



Business & Biodiversity

*A guide for UK-based companies
operating internationally*

A companion volume to the
'Business & Biodiversity' series



Earthwatch Europe's Corporate Environmental Responsibility Group (CERG) was created in 1990 to act as an interface between business and the issues surrounding biodiversity and sustainability. Earthwatch is a non-confrontational environmental charity which is active in a wide range of environmental disciplines and overseas markets. There are currently 40 members of CERG, who work with Earthwatch in activities both in the UK and overseas. These include planning biodiversity strategies and employee involvement.

Earthwatch hosts a Business & Biodiversity Resource Centre supported by the Environmental Action Fund of DEFRA and Innogy. The Business & Biodiversity Resource Centre aims to raise awareness of biodiversity and provide information and practical advice for companies to engage with biodiversity issues.

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The companies have been featured because they illustrate examples of good practice in biodiversity conservation from which other companies in a wide range of industries might gain practical ideas. The inclusion of companies within the booklet does not represent an endorsement of their environmental policy or performance.

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INTRODUCTION

Michael Meacher MP, *Minister for the Environment*

Lord Browne, *Group Chief Executive, BP p.l.c.*

The conservation and sustainable use of biodiversity is an important part of the Government's environmental strategy, and has risen quickly up the agenda for companies operating in the UK. As one of the subjects covered by treaties at the Earth Summit in 1992, biodiversity is regarded as a key component of sustainable development.

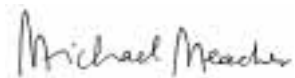
Within the United Kingdom there is a well-structured national biodiversity strategy, which makes it relatively easy for companies to respond to the priorities and actions identified.

However, for UK-based companies with operating sites overseas, the picture is much more complicated. In many cases operations may be sited in areas where high levels of biodiversity are found and many species are under threat of extinction.

Companies are often operating in countries in which the regulatory requirements are very different to those in the UK. In some cases local capacity to undertake biodiversity conservation can be very limited. The biodiversity of a particular region may be considered hugely important by global bodies, but given a very low priority locally when set against the need for economic growth and social development. Even if a company does want to reduce its impacts on biodiversity, it can be difficult to establish how best to balance the needs of people, biodiversity and sustainable development.

The impacts on biodiversity are not limited to companies with operating sites overseas. In the global economy, many companies have business relationships overseas, whether through their supply chain or through direct ownership. This means UK businesses have the potential to make a very significant positive contribution to biodiversity conservation through their investment, purchasing and operating decisions, and through their ability to influence. Such strategic approaches to biodiversity can not only avoid potential negative impacts but, in turn, create both strategic and operational benefits for a company.

There is no doubt that this is a complicated area, and this booklet has been produced to highlight the issues, identify common challenges, and give examples of how some of the UK's largest companies are starting to deal with those challenges. Increasingly, biodiversity solutions are delivered through partnerships, and this booklet itself has been produced as a joint venture between a government, a company and an NGO. This demonstrates a new way of thinking in conservation: that although governments regulate, companies generate profits, and NGOs have conservation expertise, all three sectors need to work very closely together if we are to achieve sustainable development.



EXECUTIVE SUMMARY

In recent years, many companies have started to respond to the challenges posed by the UK Government and the Convention on Biological Diversity (CBD), which expect that business should understand and manage its impacts on biodiversity. This booklet:

- provides an overview of key considerations and challenges for UK-based companies with operations or links overseas
- explains the international framework of conventions, laws and regulations relating to biodiversity
- is based on research from over twenty UK-based companies
- illustrates current good practice
- provides examples of the specific problems which companies have already faced and addressed in:
 - designing and implementing a company BAP
 - assessing, minimising and mitigating impacts of overseas operations
 - identifying internal and external stakeholders in order to engage them in the company's biodiversity strategy
 - evaluating supply chain impacts and working to improve overall environmental performance
 - embracing corporate responsibility and stewardship in the UK and overseas by supporting local, national or international issues.
- Is aimed at the following audiences:
 - multi-national corporations based in the UK
 - UK based companies with operations or operating sites overseas
 - UK based companies with overseas supply chains
 - UK based companies working in partnerships or joint ventures overseas.

