



BUSINESS ADVISORY GROUP (BAG) MEETING 2 on 25 July 2024

“Contributing to the Biodiversity Plan – The Business Case”

Summary of the inputs from the session



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Introduction

Building on the discussions and questions from the first BAG meeting held on 22nd May which had a strong focus on Target 15 “*Businesses Assess, Disclose and Reduce Biodiversity-Related Risks and Negative Impacts*”, this workshop explored the remaining 22 Kunming-Montreal GBF targets, with a particular focus on business contributions towards these targets.

The session aimed to provide a platform for businesses to engage with each other, as well as share insights into some of the current contributions businesses are making. Challenges were highlighted and discussed and there was some robust group discussion, followed by a discussion on proposed recommendations and steps to enhance biodiversity initiatives within the corporate sector.

Several guiding questions were provided to help steer the discussions in the break-out sessions, but the groups ultimately steered their own conversations, which meant that the questions we’d prepared were not fully covered. However, we believe this is a natural part of the process, and allowing conversations to flow organically can often be the best way to truly understand what businesses have to say.

We had two separate break-out sessions, one for the online participants and one for the in-person attendees. In total we had 27 attendees with 9 attending in person and 18 online. In this draft report we have highlighted some of the main points of discussion and most notably the key topics that came up in both break-out sessions.

Executive Summary

The Business Advisory Group (BAG) meeting on the 25th of July highlighted once again some of the many challenges businesses face when it comes to aligning with the Kunming-Montreal Global Biodiversity Framework (GBF). A recurring theme, notably mentioned in the last BAG meeting, was the overarching lack of awareness and understanding among executive level management regarding the GBF and its relevance and implications within business operations.

Companies are struggling to navigate the ‘framework chaos’ and while many recognize the need for more robust integration and recognition of biodiversity into business strategy, they are struggling to balance business profitability and client and shareholder satisfaction against any long-term sustainability benefits. This factor stems from the notion that biodiversity within business is still a relatively new concept, when compared to climate and carbon strategies. Unlike carbon reporting, which has well-established metrics, biodiversity lacks clear, standardized measures, making it difficult for companies to assess their impact, track progress, and be held accountable. And as a result, long-term sustainability goals, including biodiversity initiatives, are often secondary to immediate business needs.

Although environmental protection and biodiversity are becoming more widespread in corporate discussions, they remain emerging priorities. Growing investor pressure based on international standards is prompting companies to take biodiversity more seriously, but there is still the challenge of balancing biodiversity considerations alongside social considerations, with social issues often taking precedent over biodiversity. In South Africa, the social issues generally tend to gain more executive support.

Participants noted the need for a strong collective message, potentially through a powerful video or a brand ambassador, to champion corporate alignment with the GBF. It is suggested that a cultural as well as a mindset shift is necessary for corporates to recognize and value biodiversity as a core component of business success. Many noted and agreed that this process will take time, but it does at least have some traction with many leading businesses already paving the way.

Recurring themes

The below key discussion points came up in both the online and the in-person break-out session:

1. Challenges and gaps Businesses face:

- **Many businesses are not fully aware of the Global Biodiversity Framework** and its implications for their operations. There is a lack of understanding about the importance and urgency of aligning with the GBF, which can lead to limited engagement.
- **Businesses struggle to see the tangible benefits of aligning with the GBF.** There is often a gap between the high-level goals of the GBF and the immediate business impacts, making it difficult for companies to justify investments in biodiversity initiatives. It is often the case that businesses are focused on short-term financial gains, in-line with client and shareholder needs. This means that long-term sustainability goals are put on the back-burner. This focus can make it difficult to prioritize biodiversity initiatives.
- **The GBF is often perceived by businesses as complex** and challenging to integrate into their existing structures, with one participant referring to it as “Framework Chaos”. The technical language and frameworks can be intimidating and may deter engagement. The lack of standardized metrics and reporting frameworks for biodiversity tends to complicate alignment efforts. Businesses face challenges in understanding how to align with global targets without clear guidelines or standards.
- **There is a lack of Standardized Metrics.** Businesses need clear, standardized metrics for biodiversity reporting similar to those for carbon emissions. Businesses may not have the tools or frameworks to measure and report on their biodiversity impacts effectively, leading to a lack of accountability and progress tracking.

