



DISCLOSE

STEP 8:

BIODIVERSITY MAINSTREAMING INTO BUSINESS IN SOUTH AFRICA



Key questions to consider

For shareholders:

Do you know the biodiversity performance of the companies you have invested in?

For the CEO and the board:

Are you aware of the stakeholder feedback on your biodiversity disclosure?

For environmental and sustainability managers:

Have you used the Biological Diversity Protocol to consolidate the biodiversity impact of your business and its value chain? Is the scope of your biodiversity disclosure comprehensive and commensurate to your biodiversity strategy? Has the data been independently verified?

For the financial sector:

Is your client fully disclosing its biodiversity risks, impacts/dependencies and performance?

DISCLOSING THE BIODIVERSITY PERFORMANCE OF YOUR BUSINESS

Key:
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for more information



Key messages

- Biodiversity disclosure should cover the biodiversity risks, impacts/dependencies, targets, and performance of your business and/or its value chain, as per its strategy;
- Biodiversity impact disclosure should be undertaken according to the Biological Diversity Protocol (BD Protocol);
- To disclose the net impact of your organisation on biodiversity, both Statements of Biodiversity Position and Statements of Biodiversity Performance should be compiled for land cover and species separately;
- Ensuring transparency and verifiability of the disclosed data is crucial for both internal and external stakeholders.

Once you have started implementing your biodiversity strategy, it is time to start communicating with all your stakeholders, including providers of capital, about your performance. Biodiversity is a critical component of natural capital, one of the six capitals recognised by the International Integrated Reporting Council and outlined in the Integrated Reporting Framework <IR>. Biodiversity disclosure should occur on a regular, annual basis. This step helps you understand how to disclose your biodiversity performance.

Step 8 precedes Step 9, which deals with the monitoring of the biodiversity mainstreaming strategy and action plan for your business.

INTEGRATED REPORTING <IR>



Defining the scope of your biodiversity disclosure

A key step in your biodiversity mainstreaming journey is communicating with your stakeholders about your biodiversity performance. We define biodiversity disclosure as the process of communicating new biodiversity-related information to stakeholders external to your organisation.

To date, companies use four main, often complementary approaches to report on natural capital impacts and dependencies:

- Narratives about the company's management approach are used to explain how reporting organisations deal with a specific natural capital issue;
- Financial information may be disclosed to explain the financial implications or consequences of a specific event (e.g. mine closure liability, oil spill fines);
- Quantitative non-monetary information is disclosed to express how the reporting organisation uses and/or impacts natural capital, typically in the context of applying GRI guidelines[1] or responding to CDP[2] questionnaires.

[1] See GRI 304: Biodiversity 2016 at URL: <https://www.globalreporting.org/standards>

[2] See CDP global disclosure mechanisms UR: <https://www.cdp.net/en>.

- Information on natural capital externalities[3] is used to present the external costs or benefits on society generated by the reporting organisation (e.g. economic costs of company air emissions).

Thus, biodiversity disclosure may involve sharing information about your company's:

- Biodiversity vision and/or policy;
- Biodiversity risks and opportunities;
- Methodology for assessing material biodiversity dependencies and impacts;
- Biodiversity strategy, including its objectives, action plans, activities, timeframe, key performance indicators, mobilised financial and human resources;
- Biodiversity dependencies and impacts, including its net impacts on biodiversity through the use of the BD Protocol;
- Revenues, expenses, assets and liabilities associated with its biodiversity dependencies and impacts, including implementing the mitigation hierarchy, and notably no-net-loss/net-gain legal requirements.
- Costs (e.g. ecosystem services loss) and benefits (e.g. costs savings by governments by setting up and managing private protected areas) to its stakeholders, both internal and external, associated with its biodiversity dependencies and impacts.
- Outlook and plans for improvement.



The Biological Diversity Protocol



The BD Protocol enables any organisation to identify, measure, manage and report on their impacts on biodiversity in a standardised, comparable, credible and unbiased manner. It also helps you improve the quality of biodiversity information available to providers of financial capital.

The BD Protocol recommends that your biodiversity disclosure report includes:

- Narratives about your company's approach to managing biodiversity, notably:
 - your approach and targets with regards to implementing the mitigation hierarchy, and;
 - how biodiversity impacts affect value creation and other forms of capital within your organisation (i.e. integrated reporting perspective);
- Quantitative, non-monetary information about the scale of your positive and negative impacts on land cover and species, across the selected value chain boundaries of your impact inventory; i.e. the net impacts on biodiversity of your organisation.

To disclose the net impact of your organisation on biodiversity, both Statements of Biodiversity Position and Statements of Biodiversity Performance should be compiled for land cover/ ecosystems and species separately.

[3] In economics, an externality is the cost or benefit that affects a party who did not choose to incur that cost or benefit.

While the former shows accumulated impact data, from the time of baseline assessments up to the time of reporting, the latter expresses periodic net impacts on biodiversity (i.e. your biodiversity performance over the past year).

Consolidated impact data should always be presented separately for each value chain boundary component or scope, to clearly distinguish between different levels of responsibility and control over impacts. You may also elect to show previous Statements of Biodiversity Performance (i.e. previous periodic net impacts) for comparison and trend analysis purposes.