1 WHAT IS BIODIVERSITY AND HOW IS IT RELEVANT TO BUSINESS?

1.1 INTRODUCTION

In recent years, many companies have started to respond to the challenges posed by the UK Government and the Convention on Biological Diversity (CBD), which require that business should understand and manage its impacts on biodiversity.

Within the UK, the Government has laid out a comprehensive framework within which companies are able to plan and implement a biodiversity strategy alongside their environmental management systems. However, in an increasingly global economy, many companies find that they have significant impacts on biodiversity overseas: either because they have operations overseas, or because significant elements of their supply chains are based overseas. Often, overseas sites or suppliers are based in less developed countries in which concentrations of biodiversity are greatest, and ecosystems are most vulnerable.

This presents a complex picture for UK businesses. They are often subject to regulations, investor confidence, public opinion and pressure from NGOs within the UK market, while operating in countries with a different regulatory framework and different priorities. In this sense, biodiversity is one of a portfolio of sustainable development issues such as human rights and child labour in which the expectations and standards of the UK market are higher than those in which companies are operating overseas, but which still apply to those overseas operations.

This booklet is based on research from over twenty UK-based companies which have faced the challenge of how to implement a global biodiversity strategy set against this context of operating in the UK, and subject to the UK's regulatory environment, while having a significant impact on biodiversity in other countries.

It is intended as a practical guide for addressing the specific problems which such companies have already faced and addressed, whilst also explaining the international framework of conventions, laws and regulations relating to biodiversity which companies need to be aware of when operating overseas.

As with the previous booklets in this Business & Biodiversity series, thematic ideas, illustrated by case studies, have been extrapolated from the research in order to give general guidance to companies on the significant issues they are likely to face.

What is Biodiversity?

Biodiversity, which is short for 'biological diversity', means the entire variety of life on Earth, from mammals and birds to bacteria, plants and fungi. It covers the whole of the living world, from commonplace to highly endangered species, and includes:

- species
- genetic variation within species
- the ecosystems (habitats) within which species live.

Biodiversity is a fundamental component of the Earth's life support system. It provides natural products and underpins basic natural services which mankind has always been able to take for granted, such as the provision of fresh water, fertile soil, clean air and stable weather systems.

How many species are necessary for this, how they interact with each other, and how they contribute to natural services is still largely unknown. But over the past twenty-five years species have been disappearing in alarming numbers, common species have declined, exotic ('non-native') species have been widely introduced and the natural balance of many ecosystems has been greatly disturbed. The current estimation is that extinction is 1,000 times the natural rate, due almost entirely to human activity – faster than at any time since dinosaurs went extinct 65 million years ago (WRI, 2001). Biodiversity also has important spiritual and aesthetic values for many communities.

BOX 1: EXAMPLES OF THE VITAL SERVICES PROVIDED BY THE WORLD'S BIODIVERSITY (SECRETARIAT CBD, 2000):

- provision of shelter and building materials
- purification of air and water
- detoxification and decomposition of wastes
- stabilisation and moderation of the Earth's climate
- moderation of floods, droughts, temperature extremes and the forces of wind
- generation and renewal of soil fertility, including nutrient cycling
- pollination of plants, including many crops
- control of pests and diseases
- maintenance of genetic resources as key inputs to crop varieties and livestock breeds, medicines, and other products
- cultural and aesthetic benefits.

Threats to biodiversity

The current losses of biodiversity worldwide have both direct and indirect causes. Direct causes include habitat loss and fragmentation, invasion by introduced pest species and the over-exploitation of biological resources and pollution. Indirect causes of biodiversity loss relate to issues such as climate change and air pollution (WRI, 2001). Of all these, habitat loss and fragmentation – affecting forests, wetlands, coral reefs and other ecosystems – cause the greatest damage. Highly diverse but fragile ecosystems such as rainforests and coral reefs, which harbour a large proportion of global biodiversity, are particularly at risk. It is estimated that as much as 45% of the Earth's original forests have been cleared during the past century (Secretariat CBD, 2000).

