



BUSINESS ADVISORY GROUP (BAG) MEETING 1 ON 22 MAY 2024:



EXECUTIVE SUMMARY:

This workshop highlighted many of the challenges and gaps facing non-state actors when it comes to navigating policy, tools and recommendations around biodiversity mainstreaming in South African businesses. The workshop facilitated dialogue across different business sectors and there were several important comments and recommendations raised which have been summarized and further discussed below.

The discussion around whether there are policies in place in South Africa to encourage monitoring, assessment and disclosure of business risks, dependencies and impacts on biodiversity incited several notable points. Businesses recognize the value of the current policy measures in place that guide environmental risk management in South Africa however, there have been some conflicts reported on some of the authorization processes between policies. It was also noted that current laws tend to emphasize monitoring and assessment but often lack guidance on disclosure. Some of the voluntary frameworks that currently exist were reported to be very useful and influential. It was also mentioned by businesses that measures to motivate organisations to provide information to consumers are few and that currently there is some reluctance to pay higher prices for sustainable products. Additionally, when it comes to discussing the need to promote sustainable consumption patterns, consumer education is necessary to help understand the value and price of sustainable products. Effective awareness raising on this matter should help to reduce the reluctance to pay for higher priced sustainable products.

When discussing indicators, there was a call from businesses for increased use of technology for on-the-ground assessments noting also that transformative indicators could include short-term (species restoration) versus long-term (ecosystem interconnectivity) goals. Current indicators mostly focus on the condition and connectivity of already conserved habitats. Indicators need to be goal-oriented, SMART, and measurable and land-use indicators should focus on improving the ecological value of the land. Sector-specific indicators are supported but require universal biodiversity units for cross-sectoral comparison.

The need for capacity building and training was a point that was highlighted and driven quite strongly at the workshop and that when it comes to monitoring, assessment, and disclosure, businesses need capacity building as well as skilled and knowledgeable internal teams to drive biodiversity within business. Additionally, there is an overall call by businesses for capacity building within government institutions and departments, particularly regarding concepts like the mitigation hierarchy and strategic approaches, and a call for improved communication across government levels.

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INTRODUCTION:

i) Business Action and Advocacy for the Planet:

This project, Business Action and Advocacy for the Planet (BAAP) is an international collaboration between Business for Nature (BfN) and the Endangered Wildlife Trust (EWT) as the South African implementing partner with support and funding by Conservation International (CI) and the Global Environmental Facility (GEF). The BAAP project is dedicated to businesses, providing guidance on policy alignment and helping them reduce their negative corporate impact.

ii) Goals of the project:

One of Business for Nature's goal - "driving credible business action and policy ambition to achieve a nature-positive economy for all by 2030" is achieved by working with leading institutions in various countries to help guide and assist the process of alignment with the [Kunming-Montreal Global Biodiversity Framework's 23 action-oriented global targets](#). Following the adoption of the Kunming-Montreal Global Biodiversity Framework (GBF) by the UN CBD, governments are requested to revise and update their National Biodiversity Strategies and Action Plans (NBSAPs) for submission at COP16 in November 2024.

Business for Nature has produced [recommendations](#) for governments on how to include the role of business and finance in NBSAPs. This includes partnering with progressive business associations and creating a coordination mechanism. Effective incorporation of business and financial institutions into NBSAPs requires active engagement and coordination between policymakers and the private sector. Therefore, business-government dialogue is essential. In South Africa, the primary avenue for promoting this dialogue will be through the formation of a National Business Advisory Group (BAG).

The national BAG comprises leading companies and organizations representing the foremost business and finance voices on nature issues. These workshops are designed to be interactive dialogue-based forums which focus on Target 15 of the Convention on Biological Diversity's Kunming-Montreal Global Biodiversity Framework: "Businesses Assess, Disclose and Reduce Biodiversity-Related Risks and Negative Impacts".

The National BAG aims to:

- Facilitate interactive dialogue between businesses, and between business and government. (See Appendix 1 – 'High level Theory of Change')
- Deliver key policy-related findings from the feedback of BAGs and stakeholder engagement focusing on a joint action plan for the NBSAP updating process.
- Review of current alignment of companies in reporting against the Global Biodiversity Framework Targets.
- Assess progress towards national targets by non-state actors in line with the CBD.

iii) Roles and responsibilities of stakeholders:

- Business for Nature (BfN): BfN is responsible and accountable for quality control and approving final deliverables. BfN will provide strategic and technical support to the national organization throughout the implementation of the project.