Disclosing your biodiversity footprint according to the BD Protocol

The BD Protocol defines your company's biodiversity footprint as the total land footprint of an organisation, which can be expressed in any surface area metric (e.g. hectares, square miles, square kilometres) and is made up of two components – the positive biodiversity footprint and the negative biodiversity footprint of the organisation – reflecting land cover condition.

The biodiversity footprint of a business is thus equal to the sum of all positive and negative impacts on land cover types within your inventory. These positive and negative footprints should be expressed in an appropriate relative surface area indicator, such as hectare, square mile or square kilometre equivalents, while their respective share of total footprint may be shown as percentages

While consolidated statements are useful to obtain a rapid understanding of your company's biodiversity impacts, it may be worth disclosing disaggregated data sets in cases where consideration of their importance to internal and/or external stakeholders, as part of the set of information used for decision making, has the potential to alter that decision. Accordingly, data may be further consolidated per land cover category and according to any geographical classification system, for instance per operation, site, geographic location, business process, or legal entity.

Disclosing your impacts on species according to the BD Protocol

Reporting impact data on species is very different to reporting land cover impacts, as you cannot aggregate data across species or sub-species.

For habitat-based approaches, you cannot add up relative surface area impact data for distinct species within and across taxonomic groups, as their habitat may overlap, leading to double counting. For population-based approaches, it makes very little sense to add up populations within and across taxonomic groups as what matters is the viability of individual taxon.

Because no inter-taxa aggregation is feasible, to save time and resources, reporting and disclosing impacts on taxa should only be undertaken for material impacts.

Validation and verification

Ensuring transparency and verifiability of the disclosed data is crucial for both internal and external stakeholders. The more transparent, well controlled, and well documented a company’s inventory system and associated impact data are, the more efficient validation or verification will be.

Validation and verification may cover either the assessment process or the results, or both together. There are two main options:

- Internal reviews or “self-checks,” which are relatively easy to undertake and are carried out within the company, ideally by involving colleagues who were not directly involved in the assessment (e.g. internal audit department);

- External reviews, which typically involve independent parties, and aim to enhance the credibility of the biodiversity assessment process and results but are more expensive and time consuming than self-checks.

5.75	56	8.25	3.25	4.8	3	6.05	10.25	14.38
9	3	10	25.6	12.59	17.98	15.26	129.85	74.42
7.02	18.44	20.77	5.86	3.96	6.6	1	0	11.2
0	3	1.5	4				11	6.5
3.11	0	0.5	0	0.37	0	0.5	0	11.5
3.13	2.7	53.32	2.36	0.3	1.21	0	22.06	2.24
3.81	9964.9	9964.76	1106	13945.79	14851.18	17625.5	19138.99	20234.06
9.96	149.99	211.18	54.21	453.65	229.93	59.97	139.96	299.93
Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
2.65	13359.77	14016.76	1094.89	12901.21	12625.01	13686.73	213.05	12941.58
5.57	925.61	1232.46	1046.6	1152.52	1210.19	2180.86	2100	1938.61
1.89	2990.29	3408.59	445.21	3400	2956.12	3779.39	325.32	3003.2
2.52	340.83	445.02	491.75	442.9	443.92	603	774.39	696.84
4.23	8953.85	8323.28	228.76	5744.81	4654.11	6468.39	3983.6	6088.4
92.9	1675.65	1859.25	78.12	1914.77	1830.85	2268.69	165.45	2480.94
1.67	911.7	860.27	3.35	979.59	847.94	1067.62	1163.01	1107.32
7.45	482.46	561	5.83	515.79	558.06	645.75	549	589.68
5.55	419.47	390.96	39.2	403.78	402.73	329.75	367.56	313.65
59.8	57.72	80.6	4	87.88	35.36	74	85.28	56.68
4.08	1.24	0.99	0.75	17.86	1.88	37	1.3	0.71
3.75	1	0.75	0.75	0.75	3.70	2.5	0	2.5
4.74	196.66	313.62	1.14	191.87	172.88	170.8	794.06	738.56
3.24	173.81	308.2	2.03	14.44	0	20.7	153.71	119.41
0.2	0.2						0	7.47
1.35	30.8		16.55	23.4	30.25	28.35	45.7	28.85
13.3	20.33		15.4	15.92	29.29	18.99	44.92	88.48
1.98	7	9	1.26	0.62	1.72	35.5	239.59	205.46

National Biodiversity and Business Network

The National Biodiversity and Business Network (NBBN) recognises the importance of biodiversity to business and builds the capacity of business to act as a positive force for the conservation of biodiversity in South Africa. The natural environment plays an important role in the value chain of any business. We work with innovative business leaders to identify and manage the business risks and opportunities that result from their interactions with the natural world.

We provide a platform for businesses to proactively engage with each other and discover solutions that lead to sustainable business growth and many exciting business opportunities such as new sources of revenue and the opportunity to reduce production costs.

We achieve this through the following projects:

- Biodiversity Disclosure Project
- Biological Diversity Protocol
- Mainstreaming Biodiversity into Business Toolkit