Biodiversity can be considered a finite resource, since it cannot be regenerated at anything like the rate at which it is being lost. It should therefore be used with care and based on principles of sustainability. The most important threat to biodiversity in the business context is not that industrial activities will cause a mass extinction of species, although many scientists argue that this may currently be happening as a result of human activities.

From the business perspective, it is important to understand the ecosystem approach to biodiversity. This suggests that in any given area in which a company is operating the landscape is stabilised by a complex interaction of species, or biodiversity, which helps provide natural products and natural services both for the company and for the human populations in the area. This balance can easily be distorted, leading to significant changes in local biodiversity and degradation of the local ecosystem. This might result in increased costs for business (for example, in replicating a service such as the provision of fresh water which was previously available naturally) or have a negative impact on the livelihoods of local populations which, especially in less developed countries, are often entirely dependent on natural products and services for their livelihoods.

In other words, in order to maintain the biodiversity of an area, we need to manage whole ecosystems effectively, including the human presence, and not simply focus on protecting individual species. Companies may, therefore, need to approach biodiversity management in a multiple land use planning context. This would view biodiversity issues as part and parcel of the social and environmental issues facing the area in which a company is operating.

Biodiversity and sustainable development

Sustainable development has been defined as “development seeking to meet the needs of the current generation without compromising the ability to meet those of future generations” (WCED, 1987). Put another way, it involves pursuing economic prosperity while ensuring environmental quality and social equity. Companies which are judging themselves against a ‘triple bottom line’ incorporate this way of thinking into corporate decision making.

At the 1992 Earth Summit in Rio de Janeiro, world leaders agreed on a comprehensive strategy for sustainable development. The Convention on Biological Diversity (CBD) was one of five major initiatives stemming from the Summit, which together form an international agreement on sustainable development. Parties recognised that action must be taken to halt the global loss of animal and plant species and genetic resources, and that each country has the primary responsibility to conserve and enhance biodiversity within its own jurisdiction. To date, 179 countries and the EU have ratified the CBD.

1.2 HOW IS BIODIVERSITY RELEVANT TO BUSINESS?

Biodiversity is important for most businesses – either because their products or processes require biological materials or because a healthy and stable environment is an integral part of operation. The relationship between business and biodiversity is both strategic and operational, and there are several reasons why companies stand to gain a great deal by understanding the links between their business and biodiversity.

How do companies impact on biodiversity?

Most companies have an impact on biodiversity in the course of their business – because they use natural resources, produce or consume products, own and manage areas of land, or finance activities which have direct and indirect impacts.

The term *ecological footprint* refers to the overall effect of a company's operations on the environment. The footprint of a company includes all its direct or indirect influences on biodiversity. For example:

- As a *land-owner*, a company can have an impact on biodiversity through building, development or sudden changes in land-use which destroy biodiversity-rich habitats or reduce the variety of local species
- A company can have an impact on biodiversity through its *supply chain* and use of *raw materials*, for example, sourcing vegetable oil from palm oil plantations which replace native forest, or using products from species which are over-harvested
- A company's operations can *indirectly* affect biodiversity, for example through energy use which contributes to climate change, water use which deprives local ecosystems and releases of waste and by-products to air, land and water.

However, companies can also have a positive impact on biodiversity; for example through the provision of expertise, resources and land. Activities which can have a positive impact on biodiversity include:

- management of landholdings in a way which is sensitive to biodiversity
- sourcing supplies from sustainable sources
- release of employees to work on local biodiversity conservation projects
- influencing stakeholders, such as suppliers, customers or employees to consider biodiversity
- putting financial support into biodiversity conservation projects.

