



# Integrating Biodiversity in Business

A BLUEPRINT



Biodiversity & Industry  
*Collaborative Platform*



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# 1. Introduction

Biodiversity includes the wide variety of flora and fauna which populates the world and permits the development of human life. Its loss is ranked in the top 5 existential threats that humanity will face within the next 10 years according to the World Economic Forum's **2021 Global Risks Report**. Indeed, human survival is strongly linked to the dependencies on natural capital and biodiversity.

It is everyone's responsibility to protect, restore and regenerate the loss of biodiversity and ecosystem integrity caused by everyday actions to the global natural heritage. Today, national and international actors must advocate for a sustainable and structured change.

Global leaders expressed their willingness to define a common strategy towards the safeguard of biodiversity worldwide. The **EU's Biodiversity Strategy for 2030**, presented in the framework of the European Green Deal, together with the EU Taxonomy and the new Corporate Sustainability Directive show the commitment of the European Union towards these objectives.

At the same time, high-level events such as the fifteenth meeting of the Conference of the Parties to the Convention on Biological Diversity (COP15) in Kunming, China, and COP26 on climate change in Glasgow, Scotland, underline the importance to boost

cooperative efforts and new commitments such as the post 2020 Global Biodiversity Strategy are under development.

At the same time, **more and more scientist urge for a common approach** to tackle the biodiversity and climate crisis together. Biodiversity loss and climate change are caused by human economic activity and mutually reinforce each other. Only by tackling them together they can be successfully solved.

The relevance of these challenges to business is evident, since **50% of the world's GDP depends on biodiversity**, its ongoing loss is a threat to our global economy. Long-term business survival is only possible if biodiversity becomes a structural part of business decision-making, starting with identifying, assessing, mitigating and disclosing biodiversity pressures in business operations.

To date, even if a growing number of companies are adopting biodiversity strategies, most are still exploring how best to embed these actions - governance, organisation, action plans and KPIs - into their overall sustainability plan, and to align them with emerging external references and regulatory constraints. This underlines the necessity to reinforce cooperation between European corporates and to imagine a way forward together.

## The Biodiversity & Industry Platform: First-Year Outcomes

In September 2020, CSR Europe embraced this challenge and started a cross-sectoral discussion with seven companies to work collaboratively on integrating biodiversity in decision-making processes. The **Biodiversity & Industry platform** was born from this practical priority, and grew throughout its first year, producing a pragmatic methodology to assess a business project from a biodiversity perspective.

After running a benchmark of the participating companies on their biodiversity management, the platform developed a **structured framework to guide a systematic analysis and assessment of their potential impacts on the natural environment**.

The framework consists of a **5-step methodology** through which companies can scope, assess, consult and prioritize upon biodiversity impacts across the value chain. Taking these elements into consideration should facilitate a more responsible decision making process and ultimately protect the local biodiversity.

## About the Blueprint

This Blueprint gives an overview of the platform's program and achievements, and wants to be a source of inspiration for companies. Its objective is to share externally the platform's progress and outcomes to help other companies to progress.

By promoting the results of the first year of the project, this document is a starting point to enlarge the project's scope and encourage more companies across Europe to embark on the biodiversity journey.

The Blueprint starts with an overview of the benchmarking exercise where key results and good practices are presented.