Discussion Points and Recommendations around the Challenges businesses are facing

Table 1 – Challenges and Recommendations:

Challenge	Explanation	Recommendation/s
Lack of awareness	Many businesses are not fully aware of the Global Biodiversity Framework and its implications for their operations. There is a lack of understanding about the importance and urgency of aligning with the GBF, which can lead to limited engagement from an executive level. Biodiversity is often secondary to immediate business concerns	<ul style="list-style-type: none"> • Provide education and training for employees and stakeholders to increase awareness and understanding of biodiversity issues. This can help build a culture of sustainability within the organization. • Equip employees at all levels with the knowledge and skills to support biodiversity initiatives.
Communication barriers	There is a gap in communication between businesses and the government. Many businesses feel like their voices aren't being fully heard, and they could benefit from more clear communication from the government about expectations and national targets.	<ul style="list-style-type: none"> • Establish regular communication channels with government bodies to understand expectations, share progress, and receive feedback. For example – Business participation in forums, workshops, and advisory groups like the EWT's BAG.
Short-term profitability	Businesses often struggle to align biodiversity goals with their primary objective of profitability and client or shareholder needs. This means that long-term sustainability goals are put on the backburner. This focus can make it difficult to prioritize biodiversity initiatives. This creates a tension between the need for financial performance and environmental sustainability	<ul style="list-style-type: none"> • Shift the focus from short-term financial gains to long-term value creation, including social and environmental impacts. This can involve redefining success metrics to include biodiversity outcomes. • Recognize that biodiversity efforts may not yield immediate results but are crucial for long-term sustainability and resilience. Encourage a forward-thinking mindset that values long-term gains over short-term profits. • Highlight the long-term benefits of biodiversity initiatives, such as risk mitigation, brand reputation, and alignment with global sustainability trends.

Challenge	Explanation	Recommendation/s
Complexity of the Frameworks	It is difficult for businesses to understand where they fit into the GBF and it is challenging for businesses to integrate the GBF into their existing structures, with one participant referring to it as “Framework Chaos”. The technical language and frameworks can be intimidating and may deter engagement and delay implementation.	<ul style="list-style-type: none"> • Make use of the available metrics and build on what is currently available in South Africa and globally. See what works in the South African context. • Advocate for standardized biodiversity reporting frameworks to provide clear guidelines for businesses to follow. This includes developing metrics that are comparable across industries. • Tailored guidelines and examples for different industries, showing how the GBF can be applied in their specific contexts. This would help businesses see the relevance and applicability of the framework to their operations. • Design targeted communication and engagement strategies for C-suite executives to emphasize the strategic importance of the GBF. • Establish a feedback loop where businesses can share their experiences and challenges with implementing the GBF. Use this feedback to continuously refine and adapt the guidance provided, ensuring it remains relevant and practical.
Cultural and demographic barriers	A lack of personal connection to nature, cultural biases and a general lack of connection to environmental issues from board members, and executive level staff may lead to biodiversity not being prioritized in business strategy.	<ul style="list-style-type: none"> • Develop compelling narratives and visions that connect biodiversity to business values and personal experiences. • Use storytelling to inspire action and create a sense of urgency and purpose.