BOX 2: EXAMPLES OF BIODIVERSITY SERVICES TO BUSINESS

Most businesses use natural resources somewhere in their operations, such as paper, food products and clean water. Specific 'services' provided by biodiversity upon which many businesses and process-based industries depend include:

- insects to pollinate the plants we use as food, fibre, fuel and other raw materials and organisms to control the pests and diseases which can reduce the availability of these resources
- many species help maintain wetlands which provide a natural drainage system reducing the risk of flooding
- maintaining the regenerative capacity of ecosystems damaged or changed through human or natural activity. This is particularly important for companies concerned with restoring the environment in which they operate
- natural resources which provide raw materials for many industries, such as farming, fisheries, pharmaceuticals. If these resources are not used sustainably, availability decreases and costs increase
- genetic diversity (the variety of genetic information within and between populations of species) as an essential input to crop varieties, livestock breeds, medicines and other products that are vital for many businesses
- stabilising the Earth's climate and reducing the impacts of climate change which can affect the operation of all types of business of any size
- the existence of a balanced microbial community to decompose wastes
- microbes to maintain nutrient cycling and soil fertility and hence the plants that the soil supports.

Engaging in biodiversity issues: the business case

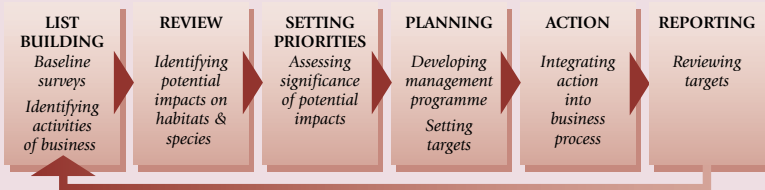
Several companies and industry bodies have recently been engaged in developing the business case for engaging with the issue of biodiversity. More details on this can be found on the website www.businessandbiodiversity.org.

Common features of the business case are:

- **Biodiversity has a stabilising effect on the environment** (See box 2).
- **Provision of natural resources and services** (See box 2).
- **Regulation, licencing and liability:** it is increasingly the case that regulations exists in relation to biodiversity, and companies need to understand how their operations relate to this. In addition, companies with a good track record on biodiversity often find improved relationships with regulators, reduced lead times for the granting of consents and planning authorisation and improved trust with local communities, NGOs and other stakeholders.
- **Risk:** where companies do not manage biodiversity issues, particularly when they have a significant impact on biodiversity, they expose themselves to risks in increased costs, unforeseen liabilities, fines and stakeholder pressure. Conversely, companies which manage biodiversity pro-actively can reduce their risks.
- **Human resource management:** many employees, particularly graduate recruits, now wish to work for socially responsible companies. Biodiversity, or the management of habitats and the protection of species, is often the most appealing and attractive aspect of environmental management and therefore presents good opportunities for communicating with and motivating employees.
- **Stakeholder relations, NGOs and pressure groups** (See section 1.4).

BOX 3: MANAGING BIODIVERSITY

- 1) Create a biodiversity policy
- 2) Create a biodiversity strategy or CBAP to operationalise the policy which assesses global impacts, sets global targets, establishes global procedures, links with EMS
- 3) At local/operating sites:



1.3 HOW BUSINESS CAN ENGAGE WITH BIODIVERSITY

There are many ways in which a company can engage with biodiversity issues and make a contribution to the objectives of the Convention on Biodiversity, ranging from raising employee awareness of biodiversity issues and managing environmental impacts responsibly to enhancing the conservation value of habitats on its landholdings, helping to fund conservation initiatives and adhering to principles of sustainable use of biodiversity.

Setting and implementing a biodiversity policy

Leading companies in this area are beginning to converge in the way that they approach biodiversity issues. This approach involves three key steps:

- set a corporate policy on biodiversity with Board level endorsement
- develop a strategy or Company Biodiversity Action Plan through which the company will implement this policy and which links with the Environmental Management System (EMS)
- develop, as part of the strategy, specific, costed Biodiversity Action Plans for sites which the company owns or manages, and which links with relevant conservation priorities for the area.

The structure outlined in Box 3 is described in greater detail in the publication *Business & Biodiversity* (Earthwatch, 1998) and www.businessandbiodiversity.org. It is particularly relevant for companies based in the UK which have operating sites overseas, as it enables them to create a consistent system for managing biodiversity at sites world-wide within the framework of a global strategy for biodiversity.

