits indeed requires scientific validation through dedicated research which can be costly. Labels could however play an active role in calling for or supporting research or initiatives on how to link field practices with ecosystem condition indicators, notably in ecological inventories, which help demonstrate biodiversity gains and model them. Labels could call for research / meta-analysis demonstrating the effects of labels at the pressure level, but also directly at the impact level (which would require aggregated results considering the different pressures). Supporting such scientific studies represents a powerful lever for action, enabling labels to evaluate their actual impact on biodiversity¹³. In this way, labels increase their credibility and the chances of alignment between their methodology and the reporting frameworks of their client companies, hence supporting businesses in integrating labelling schemes into their biodiversity reporting and impact assessment efforts.

Besides, these studies not only provide the evidence needed to verify a label's effectiveness but also offer an opportunity to refine and adapt the criteria of the label. By aligning the label's approach with the latest scientific findings, labels can ensure their methods remain relevant and effective in achieving biodiversity objectives and would reinforces their credibility.

Involve biodiversity experts and stakeholders in label governance

Incorporating dual materiality into organizational decision-making means recognizing accountability not only to shareholders but also to broader stakeholders, including those directly impacted by environmental outcomes. For labels, this principle emphasizes the importance of involving biodiversity experts and stakeholders in governance structures.

Expert involvement ensures that the criteria, metrics, and indicators used by the label are both relevant and scientifically robust. Independent biodiversity experts, particularly in relation with operating realities, can critically assess and validate the label's choices, providing transparency and challenging potential blind spots. By adopting a participatory approach to governance¹⁴, labels can strengthen their legitimacy, foster trust among stakeholders, and enhance their role in reducing pressures on biodiversity and restoring it.

¹³ For example, scientific studies have demonstrated the positive impact of the organic label on biodiversity.

[&]quot;Our results show that organic farming often has positive effects on species richness and abundance [...]", Bengtsson et al. (2005), The effects of organic agriculture on biodiversity and abundance: a meta-analysis, Journal of Applied Ecology, 42, n°2, 261-269

¹⁴ For achieving the 2050 vision for biodiversity, IPBES stresses the importance of governance choices. *"Inclusive, accountable and adaptive governance systems play a pivotal role in driving transformative change by involving diverse stakeholders in decision-making and addressing governance challenges"*, IPBES, the thematic assessment report of the underlying causes of biodiversity and the determinants of transformative change and options for achieving the 2050 vision for biodiversity, December 2024

Conclusion

Easily implemented into corporate biodiversity procurement strategies, labels are instruments with strong potential to help halt and reverse biodiversity loss. To serve as an effective lever in reducing the biodiversity impacts, their specifications must evolve to incorporate a pressure-based approach aligned with the requirements of biodiversity frameworks.

While many labels are widely recognized by economic players aiming to reduce their impact on biodiversity, their current criteria often fall short of meeting the needs of a comprehensive and robust biodiversity strategy. To remain relevant and credible, labels must adapt by ensuring their specifications guarantee the reduction of pressures on biodiversity and enable the calculation of associated gains.

By aligning their approaches with measurable outcomes, labels can bridge the gap between labelling efforts and their incorporation into businesses reduction trajectories. Enhancing knowledge-sharing, strengthening governance, and leveraging existing biodiversity data will reinforce their credibility and long-term relevance as effective solutions for businesses committed to halting and reversing biodiversity loss.



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