



Measuring biodiversity performance

Context for questions relating to biodiversity in the Business in the Environment Index of Corporate Environmental Engagement



BUSINESS in the ENVIRONMENT



WHY IS BIODIVERSITY IN THE BUSINESS IN THE ENVIRONMENT INDEX?

In 2000, questions on biodiversity were included for the first time in Business in the Environment's Index of Corporate Environmental Engagement. The questions were drafted by Earthwatch and English Nature.

In the 2001 Index, the questions have been expanded and altered to fit the standard format of the Index. Since for many companies, biodiversity is a relatively new area of environmental engagement, this leaflet has been produced to explain the approach which Business in the Environment, Earthwatch and English Nature take to biodiversity, and how companies might answer the questions in the Index.

The inclusion of biodiversity in the Index reflects the increasing interest by indices in companies' approaches to biodiversity. This in turn has been stimulated by the fact that many companies have set up biodiversity management programmes, and that biodiversity is now more widely recognised as a key component of sustainability.

- *Biodiversity* is an abbreviation of "biological diversity". It means the variety of living things – the different plants, animals and micro-organisms, the genes they contain and the ecosystems of which they are a part.
- These biological components of our environment are extremely valuable – they support the world we live in through providing "natural services" such as fresh air and clean water which contribute to human health and a stable operating environment for companies. They are also of immense cultural, ethical and aesthetic value.
- Biodiversity is irreplaceable when it is lost. A framework for the protection and sustainable use of biodiversity was agreed in the Convention on Biological Diversity in 1992 and signed by 179 countries.

Further guidance on biodiversity issues can be sought from English Nature or by contacting the Business & Biodiversity Resource Centre at Earthwatch (see page 7 for contact details). In addition, these organisations can give more information on the business case for conserving and managing biodiversity and how companies can go about this.

THE BUSINESS IN THE ENVIRONMENT INDEX QUESTIONS: UNDERLYING ASSUMPTIONS

The Index questions assume there are two key components to a company's commitment to move towards best-practice on biodiversity. These are:

- Policy-level recognition of the company's responsibility to biodiversity, leading to integration of biodiversity issues with existing environmental management or sustainability strategies. Setting group level policy on biodiversity is an important first step towards improving performance because it sets the framework for a coordinated response covering all operations within the group.
- Development of a formal biodiversity management process, such as a company-wide Biodiversity Action Plan (see page 6 for definitions) which aims to contribute to the biodiversity objectives of the regions and countries in which the company operates. Site or operations-level management of local biodiversity impacts is important but group level coordination is also needed to ensure that biodiversity is strategically integrated into environmental management across the company as a whole.

The Index questions on biodiversity have been designed to fit a standard format for the Index. However, it is acknowledged by Business in the Environment, Earthwatch and English Nature that company impact on biodiversity and improvement in company performance are extremely difficult to measure.

Unlike in other areas of environmental activity, standardised indicators and performance measures do not exist for biodiversity. For this reason, the Index is not prescriptive when using terms such as 'indicator' or 'performance measure'. Individual companies can complete these sections to reflect the approach which they use in their own biodiversity management.

One of the most effective current ways of measuring biodiversity impact is to measure the *process* by which a company is going about biodiversity management.

For the purposes of the Index questions, therefore, performance on defining and implementing a biodiversity management process is taken as being synonymous with actual performance with regards to biodiversity. Although this may change in future years, this reflects the current state of the art in this area.

Companies may, if they are able to do so, complete the Index questions based on a measure of their actual impact on biodiversity, although they will need to explain clearly the indicators and measures that are used. Specific definitions that are likely to vary by company are: impact; indicators; performance measures; verifiable data; targets; evidence. These are analysed in more detail below.

GUIDANCE NOTES ON TERMINOLOGY USED IN THE INDEX'S QUESTIONS ON BIODIVERSITY

IMPACT

A company's operations, resource use, travel and transport, supply chain and other activities can have a potentially negative impact on biodiversity. However, companies can potentially have a more positive impact by contributing to biodiversity conservation initiatives.

MEASURING PERFORMANCE

Impact on biodiversity is very hard to measure empirically: although it is possible to identify the processes which contribute to biodiversity loss and assess where a company has control or influence over these processes.

There is a consensus among many government agencies, companies and NGOs that a suitable process for managing biodiversity within the corporate sector is creating and implementing a company-wide Biodiversity Action Plan (BAP). BAP procedures are well established and they are used throughout the UK. For more information see page 6.

ASSESSING & MONITORING YOUR IMPACT (question 17.1)

Assessing your impact:

This would usually involve a review of all operations, landholding, suppliers, and other activities for their potential to impact biodiversity. Companies might also assess areas where they could be making a positive contribution, such as species championing or employee volunteering. Not all areas which are assessed need to be measured and monitored, but in its assessment a company would usually identify areas of greatest impact.

At site level, assessment would comprise a baseline biodiversity survey and survey of the biodiversity impacts of local company operations.