Wider initiatives

Other aspects of the company BAP may include:

- **Staff involvement:** while full and proper implementation of a Biodiversity Action Plan is essentially a job for ecologists some involvement by interested staff can be encouraged and should be welcomed.
- **Community relations:** biodiversity (or natural resources) management is an area which communities find relatively easy to understand and which relates to their everyday livelihoods. It can therefore be a route to positive engagement with local communities by operating companies. In some cases Biodiversity Action Plans may provide direct benefits to the community through making provision for their needs and wishes for the area the company manages.
- **Supporting conservation initiatives in the region:** through providing expertise or funding to facilitate conservation initiatives led by other organisations.

Offsite mitigation

In situations where a company's operations have unavoidable impacts on biodiversity in the area, such as mining and other developments where habitat loss is inevitable, offsite mitigation should be considered. Such measures might include:

- supporting protected area management in the region, through the process of developing management plans and securing funding for their implementation
- funding research in the host country to aid the effective management of biodiversity at a national level
- offset measures – setting aside for conservation funds or land in an adjacent or similar area to compensate for the loss of biodiversity in areas of operation. Offset measures such as these are legal requirements in some countries.

Offsite mitigation is a controversial approach and raises complex questions about the value, role and replaceability of biodiversity. How much land or funding should be put aside to compensate for the permanent loss of a particular habitat? Should a company look to conserve an area of land adjacent to its new site or to conserve a similar or biodiversity-rich area in the same country? Some would even argue that offset mitigation is never acceptable because nothing can adequately compensate for the loss of species and habitats.

Ultimately, the scope to take positive action for biodiversity at the operating site will have practical limits and offset measures are likely to play a role in most companies' biodiversity strategies. The company will need to engage with these issues in order to pursue its commitment to biodiversity. Thorough consultation with external stakeholders is advisable in these circumstances in order to reach agreement that the measures made by the company are sufficient and acceptable.

Rehabilitation

There is growing recognition that the impacts of a company's activities may not be permanent and companies are increasingly expected to rehabilitate sites when they are no longer used, either to regenerate habitats or to prepare the site appropriately for its next intended use. Many companies in the resource-extraction industry have experience of rehabilitation, though requirements and opportunities to undertake rehabilitation vary widely between countries.

Leading companies are moving well beyond the reactive and defensive approach to stakeholders that has typified these interactions in the past, towards a pro-active and stakeholder-inclusive approach, where public participation and acceptability are acknowledged as important. Stakeholder dialogue is both time and resource intensive, particularly as the opinions of stakeholders may be

contradictory. Evaluating such opinions and building a consensus represents a significant and time-consuming challenge. However, the process helps companies to be seen to be transparent and open and to demonstrate their commitment to delivering positive benefits to their stakeholders. For the same reasons, companies are beginning to demonstrate their commitment to the environment by collating third-party verified data on their biodiversity impact.

1.4 THE UK CONTEXT FOR COMPANIES ENGAGING WITH BIODIVERSITY

UK companies which are operating or sourcing supplies from overseas will often find that the standards they need to relate to these overseas operations are governed by the regulations and pressures which exist in the UK. With regard to biodiversity, it is therefore important to understand the UK context as this may set the standard required for overseas activities.

UK Biodiversity Action Plan: the UK has a national strategy for managing biodiversity, the UKBAP (UK Government Report, 1994). This makes it clear that biodiversity is considered by the government to be a key component of sustainable development. The UKBAP considers that all sectors of society, including business, have an important role to play in helping to deliver the objectives of the Convention on Biological Diversity. This includes activities within the UK and overseas. The UKBAP provides a framework within which companies can work. It also provides much of the terminology which has become associated with 'business and biodiversity'.

Investor indices: such indices measure companies' environmental performance. They are used by both ethical funds and increasingly by mainstream fund managers to assess good management. In addition to private ranking systems used by investment companies, there are published indices. These include the Business in the Environment (BiE) Index of corporate environmental engagement, which specifically measures companies on their biodiversity management; the FTSE series of SRI indices branded as FTSE4Good and the Dow Jones Sustainability Index. For investors and indices analysing a company's performance, the inclusion of biodiversity in a company's environmental management processes is increasingly seen as an indicator of the company's broad understanding of and approach to the environment and sustainable development.