- Conservation International & GEF Agency (CI-GEF): Conservation International is the accredited GEF Implementing Agency for this project. As such, CI is required to flow down certain funding terms as part of all service agreements under this project.
- The national implementing partner - Endangered Wildlife Trust (EWT): Under the overall guidance of Business for Nature and CI-GEF, the selected organization is expected to coordinate the activities at the national level to deliver the activities planned and ensure that companies and governments engage in meaningful and regular dialogues for the implementation of the Post-2020 Global Biodiversity Framework.
- South African National Biodiversity Institute (SANBI) and Department of Forestry, Fisheries and the Environment (DFFE): DFFE is the South African government department mandated with enacting the commitments of the Kunming-Montreal Global Biodiversity Framework targets as a signatory party and as such provides direction to the implementing partner on its requirements and agrees to give proper consideration to guidance and recommendations provided as outcomes of the Project. SANBI is the official policy advisor to the DFFE and as such provides direction and support to the implementing partner (and a letter of support to the EWT has been issued), participates in the BAG and reviews the outcomes of the Project.
- Business Advisory Group (BAG) Members: The representatives of the strategic businesses identified agree to:
 - Make every effort to attend meetings and participate virtually or in-person or arrange for an alternative representative from the same company.
 - Review documents before and after meetings.
 - Contribute to identifying and promoting ambitious nature-related policies by participating virtually or in-person in coordination meetings of the group.
 - Refrain from promoting short-term economic interests while engaging in meetings and activities as part of this BAG, rather, the focus should be on advocating for nature conservation and restoration, sustainable development, and other initiatives that provide long-term benefit to nature and people.
 - Participate in the development of joint positions to provide guidance and support to South African government how businesses can effectively engage in the implementation of the GBF.
 - Advise DFFE and other relevant national government departments and entities on how to create an enabling environment for the private sector to take ambitious actions on nature aiming to reduce negative impacts and increase positive ones.
- Observers: Representatives of business bodies, academia, NGOs and other organisations agree to:
 - Make effort to attend meetings and participate virtually or in-person. The commitment would be to attend and participate in 3 half-day meetings in the next 3 months from June to August (in-person as far as possible with hybrid if necessary).
 - Contribute to identifying and promoting ambitious nature-related policies by participating virtually or in-person in coordination meetings of the group.

- Refrain from promoting short-term economic interests while engaging in meetings and activities as part of this BAG, rather, the focus should be on advocating for nature conservation and restoration, sustainable development, and other initiatives that provide long-term benefit to nature and people.

iv) The first Business Advisory Group meeting for 2024, held on 22 May:

In recognition of the International Day for Biological Diversity (IBD) on 22 May 2024, the Endangered Wildlife Trust’s National Biodiversity and Business Network hosted a workshop for our Business Advisory Group (BAG) members. This event unpacked the challenges and gaps for South African businesses to successfully mainstream biodiversity into the private sector.

The aims of the first meeting were to: 1) introduce invitees to the project; 2) network between businesses in different industries and with non-state actors; and 3) facilitate small-group discussions on targeted questions. This report attempts to synthesize the main discussion points in the workshop into clear recommendations for the business-government dialogue, and other points to consider (Tables 4 and 5).

The first part of the workshop involved taking stock of where corporate South Africa is in relation to biodiversity mainstreaming in general, and the second session unpacked the challenges and opportunities in supporting South Africa to meet the GBF goals and targets. The workshop was divided into two sessions consisting of the topics and questions as indicated in Table 1 (below):

Table 1: Session topics and guiding questions

Session	Topic	Question
1	National target setting for target 15: What this means for your business.	1.1 What measures (for example laws, regulations, policies) are in place in South Africa to encourage the monitoring, assessment and disclosure of your businesses risks, dependencies and impacts on biodiversity? Do you feel these above requirements are aimed at large and transnational companies and financial institutions? Do these account for supply chains and portfolios? How effective have these been and can their effectiveness be improved?
		1.2 What are the opportunities and constraints in putting in place legal, administrative or policy measures on these issues? What do you think are the potential ecological, economic, and social benefits and costs?
		1.3 What measures are in place in South Africa to encourage businesses to provide information to consumers to promote sustainable consumption patterns? Is there enough guidance provided to effectively implement this? If not, how could their effectiveness be improved?
		1.4 What measures are in place in the country to encourage compliance with access and benefit-sharing regulations and measures? How effective have these been? How could their effectiveness be improved?
2	Reaching national targets: resources and indicators for meaningful progress.	2.1 What resources do you need to enable regularly monitoring, assessing, and transparently disclosing your risks, dependencies and impacts on biodiversity along operations, supply and value chains and portfolios?
		2.2 What are the indicators that you are currently using that can be taken up by government to report on progress to meeting disclosure targets?
		2.3 What should transformative and implementable indicators be within the next 3 years? The next 10?
		2.4 What resources do you need in order to provide information to consumers to promote sustainable consumption patterns?