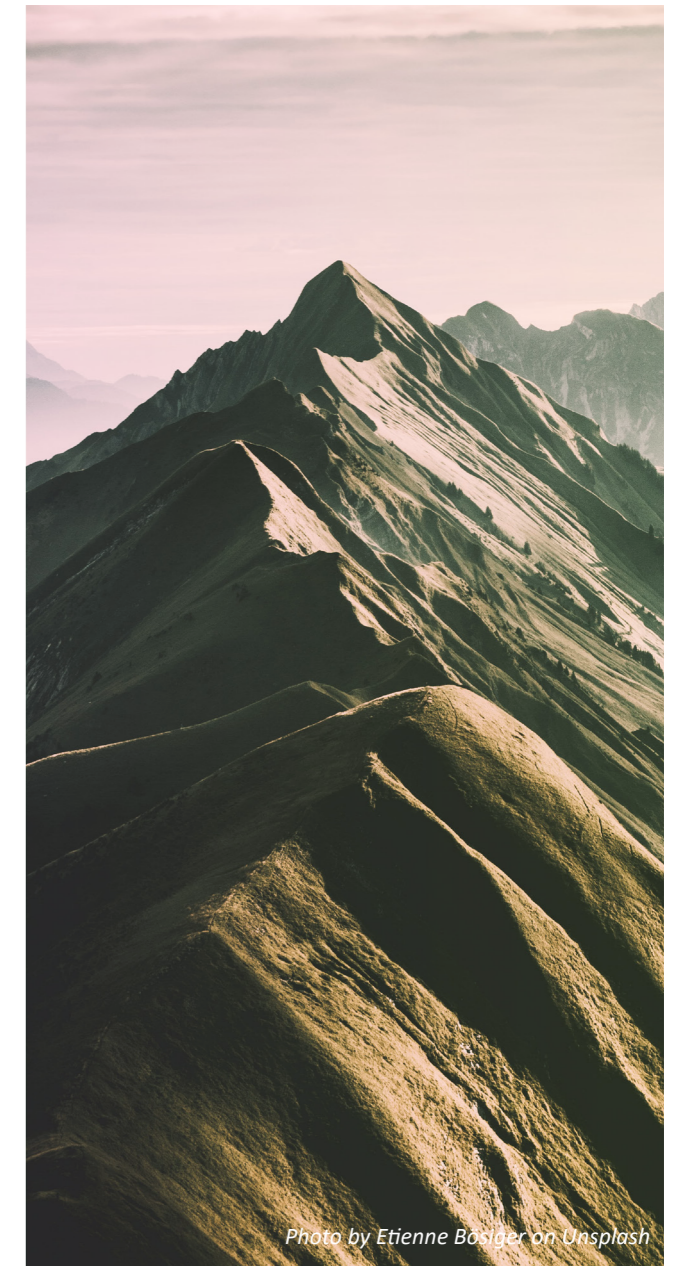


Photo by Etienne Bosiger on Unsplash

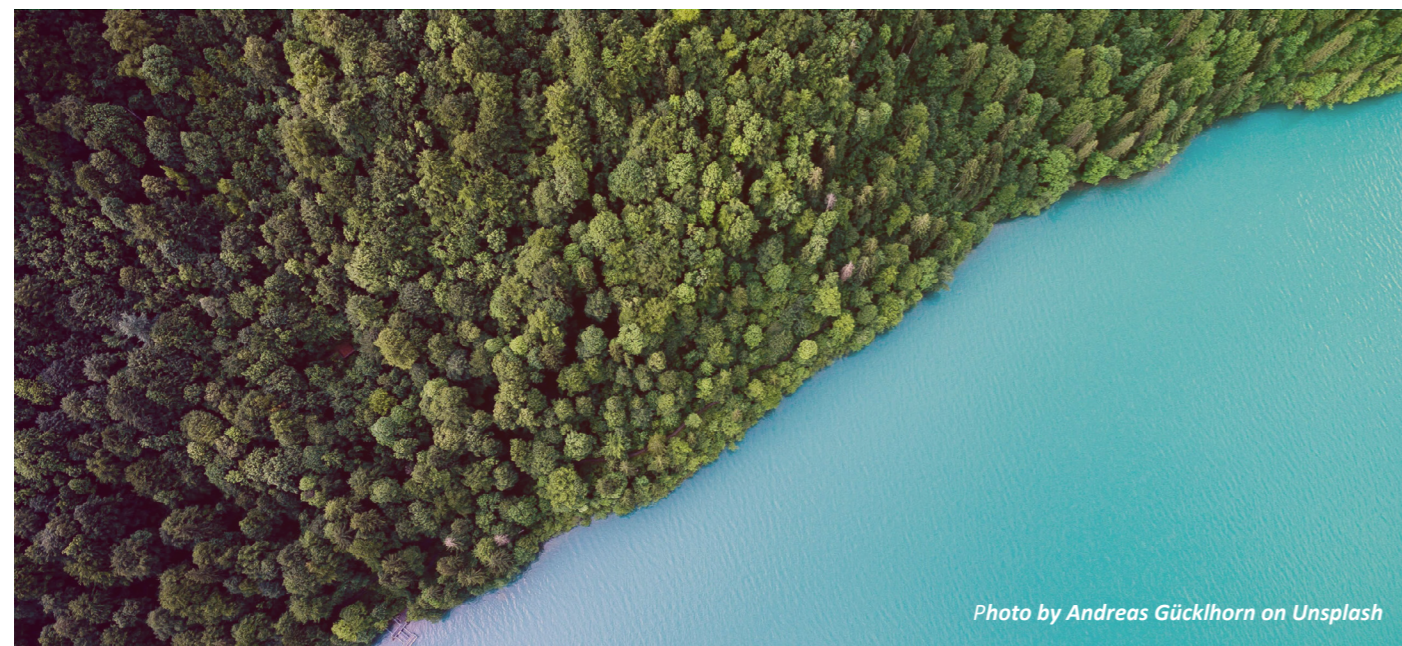


Photo by Andreas Gücklhorn on Unsplash

Secondly, it introduces the Guiding Framework developed through the collaborative effort within the platform, aiming at identifying and acting upon potential pressures in new or existing operations.

Finally, in the conclusions of the document, upcoming activities of the platform's second year are presented.

We kindly thank the participating companies for their contributions to this collaborative work: **Titan Cement, Engie, Iberdrola, GSK, Philip Morris International, Solvay, and Ipsen**.

## 2. The State of Play

### Challenges and Best Practices

Creating a picture of the current corporate situation is key to understanding how to take efficient action. Through a **biodiversity maturity & integration assessment**, the platform's members gained and shared an in depth image of the integration of biodiversity in their business processes.

Each company is at a different stage of their biodiversity journey, carrying out several good practices but at the same time facing different challenges.