Stakeholder relations and expectation management: poor performance, particularly on the environment, anywhere in the world is now rapidly discovered by the media and NGOs. This often translates into high profile actions within the UK. Sometimes these are public campaigns, and sometimes they consist of behind the scenes pressure on companies, investors or regulators. Good performance, on the other hand, can be rewarded by better relations with these stakeholders.

Companies have many direct stakeholders, including consumers, suppliers, regulators and shareholders. Each of these can be influenced by the activities of

other stakeholders, which in turn has a knock-on impact on the company. Public opinion, or civil society, often trusts NGOs far more than government or companies (Eldeman, 2000).

In addition, much public opinion on the environment is motivated by concern for endangered species and threatened habitats, which means that civil society often ranks biodiversity among the most important of environmental issues. The implication of this is that, although regulators may require companies to manage their direct impacts, other important stakeholders look at a company's overall, global, ecological footprint.

Engaging with biodiversity contributes to a sound environmental reputation and can reduce the risk of unplanned external events impacting on the business. Should a crisis strike, a negative reaction from stakeholders is much less likely if they have come to trust the company and believe it will respond appropriately. Clearly a token approach to biodiversity without the context of good environmental management in all aspects of a business runs the risk of being seen as tokenism or 'greenwash'. However, if properly carried out and publicised, such work can help inspire confidence and trust in a company from all stakeholders.

Effective preparation and implementation of biodiversity strategies, action plans and programmes depends on the degree of participation by stakeholders. Particularly in developing countries, participatory processes are now recognised as key to successful engagement of local communities, NGOs, government departments and other interested parties. Detailed information about participatory planning and processes are available from www.ids.ac.uk/ids/particip, highlighting the need to:

- seek out hidden voices such as those of women and less privileged people
- view engagement as a two way process with both the leading organisation and stakeholders learning from each other
- understand different perceptions and perspectives on the environment and development
- identify and engage with informal as well as formal institutions

In the end, the success of a biodiversity action plan will depend on the degree to which it reflects 'a consensus for action among the various constituencies which use or affect biodiversity' (Glowka et al., 1994, p. 29).

Risk management: companies are required by UK regulations to assess and manage their risks in more systematic and sophisticated ways as a result of the 1999 Turnbull Report on Corporate Governance (Institute of Chartered Accountants in England and Wales, 1999). This specifically identifies the environment as a risk area, and relates to all a company's risks, not just those associated with UK-based activities. Biodiversity represents one such global risk area. In addition, reputational risk is often associated with environmental

performance as highlighted in the Company Law Review (DTI, 2001). This outlines the responsibilities of company directors to external stakeholders, and stresses the value of company reputation.

1.5 THE INTERNATIONAL CONTEXT FOR COMPANIES ENGAGING WITH BIODIVERSITY

This section deals with international legislation, initiatives and issues which it may be useful for a company to consider when formulating its biodiversity strategy and Biodiversity Action Plans (BAPs).

A complex international framework of legislation, treaties and conservation initiatives exists within which companies need to position their biodiversity activities. Significant treaties are outlined below.

The Convention on Biological Diversity (CBD)

The CBD is a good foundation for a company wishing to understand the global context of biodiversity. The CBD recognises the intrinsic value of biological diversity and of the 'ecological, genetic, social, economic, scientific, educational, cultural, recreational and aesthetic values of biological diversity and its components'. It establishes three main goals:

- conservation of biological diversity
- sustainable use of its components
- fair and equitable sharing of the benefits from the use of genetic resources.

Under Article 6 of the Convention on Biological Diversity, Parties agreed to develop national strategies for the conservation and sustainable use of biological diversity, and to integrate biodiversity considerations into all activities. There is little direct reference to the role of business in the CBD; however, the Convention is comprehensive in scope and, through its broad statement of principles, could affect all sectors of business (Stone, et al., 1997). Further more, there are many references in the CBD to other parties, sectors and stakeholders which indirectly refer to business and their practices. The UK government's interpretation of the CBD is that it can only realistically be delivered through partnership with all stakeholders, including the corporate sector. With the UK government making this more explicit, NGOs and financial investors are taking note of this interpretation. Ten years after the CBD was signed, it is this interpretation rather than the literal wording of the CBD that companies need to be aware of.