		2.5 What do you need to progressively reduce your negative impacts on biodiversity as well as help increase your positive impacts?
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v) Attendees list:

The attendees represented various industries and are divided into the invited members of the BAGs (Table 2), representatives of individual businesses; and observer members (Table 3), representatives of industry bodies, NGOs, academia etc.).

Table 2: Business Representatives

Name	Organization	Sector
Anastashia Chetty	Investec	Finance
Brent Corcoran	Mondi	Forestry
Brent Holme	Hatch	Engineering and Environmental consulting
Bruce Paul	Concor	Construction
Daniel Jooste	Nedbank	Finance
Dineo Mogashoa	Investec	Finance
Heidi Newton-King	Spier	Agriculture
Inba Pillay	Balwin Properties	Real Estate
Joanne Dube	Investec	Finance
Justine Bolton	First Rand	Finance
Madeleine Ronquest	First Rand	Finance
Mapaseka Lukhele	Transnet	Transport
Martin Ginster	Sasol	Energy
Matthew Law	SAWEA / Red-Cap Energy	Energy
Mudzunga Thangavhuelelo	Transnet	Transport
Prince Mkhonto	Glencore	Mining
Siegfried Spanig	Sibanye Stillwater	Mining
Terisha Silal	Sasol	Energy
Vicky Beukes	Nedbank	Finance
Warren Funston	Eskom	Energy
Wiam Haddad	ZZ2	Agriculture
Zanengcebo Mthembu	Emira	Real Estate

Table 3: Observers and policy representatives

Name	Organisation	Sector
Alex Marsh	SANBI	Policy
Fillippo Gaisie	Penn International Impact Consulting (PIIC)	Academia
Gabe Mora	PIIC	Academia
Niell Bennet	PIIC	Academia
Garth Barnes	NBI	Industry body
Hannah Yeom	PIIC	Academia

Kohav Dantara	PIIC	Academia
Julie Clarke	Development Bank of South Africa	Development Finance
Leana Esterhuysen	UNISA	Academia
Jane Molony	BUSA	Industry body
Mark Kaplan	Chapter Zero	Board Education
Nkopodi Mphahlele	BUSA	Industry body
Ntakadzeni Tshidada	SANBI	Project partner
Ricky Yamin	PIIC	Academia
Winnie Wang	PIIC	Academia
Yaseen Lockhart	BASA	Finance industry body

1. NATIONAL TARGET SETTING FOR TARGET 15: WHAT THIS MEANS FOR YOUR BUSINESS.

Table 4: Session 1 - Recommendations and points of consideration:

Guiding Question	Recommendations	Points of consideration
1.1 What measures (for example laws, regulations, policies) are in place in South Africa to encourage the monitoring, assessment and disclosure of your businesses risks, dependencies and impacts on biodiversity? Do you feel these above requirements are aimed at large and transnational companies and financial institutions? Do these account for supply chains and portfolios? How effective have these been, and can their effectiveness be improved?	<ul style="list-style-type: none"> Authorities require training in the mitigation hierarchy and strategic approaches, with improved communication across government levels. Aligning frameworks to mitigate reporting fatigue is necessary. Reporting should focus on actual impacts and behavioral change and not solely on compliance. Few measures exist to motivate businesses to provide information to consumers. ‘Need greater supportive measures...’ 	<ul style="list-style-type: none"> South Africa's NEMA, NEMBA, and SPLUMA guide environmental risk management, but NEMA EIA and MPRDA highlight some conflicting issues. Current laws tend to focus on monitoring and assessment but lack guidance on disclosure. Current voluntary frameworks include the King Code, JSE guidance, Integrated Reporting Framework and the ISSRB with ISSRB expected to introduce a biodiversity standard. Companies with EU operations need to comply with ESRS. Voluntary frameworks like GRI, TNFD, and sector-specific tools (Global Gap, FSCA) are deemed highly important.
1.2 What are the opportunities and constraints in putting in place legal, administrative or policy measures on these issues? What do you think are the potential ecological, economic, and social benefits and costs?	<ul style="list-style-type: none"> Country-level, bottom-up approach that needs to be collaboratively developed with conversations that address industry efforts. There is a need to move away from a penalty-based perspective and investigate goal-driven incentives. These financial incentives can include tax breaks. A multi-pronged approach is needed to address different parts of a business with more than one person within the executive focused on biodiversity. Further training and awareness building within companies – 	<ul style="list-style-type: none"> In transforming a compliance-driven approach the role of the investor and financial services industry was emphasized. SMME's may require loans and although there is sustainability linked financial instruments from some banks this is still a major opportunity to be explored. Businesses require more resources dedicated to finding and exploring opportunities. The development and focus on tools that support integration of biodiversity from an accounting perspective and building of a biodiversity lexicon that ensures the same language is used throughout from board to executive and downwards.