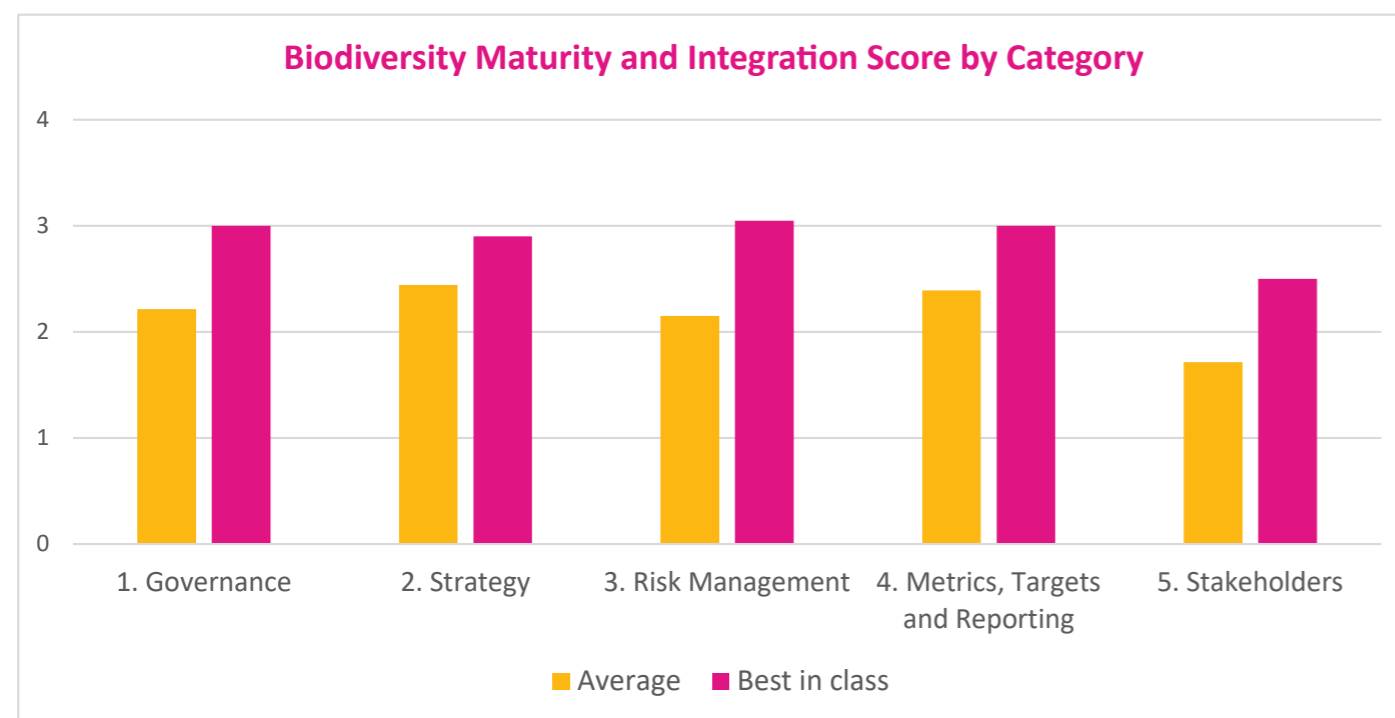
The **Biodiversity Assessment tool** developed by the platform has been able to properly identify and highlight the above-mentioned best practices and challenges, providing the right knowledge to design a way forward.

The Assessment covers five main areas:

1. Governance
2. Strategy
3. Risk management
4. Metrics, Targets and Reporting
5. Stakeholder engagement

It was carried out via a self-assessment questionnaire by companies which was then discussed, challenged and finalized.

The graph below shows the **overall result per category of the seven participating companies**. It clearly indicates that all companies are at different stages of their biodiversity journey with an average score at the middle point (2.1). It also reveals that the biggest challenge is the engagement with stakeholders, reflecting minimal interaction on biodiversity with customers, investors, suppliers and other external stakeholders such as NGO's.



Here we list some good practices in the shape of **general advice**:

1. Establishing a **structural oversight of biodiversity** in collaboration with facility managers and volunteers to represent an efficient way to define a cross-cutting biodiversity strategy.
2. **Setting Sustainability Framework Guidelines** supporting the company in the documentation and improvement of its own sustainability performance as well as the one of its members.
3. The institutionalisation of a well-structured **Sustainable Portfolio Management** to help companies understanding their operational and market-induced risks and opportunities related to the environmental impact of its facilities against the contribution of the products to the planet and society.
4. Appointing a **biodiversity expert network** in the company ensures that information and best practices are spread in the whole organisation.
5. **Site-specific Biodiversity Management Plans (BMPs)** laying out the specific goals for biodiversity developed for sites of high biodiversity value. In this context, local action plans demonstrate the company's ability to address the identified protection issues.
6. **Staff training and awareness raising** activities are a crucial actions. A certain number of hours should be dedicated to train employees and contribute to improve their level of expertise on the topic of biodiversity conservation and ecosystem restoration.
7. Organising global **biodiversity webinars for all staff** with external recognized experts, allow the workforce to stay up to date on the latest developments in the field.
8. Publishing a **Biodiversity Report** to inform both internal and external stakeholders about the group's efforts to protect biodiversity, in accordance with its commitments in the

Biodiversity Policy. The report needs to explain the company's approach to biodiversity management and how it interacts with biodiversity locally as well as illustrating initiatives to reduce and offset impacts.