National Biodiversity Action Plans

As a result of the CBD, some countries now have national strategies for conserving and enhancing their biological diversity, identifying priority species and areas for conservation action. The UK is particularly well advanced in

developing and implementing its national Action Plan, providing a useful framework to which conservation initiatives, for example company Biodiversity Action Plans, can link. However, many countries have not developed Action Plans and some are still in the process of development; in some cases, countries have drafted plans but lack the resources to implement them, and they may be out of date. The secretariat of the CBD holds contact details, national reports on biodiversity and, where completed, Action Plans for all countries which have ratified the Convention. Information on national reports is available on the CBD website: www.biodiv.org/world/reports.asp.

Global Biodiversity Facility

A recent report from the GBF, recommending greater involvement of the corporate sector in fulfilling the objectives of the CBD, can be found at www.gbf.ch.

Biodiversity in the European Union

There are several biodiversity initiatives and legislative frameworks which apply in Europe specifically. These include the *Birds Directive* (1979), *Habitats Directive* (1992) and the Bern and Bonn Conventions (1979 and 1983 respectively). More information about these is available from the Business and Biodiversity Resource Centre Website (www.businessandbiodiversity.org).

The Pan-European Biological and Landscape Diversity Strategy (PEBLDS) responds to the CBD, and was endorsed by the environmental ministers of 55 countries in 1995. It is a framework for efforts to conserve and improve nature and landscape throughout Europe, providing an interface between national strategies and the CBD itself (Earthwatch, 1998). As its series of five-year Action Plans unfolds over the next 15 years, all social and economic sectors should begin to include biological and landscape diversity in their thinking.

The EU Biodiversity Strategy was endorsed in 1998. This sets the framework for the European Commission to develop integrated Biodiversity Action Plans for agriculture, fisheries, energy, transport and other sectors, some of which have been published (http://biodiversity-chm.eea.eu.int/convention/cbd_ec/strategy/BAP_html). The plans set out objectives, targets and timetables for integrating biodiversity thinking into policy activities.

Protected areas

Companies operating in 'protected areas' may be subject to additional restrictions or operating guidelines. However, a great many of the areas recognised as having particular conservation interest do not enjoy any special protection. Companies should be aware that if their operations are close to or within such areas, they are also likely to face intense scrutiny from the international community, particularly from environmental organisations.

The World Conservation Union (IUCN) defines a protected area as: 'An area of land and/or sea especially dedicated to the protection and maintenance of biological diversity, and of natural and associated cultural resources, and managed through legal or other effective means.' The IUCN has defined six categories for protected areas which are graded I-VI according to the level of human intervention which is considered appropriate. Areas allocated to IUCN

BOX 4: OTHER INTERNATIONAL CONVENTIONS

Convention on International Trade in Endangered Species (CITES)

The Convention, in force since 1975, establishes lists of endangered species for which international commercial trade is either prohibited or regulated via permit systems to combat illegal trade and over-exploitation. Further information can be found at: www.cites.org

Ramsar Convention

The convention on Wetlands of International Importance especially as Waterfowl Habitat was signed in Ramsar, Iran, in 1971. It is an intergovernmental treaty which provides the framework for national action and international cooperation for the conservation and wise use of wetlands and their resources. There are presently 123 Contracting Parties to the Convention, with 1,060 wetland sites totalling 80.6 million hectares designated for inclusion in the Ramsar List of Wetlands of International Importance. Further information can be found at: www.cites.org and www.ramsar.org

World Heritage Convention

The Convention Concerning the Protection of the World Cultural and Natural Heritage, or World Heritage Convention came into force in 1975. It recognises the obligation of all states to protect unique natural and cultural areas and recognises the obligation of the international community to help pay for them. There are currently 721 sites listed, comprising 554 cultural sites, 144 natural sites and 23 mixed sites in 124 States Parties. Further information can be found at: www.unesco.org/whc