	particularly regarding the critical skills gap and a database of skilled potential candidates should be built and shared to aid future hirings.	
1.3 What measures are in place in South Africa to encourage businesses to provide information to consumers to promote sustainable consumption patterns? Is there enough guidance provided to effectively implement this? If not, how could their effectiveness be improved?	<ul style="list-style-type: none"> There is a need to address the lack of measures to encourage businesses to provide information to consumers, the National Waste Management Act was one such opportunity where the cradle to grave principle is promoted. There need to be more resources devoted to similar initiatives. 	<ul style="list-style-type: none"> Large and multinational companies are considered to have more funding and control to engage all levels of their supply chain to report and commit to their same values but even large companies in South Africa are under financial pressures. The Extended Producer Responsibilities (EPR) requires producer responsibility organization membership and fees, and this is likely to be extended to other areas. Consumers and businesses are not currently prepared to pay the price for green products but there is a shift in this direction and could be achieved through further awareness raising.
1.4 What measures are in place in the country to encourage compliance with access and benefit-sharing regulations and measures? How effective have these been? How could their effectiveness be improved?	<i>* This question was not effectively covered as members of the workshop are not adequately exposed to ABS within their industries.</i>	

Further discussions from Session 1:

There was a common thread among businesses that CEO's and upper management might not fully understand the business case for biodiversity and the benefits of biodiversity mainstreaming in business. Therefore, there is the need to build technical competence within organisations to help drive and steer a biodiversity agenda forward. There is also a need to interpret and translate biodiversity information into broader accounting principles hence the call from businesses for skills development and training.

In the South African context, it is critical to integrate biodiversity into the broader socio-economic concerns. Clarity was needed from businesses with regards to the [One Environmental System for the mining industry](#) that was mooted in 2014 to promote investment.

Relevant Legislative tools and guidelines mentioned in session 1:

- [NEMA \(National Environmental Management Act,](#)
- [NEMBA \(National Environmental Management: Biodiversity Act\)](#)
- [MPRDA \(Mineral and Petroleum Resources Development Act\).](#)
- [Institute of Directors, 2016, King IV Report on Corporate Governance for South Africa](#)
- [JSE Sustainability and Climate Disclosure Guidance](#)
- [IFRS Integrated Reporting Framework](#)
- [IFRS Standard 1](#)
- [Forestry Stewardship Council](#)

2. REACHING NATIONAL TARGETS: RESOURCES AND INDICATORS FOR MEANINGFUL PROGRESS.

Table 5: Session 2 - Recommendations and points of consideration:

Guiding Question	Recommendations	Points of consideration
2.1 What resources do you need to enable regularly monitoring, assessing, and transparently disclosing your risks, dependencies and impacts on biodiversity along operations, supply and value chains and portfolios?	<ul style="list-style-type: none"> Capacity building and skills training is essential. Businesses need knowledgeable biodiversity and business specialists within the company. There is a need for tools that provide meaningful feedback to people within organisations and a need to bridge the communication gap when it comes to translating biodiversity information into language that can be understood. There is a call for more usage of technology for on-ground assessments. The development of a resource database that covers existing tools and frameworks available in South Africa and their application for business. 	<ul style="list-style-type: none"> Businesses have concerns over their disclosure risks, and that the disclosure playing field is not yet level. Examples of some of the existing databases include a GIS database developed by the Department of Forestry, Fisheries and Environment and GRI's carrots and sticks website. These resources are available, but business users often aren't aware of them or are overwhelmed by the number of tools and frameworks.
2.2 What are the indicators that you are currently using that can be taken up by government to report on progress to meeting disclosure targets?	<ul style="list-style-type: none"> Transformative Indicators could include short-term (species restoration) vs. long-term (ecosystem interconnectivity) while current Indicators should focus on condition and connectivity of conserved habitats. Indicators need to be goal-oriented, SMART, and measurable, as well as broader and not just focused on impacts or obligatory services. Land-use indicator focus should rather be on how the ecological value of that land can be improved. A deeper level of clarity in understanding what businesses are measuring is required. Biodiversity dependencies and impacts also need to be communicated differently. 	<ul style="list-style-type: none"> The TNFD was recognized as offering a good suite of indicators as with the Global Climate Fund and Global Environment Facility providing strong guidance. Targets should be considered transformative instead of indicators. Some indicators do not add sufficient value. A deeper level of clarity in understanding what is being measured is required and whether indicators should be designed around models or real data. Although modelling may be a good place to start for many companies it is no substitute for real data. Sector-specific Indicators are supported but require universal biodiversity units for cross-sectoral comparison.
2.3 What should transformative and implementable indicators be within the next 3 years? The next 10?	* This question was not effectively covered.	
2.4 What resources do you need in order to provide information to consumers to promote sustainable consumption patterns?	<ul style="list-style-type: none"> Materials and resources like guidebooks for CEOs, and educational tools for engineers and architects was identified as a need. Consumptive behaviour change requires both incentives (pull) and penalties (push). 	<ul style="list-style-type: none"> Consumer education is crucial, there is a gap in the understanding of sustainable consumption particularly when it comes to the value (and price) of sustainable products. Improvement is needed when it comes to misleading environmental related claims