9. **Investor engagement** is essential as they are key stakeholders and should always be included in the company's stakeholder engagement program due to their increased concern and interest in biodiversity-related issues. Further interaction with investors should be made on a regular basis with road-shows, bilateral meetings, forums, and workshops. Companies need to maintain regular and constructive dialogue with investors and communicate their strategy and performance on biodiversity in order to promote investor confidence and ensure continued access to capital.
10. **Collaboration and engagement** with a wide variety of stakeholders like NGOs, public entities, civil society organizations and investors to define biodiversity and deforestation approach and strategy is strongly encouraged.

From the benchmark, it appears that companies are currently confronted with many challenges and **not everybody has the same understanding of the meaning and definition of biodiversity**. This shows the necessity to strengthen the general awareness and knowledge of biodiversity, if we want to understand the impacts that business operations have on the overall ecosystem.

There is a **need for a common framework** to reinforce companies' actions to protect biodiversity. Streamlining is key to determine common targets and key performance indicators shared across the international community.

The **post 2020 global biodiversity framework which will be adopted at the COP 15 in Kunming, China in 2022, aims to set targets to halt biodiversity loss by 2030 and achieve recovery by 2050**. These global policy developments are challenging companies in the improvement and re-definition of internal strategies in order to comply with upcoming global standards.

**Very often, local biodiversity actions need improvement.** Apart from the lack of a formal procedure to ensure the company's compliance with standards and guidelines, biodiversity management should be better controlled across the supply chain. Assessing risks and managing impacts in direct operations can be done by the company. However, cascading this assessment down through the supply chain is complex (e.g. suppliers of raw materials) as often biodiversity measurement approaches are not streamlined. In order to effectively manage biodiversity risks across supply chains, there is a need to ensure consistency and comparability in biodiversity data measurement.

Finally, establishing a **clear management strategy** at top level on biodiversity can be a difficult task. Indeed, biodiversity is not always recognised as a key risk to the business and changes at the leadership level are needed to shift the business priorities and commitments.

Although most of the member companies are at the beginning of the journey, and the challenges are big, most of them are already integrating biodiversity into their activities, carrying out good practices in several ways and taking efficient actions and tools to improve business governance and strategy, risk management, metrics and targets, communication and stakeholder engagement.



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## 3. From Theory to Practice

### Integrating biodiversity considerations into business decision-making processes

The first benchmark exercise spotted the **gaps of biodiversity management in business** showing the relevance of assessing potential impacts on biodiversity on a local project or product level. Together with 7 leading companies, CSR Europe developed a **Guiding Framework to better integrate biodiversity into decision making processes**. This part of the blueprint goes deeper into the Framework's five main steps. In May 2021, several stakeholder engagement sessions were organized to provide members with informed feedback and additional expertise on biodiversity management in relation to business. Relevant key takeaways of these sessions are also shared below.

The purpose of this Guiding Framework is to help companies **identify and prioritize the potential pressures on biodiversity that a project could cause** in order to adequately manage them and ensure the ecosystem and biodiversity integrity. Examples of initiatives that could be assessed using the tool could be a new manufacturing activity, the development of a product or an undergoing activity. The aim is to **map all hotspots** in terms of biodiversity pressures and stakeholder concerns in order to adequately manage the identified priorities.

As it was highlighted by the international conservation organisation WWF during the Stakeholder Engagement sessions, **current tools are not designed for business use** and are unable to capture biodiversity risk holistically. For instance, the Integrated Biodiversity Assessment Tool (IBAT) focuses on geographic information about global biodiversity natural capital risks but lacks company specific risk assessments. Similarly, the ENCORE metric helps to assess impacts and dependencies to map financial and material risks but it is not spatially explicit yet. This expressed the need to design business-focused tools. CSR Europe Guiding Framework provides guidance and refers to existing methodologies and research to assess the potential impact on biodiversity itself.