Monitoring your impact:

Possible ways in which this might be interpreted include:

- Monitoring progress on implementing the biodiversity management process or BAP within the company;
- Monitoring biodiversity at site level.

Indicator: this is equivalent to 'Units' by which you measured your performance in other impact areas. A suitable indicator might relate to the progress a company has made in establishing biodiversity management. For example:

- The stage reached in a modular process for implementing biodiversity management across the company
- The proportion of sites at which biodiversity surveys have been carried out
- The proportion of sites at which impacts of operations have been reviewed
- The proportion of sites at which targets have been set and integrated into EMS
- The number of site BAPs developed as a percentage of the total planned
- The percentage of landholdings by area covered by BAPs
- The percentage of landholdings or operations by turnover, covered by BAPs

Performance measure: This is equivalent to the numerical 'Total' of the impact which you stated for other impact areas. The performance measure will be the numerical value corresponding to the 'Indicator' you have chosen above. For example:

- Stage 4 out of 5 has been reached in a modular process for implementing biodiversity management across the entire company, i.e. it is more than 75% complete
- BAPs have been developed at 7 out of 10 of the companies sites, ie 70%
- BAPs have been implemented at 3 out of 10 sites which comprise 60% of the company's total landholdings.

SCOPE OF INFORMATION (question 17.2)

Note that according to the Index guidelines, scoring is based on the *ability to answer the sub-questions* relating to the company's global operations and *not on the quantitative data*.

Examples of the scope of information:

- Site level BAPs exist at 75% of the company's sites
- Site level BAPs exist at sites which comprise 75% of the company's landholdings by area
- A company wide BAP or biodiversity management strategy exists covering operating companies which represent 75% of the group's overall turnover.

In addition to indicating a percentage band, companies should also indicate what this percentage refers to (e.g. turnover, landholdings, number of sites). It is possible that these will be the same as the 'Indicator' and 'Performance measure' used in answering question 17.1.

QUALITY OF INFORMATION (question 17.3)

In completing this section, it is important to be aware that the Index questions on biodiversity can be completed on the basis of progress towards implementing a biodiversity management process and need not refer to data on a company's actual impact on biodiversity.

Verifiable data: if verifiable data are only available on the implementation of a biodiversity management process, companies can regard this as verifiable data in the sense used by the Index, as it is acknowledged that measuring and verifying actual impact may not be possible.

Independent verification: this is a particularly difficult area where biodiversity management is concerned.

- Where biodiversity action is an integral component of the EMS, EMS certification (itself independently verified), might be an appropriate form of verification, though this does not by itself ensure that biodiversity is adequately dealt with within the EMS.
- Joint initiatives with other organisation with biodiversity expertise might provide the basis of some form of verification, where these groups have buy-in to the management processes underway and would be happy to endorse the approach being taken.
- Expert advice, whether internal or external, might be sought and implemented regarding the appropriate actions to undertake as part of the BAP.

TARGETS (question 17.4)

The terms policy, strategy, plan and Biodiversity Action Plan are used in different ways by different companies. The way in which they are used by the Index in relation to biodiversity is outlined on page 6.

Broadly, policy is taken to mean high-level recognition of the company's responsibility to biodiversity and a commitment to implementing a process to manage the company's biodiversity impacts.

Examples of targets might be:

- The percentage of sites at which BAPs are to be implemented
- The proportion of a company's landholdings for which the company intends to implement a biodiversity management process
- The stage of implementation of a company-wide Biodiversity Action Plan to be reached by a given date
- Independent verification for all site level BAPs to be achieved by a given date.

EVIDENCE OF PERFORMANCE (question 17.5)

As mentioned above, performance can be measured by progress in establishing and implementing a biodiversity management process. This implies that there are targets and dates against which progress can be measured.

Evidence for performance improvement in the implementation of biodiversity management systems might therefore be, for example:

- The creation of an implementation plan since the company's biodiversity policy was established last year
- An increase in the number of sites or proportion of landholdings covered by site-level BAPs or biodiversity management systems
- The establishment of a procedure for periodical review of site-specific BAPs by on-site staff.

WHAT DOES THE INDEX MEAN BY A BIODIVERSITY ACTION PLAN (BAP)?

Several governments, governmental agencies and NGOs working with business on biodiversity issues recommend that companies develop a Biodiversity Action Plan (BAP), which will help them to manage their impact on biodiversity in a structured way and in line with wider conservation objectives.

It is important to be aware that the term BAP is used in several different ways, as outlined below.

- National BAPs identify a country's priorities in biodiversity conservation. Within some countries, such as the UK, these are then built on by a series of focused action plans designed to achieve these objectives: Species Action Plans, Habitat Action Plans and Local Biodiversity Action Plans (LBAP).
- The words 'biodiversity strategy' and 'biodiversity policy' are sometimes used by different companies to mean the same thing. A policy usually represents high-level recognition of the company's responsibility to biodiversity and a commitment to implementing a process to manage the company's biodiversity impacts. The process by which this commitment is implemented across the company might variously be called a company's biodiversity strategy, biodiversity plan, biodiversity management system or Biodiversity Action Plan (BAP).
- The term BAP means a formal system used to manage biodiversity. BAP is used by some companies as a generic term for a company-wide biodiversity management process. It is also sometimes used to describe management plans which refer to specific sites. A company-wide Biodiversity Action Plan (BAP), in the sense used in the Index, refers to a formal system used by a company to manage its overall impacts on biodiversity.
- The management process for the whole company, or company biodiversity strategy might be called a company-wide BAP if it encompasses all of the following:
 - assesses an organisation's impacts on biodiversity
 - places them within the context of local, regional and national needs
 - sets priorities for action
 - sets out actions
 - measures the impact of those actions.