		(certification schemes, green buildings) – these don't address biodiversity loss.
2.5 What do you need to progressively reduce your negative impacts on biodiversity as well as help increase your positive impacts?	<ul style="list-style-type: none"> • A business case for biodiversity needs to be developed with a roadmap integrated into the business strategy and executive commitment. • A thorough materiality assessment is considered a crucial first step in developing a successful biodiversity strategy. • A successful biodiversity strategy will lead to more effective management such as the 80/20 principle of focusing on the 20% that makes 80% of the impact. 	<ul style="list-style-type: none"> • Biodiversity considerations in property insurance can be a key driver towards business action and leveraging operational budgets towards biodiversity outcomes. • Larger firms should be assisting SMMEs with tracking and monitoring – which can be modelled on international practices such as scope 3 passports and both firms benefitting.

Further discussions from session 2:

Sustainable Financing, biodiversity accounting and biodiversity credits: There is a need to incentivize positive impacts and reduce negative impacts and this can be achieved through sustainable financing and the financial sector measuring impact and not just output. Effective biodiversity accounting is also crucial for measuring impact. There was robust discussion about the different instruments available with potential biodiversity benefits and it was highlighted that Corporate Social Responsibility is limited and competes with other social factors.

There was a discussion around Social Bonds and it was agreed that they have the potential to offer outcomes-based returns to investors. Although there was agreement from businesses that the credit market seems promising and offers potential certification, there are currently some loopholes and risks within certification schemes which don't have specific indicators as well as some certification schemes that produce credits without real positive impact. A suggestion of developing credits based on nature reserve management effectiveness was mooted but a limiting factor is exploring and encouraging buyers for these new markets.

Further reading:

- [BfN's Recommendations for governments on the implementation of Target 15\(a\) of the Global Biodiversity Framework](#)
- [BfN's How to engage with national governments to support an ambitious National Biodiversity Strategy and Action Plan \(NBSAP\) update process - A national engagement guide for business organizations](#)

CLOSING COMMENTS AND NEXT STEPS:

Instilling the value of biodiversity in business requires a multi-pronged approach, extending from operational levels through to board-level engagement. It must also be emphasized that there is a necessity for capacity building in the form of training and skills development and awareness raising within businesses and within the authorities. Additionally, there is the need for the creation of a resource database that covers the existing



tools and frameworks available in South Africa, addressing the risks, challenges and opportunities businesses face when embarking on the biodiversity mainstreaming journey.

The next steps for this project include hosting three more BAG meetings from mid-July through to October in 2024 to focus on these key areas:

- **BAG meeting 2:** The Global Biodiversity Framework: Targets and Indicators for Target 15. Mapping and prioritizing commitments to assist South Africa in reporting against Target 15 for business. Case studies on business commitments and disclosures against targets.
- **BAG meeting 3:** Government and Business Dialogue: Roadmap to NBSAP updating process and presentation to businesses. Recommendation of an indicator scorecard to government.
- **BAG meeting 4:** Action Plan Development.

The EWT Biodiversity Disclosure Project team will further synthesize the BAG meetings' findings and collate them into recommendations and an action plan for government by November 2024. This will be inclusive of monitoring, evaluation, and future alignment opportunities with the NBSAP forum.

In closing, it is believed that these project outcomes will be achieved through ongoing business and government interface and the collective findings will aid efforts towards implementing biodiversity mainstreaming in South Africa. The success of the project will primarily depend on the willingness of business to partake in such dialogues and the commitment from government to help steer the needle towards achieving a future where biodiversity is considered an imperative component of sustainable business practice.

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Appendix 1:

High-Level Theory of Change

for broad-scale systemic shifts in biodiversity and business relationships in South Africa