**The Framework is divided into five main steps.** Starting from scoping the value chain areas potentially im-

acting biodiversity, the company is guided through an insightful internal assessment, combining estimations of ecosystem sensitivities, with a prioritization of the pressures on the environment caused by the project. Afterwards, the company is encouraged to engage with stakeholders on this basis. The internal assessment and external engagement results are then summarized in a **Materiality Matrix**, in order to visualize the main issues to be managed. Additional decision-making guidelines are proposed to help implementing actions to control potential impacts on biodiversity.

#### STEP 1: Understand the scope of the project

The journey starts with the **identification of the value chain areas** where the project can have a potential impact on biodiversity considering the specificities of the assessed project or product. This first step helps the company to focus its attention on relevant processes and define the evaluation boundaries. In order to reach this objective, the Framework guides businesses into an extensive reflection over the potential effects of the selected activity by encouraging the examination of upstream - including suppliers, operations and downstream - product use - processes across the value chain.

#### STEP 2: Assess internally your potential impact on biodiversity

After selecting the priority areas across the value chain, the journey leads the company to an in-depth **two-fold internal assessment** of the project. First, it draws the attention towards the biodiversity and ecosystem value and sensitivity of the local context. Secondly and inspired by recent work from the Science Based Targets Network, the Guiding Framework presents a series of key impact drivers in combination with a screening of ecosystem sensitivity aspects.

## STEP 2A:

### Assess the biodiversity value of the local context

The examination starts from the consideration of the **ecosystem sensitivity** in the selected value chain areas. Taking into account the characteristics of the local ecosystems is a fundamental starting point to assess and prioritise the impact drivers themselves. The business is encouraged to assess the fragility and richness of the natural environment before moving forward.

This complex evaluation comprehends an **analysis of endangered species** on the one hand and on **ecosystems** on the other. The possibility to fill up the grid and consequently the validity of the assessment, highly depends on the information and studies of the local ecosystems, which must be duly consulted. The identified sensitivity must be taken into account, whenever relevant, as aggravating factors in the second part of the internal study.

## STEP 2B:

### Assess your potential impact on biodiversity

After selecting the assessment scope and the ecosystem characteristics, the internal evaluation continues by focusing the attention on a series of **impact drivers**, via which the company can identify the pressure on the natural environment of its project. A limited but robust list of key drivers is proposed. It is necessary for companies to examine every possible impact, before eventually deciding to set some of them aside in their management. The selection of the relevant drivers must consider the sensitivity of the concerned ecosystems where these pressures occur, as previously identified.

For each driver, **the business is asked to define their amplitude in terms of potential risk for nature and biodiversity**. A scale is provided but does not pretend to scientifically quantify the biodiversity risk, but rather to support a prioritization of a project's impacts. This step allows companies to obtain an informed picture of the pressures and therefore acquire the necessary knowledge to manage the potential negative effects on the ecosystem.

As indicated by the European Commission Head of Unit on Biodiversity in one of our stakeholder engage-

According to WWF, there are **two ways companies can prioritize** and consequently choose their focus of action.

The first one is to **concentrate on impacts which can create regulatory, reputational, and other risks for business locations**.

The second way is to look at dependencies, meaning that the decline of ecosystem services can physically impact business locations, creating operational limitations. The first scoping step of the CSR Europe Guiding Framework takes into account both approaches to prioritize projects and focus areas.

ment sessions, it is necessary to strive for a balance between science and practicality in impact measurements. The challenge lies in finding something that is both **scientific and easy to use** for every company.

## STEP 3:

### Engage with stakeholders

Once the company has gained an overall picture of its own priorities of action, the Framework challenges the validity of the obtained results. Therefore, the journey continues by facilitating the **integration of multiple perspectives on the environmental significance of the project**. The engagement of different actors is a key feature of the Framework, which provides a list of the possible key stakeholders and advice on how to ensure their participation. It provides key questions to address and a final table to map and summarize the importance of each main impact driver from their perspective.