Challenge	Explanation	Recommendation/s
Social and Economic Pressures	In regions like South Africa, socioeconomic demands often take precedence over biodiversity concerns. Businesses are more inclined to comply with social standards, as they offer more immediate and visible benefits.	<ul style="list-style-type: none"> • Share and highlight success stories of businesses that have successfully integrated biodiversity with socioeconomic goals. • Use these examples to inspire other companies and show that it is possible to address both concerns effectively.
Complex Supply Chains	<p>Many businesses, especially in sectors like construction, agriculture, mining and forestry find it challenging to manage biodiversity impacts across complex supply chains. Direct operations might be small, but supply chain footprints are significant.</p> <p>Disclosure across the full value chain is also a challenge. It requires a lot of work, and the impacts are difficult to measure.</p>	<ul style="list-style-type: none"> • Businesses can work towards greater transparency in their supply chains, assessing biodiversity impacts and seeking sustainable sourcing options. • More emphasis on biodiversity impact assessments in supply chains and sharing of experiences.

Discussion Points and Recommendations around the gaps identified by businesses

Table 2 – Gaps and Recommendations:

Gap	Explanation	Recommendation/s
Lack of engagement with stakeholders	Businesses are not fully leveraging the expertise and support available from advocacy groups and NGOs, which could help bridge the gap between business goals and biodiversity targets.	<ul style="list-style-type: none"> Collaborate with advocacy groups and NGOs to gain insights, support, and resources for biodiversity initiatives. These organizations can provide valuable guidance and help bridge knowledge gaps.
Inadequate storytelling and vision	There is a need for more effective storytelling and vision-setting internally, to aid in inspiring businesses leaders to take action. There is also a lack of centralized platforms for sharing successful case studies and lessons learned. This is essential to help inspire businesses to take action, and to be at the forefront of business sustainability.	<ul style="list-style-type: none"> Educate executives and employees about the importance of biodiversity and how it impacts the business. Use case studies and data to illustrate the long-term benefits and risks. Create centralized repositories for case studies, data, and best practices related to biodiversity. Encourage collaboration and knowledge exchange among businesses to foster a community of practice.
Insufficient integration into business models	Biodiversity initiatives are not always integrated into core business strategies, and this often leads to a disconnect between sustainability goals set up by executive level, and actual business operations. The topic of sustainability often falls on the sustainability team without broader organizational support.	<ul style="list-style-type: none"> Align biodiversity goals with core business objectives to ensure they are prioritized and integrated into decision-making processes. This can involve setting specific targets and KPIs related to biodiversity. Utilize peer influence within sectors to drive change. Highlight successful examples from industry leaders to inspire others and create a sense of urgency and peer pressure.

Gap	Explanation	Recommendation/s
Limited measurement and reporting	Businesses may not have the tools or frameworks to measure and report on their biodiversity impacts effectively, leading to a lack of accountability and progress tracking.	<ul style="list-style-type: none"> Develop robust measurement and reporting frameworks to track progress on biodiversity initiatives. This can include setting up systems for data collection, analysis, and reporting.
Inadequate incentives	There is a lack of strong incentives for businesses to prioritize biodiversity. Financial and reputational incentives need to be more compelling.	<ul style="list-style-type: none"> Highlight the financial risks of non-compliance and the potential cost savings of sustainable practices. Use pressure from investors and lenders to drive change.
Disconnect between International and Local frameworks	There is often a disconnect between global biodiversity goals and local business actions. Companies struggle to translate international frameworks into actionable local strategies.	<ul style="list-style-type: none"> Involving local stakeholders, including communities, NGOs, and government agencies, in the development and implementation of biodiversity strategies can help ensure that global goals are aligned with local priorities and that business actions are culturally and contextually appropriate.
Sector specific guidance	Businesses require sector-specific guidance and benchmarks to align their strategies with GBF targets. The absence of tailored solutions can impede progress in various industries.	<ul style="list-style-type: none"> Tailored sector-specific and solutions, case-studies, best practice and guidance materials and resources can help companies to outline how the GBF targets can be integrated into their unique operational contexts.