A company-wide BAP can be integrated with a company's Environmental Management System so that impacts on biodiversity will be addressed, minimised and managed appropriately, along with other risks to the environment. The Sustainable Development Commission has produced a booklet outlining how this can be done (Earthwatch 1999; see page 7 of this leaflet).

KEY PUBLICATIONS AND ORGANISATIONS

Organisations

Business in the Environment:
www.business-in-environment.org.uk

Earthwatch: www.earthwatch.org/europe/corporate.html

World Business Council on Sustainable Development: www.wbcsd.ch

IUCN: www.iucn.org

English Nature: www.english-nature.org.uk

Publications and websites

Convention on Biological Diversity:
www.biodiv.org/doc/legal/cbd-en.pdf

UK Biodiversity Action Plan: www.ukbap.org.uk

Biodiversity: The UK Steering Group Report
Volume 1: Meeting the Rio Challenge, Volume 2: Action Plans (HMSO, 1995) www.ukbap.org.uk/Library/library_1.htm

Biodiversity: Connecting with the Tapestry of Life
Published by the Smithsonian Institution – at <http://www.si.edu/simab/>

Earthwatch Publications

Business and Biodiversity – A UK Business guide for understanding and integrating nature conservation and biodiversity into environmental management systems. (1999). *A new edition will be published in 2001*

Case Studies in Business and Biodiversity – a companion volume to the above guide (2000)

Putting a bit back: A guide to nature conservation for small to medium-sized enterprises (SMEs) (2001)

What is sustainability? A summary guide for companies (2000)

Business & Biodiversity Resource Centre

Earthwatch has received funding from DEFRA and Innogy to host a Business & Biodiversity Resource Centre. The Business & Biodiversity Resource Centre web-site will be launched in November 2001 at www.businessandbiodiversity.org/

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ENGLISH NATURE AND BUSINESS

English Nature is the statutory body that champions the conservation and enhancement of biodiversity in England. It advises on nature conservation and regulates activities affecting "designated" sites in England. English Nature enables others to manage land for nature conservation through grants, projects and information, and advocates biodiversity as a key test of sustainable development.

English Nature has identified priority sectors, linked to the FTSE sectors, which have major influences on biodiversity. This sectoral analysis by English Nature is the basis on which companies are recommended to select biodiversity as one of their key impact areas when completing the Index.

English Nature's priority sectors	FTSE economic sectors
Agriculture	Food & drug retailers; Food producers & processors.
Coastal Management	Water; Transport (includes Ports); Electricity; Oil & gas; Chemicals; Leisure & hotels; Construction & building materials (includes house building).
Construction	Construction & building materials (includes house building); Minerals & aggregates; Support services (includes engineering consultants); Real estate.
Freshwater	Water; Electricity (e.g. for multi-utility listing); Food producers & processors; Chemicals etc.
Transport	Transport (includes Ports); Support services; Engineering/vehicles; Distributors; Oil & gas.
Sea Fisheries	Food & drug retailers; Food producers & processors.

Overall, around 40 companies in 15 FTSE economic sectors own or control land within more than 1300 Sites of Special Scientific Interest in England. English Nature builds partnerships with businesses to promote biodiversity as a key measure of environmental performance and to demonstrate practical ways of integrating biodiversity into corporate social responsibility programmes.

An important aspect of this programme is working with Business in the Environment to ensure that the biodiversity questions in the Index reflect the approach being taken by companies and statutory bodies.

Relevant UK organisations and publications

DEFRA: biodiversity@DEFRA.gsi.gov.uk

DEFRA/JNCC UK Biodiversity Website www.jncc.gov.uk/ukbg

Biodiversity tests for key economic sectors, No. 404 English Nature Research Reports

Quality of Life Counts – Indicators for a strategy for sustainable development for the United Kingdom (DEFRA, 1999)

A Better Quality of Life – A strategy for sustainable development in the UK (DEFRA 1999) www.sustainable-development.gov.uk/uk_strategy/index.htm

Biodiversity Counts: Delivering a better quality of life www.biodiversity-challenge.org.uk

Sustaining the Variety of Life - The UK Biodiversity Group's report on the first 5 years of the UK Biodiversity Action Plan www.ukbap.org.uk

Sustainable Development – the UK Government's approach www.sustainable-development.gov.uk

Further information on English Nature's sectoral indicators can be obtained from Helen Doran, Sustainability Advisor, Environmental Impacts Team.

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