By following these recommendations, the company is able to get out of its internal environment and to understand the context's reality and challenges.

A thoughtful stakeholder engagement facilitates the analysis of the biodiversity impacts of the project and, as importantly, the identification of possible mitigation solutions. Moreover, this process strongly helps the company to be recognised as a responsible partner, gaining respect and acceptance from the local, national and international community.

## STEP 4:

### Visualise your outcomes

At this point of the journey, the company obtains not only an overall picture of its internal priorities, but also a reliable validation of this assessment with considerations of stakeholders. All this precious information needs now to be carefully organised. This is the reason why the Guiding Framework provides a **Biodiversity Materiality Matrix**, which allows to create an overall, simplified image of the assessment. By combining the results obtained in the second and third steps of the Framework in the table, a mapping of the main concerns and priority areas in the development of the project is produced.

The outcome enables the company to **quickly identify the main areas of concern**, therefore easing the implementation of a sustainable response towards biodiversity protection.

## STEP 5:

### Time to decide through concrete guidelines

Once a company has a clear idea about the biodiversity impact of its activities, it is time to take a decision and consider how to neutralize or reverse possible negative impacts on biodiversity. The lessons learned throughout the assessment should be a starting point to take mindful decisions towards the protection of biodiversity and ecosystems. To facilitate this translation from words to concrete initiatives, the Guiding Framework presents **two series of questions that can support decision-making** and further management of the project, on the basis of the criticalities identified in steps 2-4.

The knowledge gained during the evaluation of a project's potential risks on biodiversity and the natural environment, ensures an adequate analysis of these questions and an efficient definition of a clear action plan to respond to the identified threats.

This final step of the Guiding Framework starts with a **review of the relevant biodiversity aspects of the project** in the light of internal policies and sustainability strategies. A mindful observation of the Biodiversity Materiality Matrix previously constructed can support the identification of critical elements from the business and stakeholders' perspective. Indeed, the picture efficiently shows the significant impacts from both points of view and therefore advises actions to take.

Taking into account the above-mentioned features, the company is firstly invited to reflect on how to manage or mitigate the relevant possible impacts. Afterwards, it is encouraged to establish an action plan based on the taken decisions. Every promoted initiative need to be put into place during the implementation of the project, in order to ensure its sustainability.

By considering the two sets of questions and supporting the company in drafting related Action Plans, the Guiding Framework ultimately permits the implementation of well-informed sustainable initiatives and promotes the mindful protection of local biodiversity and ecosystems.

An example of strategy to implement sustainable solutions is the mitigation hierarchy developed by the **Finance Corporation's Performance Standard 6**.

The mitigation hierarchy adopts the idea that **all negative effects on biodiversity can be mitigated**, compensated or transformed into positive impacts, aiming to achieve "no net loss" on biodiversity in the development of projects.

**Five steps can be distinguished within this approach: avoid, minimize, restore, offset.**

**Avoidance** refers mostly to the project planning phase where potential negative impacts on biodiversity can be limited by changing or restricting the operational location.

**Mitigation** aims at reducing the intensity of the development of impacts, for example by using new technologies or modifying the project time-line. If a project is unable to avoid or minimize negative impacts, the next step in the hierarchy is **restoration**. This action wants to recover the provoked loss, such as soil degradation or disturbed ecosystems, in order to boost the biodiversity to the pre-project level and rebuild the natural landscape.

A last resort in the hierarchy, when no other option is possible, is the **offsetting**. However, this step is the least advised, as it refers to take action outside the project' impact to balance the overall negative consequences, for instance by funding conservation projects or supporting local environmental NGOs.

## 4. What Comes Next

Whilst designing this innovative journey, CSR Europe understands the necessity to keep supporting companies in the way towards biodiversity and ecosystem protection. Indeed, the work done in the first year of the Biodiversity & Industry Platform clearly demonstrates the **need to define methods able to integrate a structured Biodiversity Management at the company level**. Therefore, the Biodiversity & Industry Platform decided to confirm its commitment to develop ideas for the second year of the business-led Leadership platform.