Further High-level Inputs

- There is very rapid and fast-tracked development of biodiversity frameworks compared to carbon reporting, leaving businesses bewildered and unsure of how to proceed.
- Environmental protection, especially when it comes to considering biodiversity, is still an emerging priority for many companies. The business risks that are associated with environmental degradation ultimately means that clients and businesses alike might have to learn this the hard way.
- Investor pressure based on international standards is prompting businesses to take biodiversity more seriously.
- ESG strategy has facilitated conversations about biodiversity and gained executive support.
- Pilot projects are important to help understand impacts and dependencies.
- Market access drives compliance with biodiversity standards, but social issues tend to overshadow ecological considerations.
- Senior management often does not understand the importance of biodiversity, suggesting the need for sustainability managers to lead the charge.
- There is a need for a shift in corporate culture towards recognizing and valuing biodiversity as a core component of business success.
- We need a strong collective message, like an incredibly powerful video or a brand ambassador to lead the charge in corporate biodiversity alignment with the GBF.

Conclusion

The Business Advisory Group meeting allowed for more dialogue around the critical challenges businesses are facing in aligning with the Kunming-Montreal Global Biodiversity Framework (GBF). The discussions revealed that there are more questions than solutions currently, but that discussions and meetings like these are imperative if we are to move forward when it comes to biodiversity integration with the business sector.

There is a clear need for businesses to prioritize biodiversity alongside other social goals, recognizing the long-term value of biodiversity protection across the business world.

Despite the challenges, factors driving the movement include growing momentum of investor pressure and peer pressure from leading companies who are paving the sustainability pathway. There is a strong willingness from businesses to succeed in this space, but more governmental support, as well as communication is needed to fully align with the national and global targets.

Next Steps

The next steps for this project include hosting 2 more BAG meetings on the 29th August and the 3rd October, in 2024, followed by a webinar in late November.

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.

Appendix 1: Attendees list

The attendees represented various industries and are divided into the invited members of the BAGs who are representatives of individual businesses (Table 3); and observer members who are representatives of industry bodies, NGOs, academia etc. (Table 4).

Table 3: Business Representatives

No.	Name	Organization	Sector	In-person or online?
1.	Andrew Millson	Food Lovers	Consumer Staples	In-person
2.	Brent Corcoran	Mondi	Forestry	Online
3.	Bruce Paul	Concor	Industrial: Construction	Online
4.	Daniel Jooste	Nedbank	Finance	In-person
5.	Dineo Mogashoa	Investec	Finance	In-person
6.	Feroz Koor	Woolworths	Consumer Staples	Online
7.	Freddy Brookes	Hatch	Mining	Online
8.	Joanne Dube	Investec	Finance	In-person
9.	Madeleine Bornman	Sibanye Stillwater	Mining	Online
10.	Martin Ginster	Sasol	Energy	In-person
11.	Mona Naicker	BUSA	Industry body	Online
12.	Nadine Cronk	Hatch	Mining	Online
13.	Mthombeni Ndlangisa	Sasol	Energy	Online
14.	Nyiko Mutileni	ZZ2	Agriculture	Online
15.	Prince Mkhonto	Glencore	Mining	Online
16.	Rene Schobermayr	Shoprite	Consumer Staples	Online
17.	Sanjeev Raghubir	Shoprite	Consumer Staples	Online
18.	Siegfried Spanig	Sibanye Stillwater	Mining	Online
19.	Tshego Tshoke	Shoprite	Consumer Staples	Online
20.	Warren Funston	Eskom	Energy	Online
21.	Warwick Mostert	Anglo American	Mining	In-person

Table 4: Observers and policy representatives

No.	Name	Organization	Sector	In-person or online?
22.	Candice Dott	TNFD	Consulting	In-person
23.	Edward Netshithothole	DFFE	Government	In-person
24.	Garth Barnes	NBI	Industry body	Online
25.	Leana Esterhuysen	UNISA	Academia	Online
26.	Mark Kaplan	Chapter Zero	Board Education	In-person
27.	Nokutula Mhene	UNDP	Industry body	Online

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