The proposal is divided in **four major workstreams**:

### 1. Learning and sharing

The Biodiversity and Industry platform was born with the aim to facilitate businesses interaction on nature-related issues. During its second year, collaborative learning and sharing between participant companies will continue, by organising regular meetings to share best practices and challenges.



### 2. Developing tools and models

The Guiding Framework produced during Year 1 will be further improved. Further refinement will be based on additional feedbacks collected after its practical application in business projects. Moreover, the reference documents and tools accompanying the different steps will be enriched with recent scientific and international publications and research.

From a corporate perspective, on the basis of the learnings gained during year 1, **a new Biodiversity Maturity and Integration Model will be produced**. The aim of the model will be to guide companies in the integration of natural capital in management processes. The tool will be co-constructed with the help of the platform members, as well as external stakeholders who will validate the new approach and allow its promotion throughout international networks.

### 3. EU regulatory updates

Biodiversity is now high on the European and international agenda. The EU Taxonomy regulation sets some important environmental objectives including the sustainable use and protection of water and marine resources and the protection and restoration of biodiversity and ecosystems. With the new Corporate Sustainability Reporting Directive, EU sustainability reporting standards will be adopted obliging businesses to report regularly.

The European Green Deal includes the new EU Biodiversity Strategy for 2030 adopted by the European Commission, with an associated Action Plan, a comprehensive, ambitious, long-term plan for protecting nature and reversing the degradation of ecosystems. In order to be updated on this fast changing agenda, the B&I platform will keep track of the latest developments in this regard and **encourage dialogue and peer learning on compliance with new regulations with its members**.

## 5. Conclusions

During the first year of the Biodiversity and Industry Platform, CSR Europe together with seven leading companies was able to design a new path towards biodiversity protection for business. This is just the start and more efforts are needed to ensure a greater business acknowledgment and understanding of the risks linked to environmental loss.

If human survival depends on the richness of natural capital, businesses also depend hugely from the biodiversity and everyone is responsible to contribute in the establishment of a new sustainable way of working, protecting biodiversity in all its aspects and everywhere along the value chain. It is no longer possible to ignore the natural capital and look away.

Not only on the EU level, but also on international level, new regulations and frameworks are under development. In light of the COP15, a first draft of a new Global post - 2020 Biodiversity Framework has been published, to guide actions worldwide by 2050 and which will set the biodiversity agenda for the next decade.

### 4. Sharing and Speaking

By sharing externally the successes and accomplished achievements of the members in high-level events, the platform will allow greater recognition of the efforts made towards the protection of nature and biodiversity and aims at taking leadership in the industry and at **bringing more businesses to tackle biodiversity**, challenges in a faster and stronger way.

CSR Europe is willing to thrive this change and to support companies in making the difference and which are committed to keep finding common solutions towards this goal.

Therefore, **we call companies to act efficiently and to act now**. Joining the Biodiversity and Industry Platform is not only a way to collaborate with peers, but most of all an opportunity to adopt methodologies able to respect the environment. With the participation of everyone, it will be possible to protect biodiversity and the future of our Earth.

**Join CSR Europe in this journey towards a greener future.**



## FOR MORE INFORMATION

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## ABOUT CSR EUROPE

**CSR Europe** is the leading European business network for Corporate Sustainability and Responsibility.

With our corporate members, National Partner Organisations (NPOs), and Associated Partners, we unite, inspire & support over 10,000 enterprises at local, European and global level.

We support businesses & industry sectors in their transformation and collaboration towards practical solutions and sustainable growth. We are for systemic change. Following the SDGs, we want to co-build with the European leaders and stakeholders an overarching strategy for a Sustainable Europe 2030.



*A special thank you goes to the members of the Collaborative Platform Biodiversity and Industry:*