Convention on the Conservation of Migratory Species of Wild Animals (CMS)

The Convention provides a framework within which Parties may act to conserve migratory species and their habitat. Over 80 species, including species of bird, primate, whale and bat, are listed as "endangered" by the Convention. The Convention precludes commercial development and restores habitat areas for migratory species. Further information can be found at: www.unep.org/unep/secretar/cms and www.wcmc.org.uk/cms

categories I to IV are those requiring most stringent protection and are seen by many in the conservation movement as 'no-go' zones for industry. More information about these areas is available at: www.unep-wcmc.org/protected_areas.

Although the number or size of protected areas has increased over the last ten years, many ecosystems do not enjoy any level of protection. There are several well known initiatives which identify areas of particular conservation interest or threat but which do not necessarily indicate that these areas are accorded any special protection. IUCN Centres of Plant Diversity, Birdlife International's Important Bird Areas, WWF's Global 200 Ecoregions, and Conservation International's Biodiversity Hotspots are all examples of these.

The Global Reporting Initiative

The Global Reporting Initiative (GRI) is currently working towards a consensus on reporting specific indicators on economic, environmental and social performance in industry. The greatest degree of consensus is associated with their environmental indicators, which have been subject to a robust review, assessment and pilot-testing process. The GRI has developed four organisation-specific indicators related to biodiversity and land-use:

- Amount of land owned, leased, managed or otherwise affected by the organisation. Type of ecosystem habitat affected and its status. Amount of impermeable surface as a percentage of land owned.
- Habitat changes due to operations. Amount of habitat protected and restored.
- Objectives, programmes, and targets for protecting and restoring native ecosystems and species.
- Impacts on protected areas.

More information on GRI indicators is available at: www.globalreporting.org.

2. CHALLENGES AND CONSIDERATIONS

This section presents a summary of a review of over 20 companies from a range of industries, highlighting some of the major challenges they found in implementing and developing biodiversity strategies. This illustrates how other companies might make use of their experience in developing their own approach.

2.1 DESIGNING AND IMPLEMENTING A COMPANY BAP

The business case

The very first step in a company's engagement with biodiversity will usually be to examine whether there is a business case for doing so, and if so, to develop this case in order to gain support from others within the company. Having a clear business case relevant to the local market environment will be particularly important in getting buy-in from highly autonomous operating companies.

Many companies have found this to be challenging, as there may be few obvious or direct financial links between biodiversity issues and the company's business. An internal review of current biodiversity activities and examination of external trends related to sustainability can often illustrate areas in which there are benefits to the company from biodiversity activities.

Setting a Group level biodiversity policy and strategy

An explicit biodiversity policy which sets out the company's commitment to biodiversity and is a public demonstration of that commitment can help to ensure a clear understanding of the company's objectives and secure support throughout the company. Board-level endorsement may be key to its success because it will highlight biodiversity as an important business issue and focus attention on integrating biodiversity into management systems across the company.

Companies often have difficulty in understanding how a biodiversity policy and strategy should be developed, and how activities which follow can be integrated with other company priorities and management systems. They may be uncertain on where to find further guidance and find that environmental managers themselves are unfamiliar with biodiversity as a significant issue.

An assessment of existing activities relating to biodiversity across a Group can highlight the relevance of biodiversity to a company and indicate the sort of

policy which would be appropriate. It can also reveal the strands of activity which a strategy could draw together and build on, to ensure that it has the maximum potential to deliver benefits for both the company and biodiversity. Many companies have engaged with their stakeholders help develop and implement company biodiversity strategy.

Assessing existing activities

Many companies found that they did not have a good picture of what activities were already underway in the company which related to biodiversity. Basic information, such as the area and nature of current land holdings, was sometimes missing and often difficult to obtain due to a number of factors, including lack of:

- centralised information on the activities of operations overseas
- resources at site level to feedback information on biodiversity activities
- resources at head quarters level to track activities of operations
- agreed terminology relating to biodiversity.

An internal survey can provide opportunities for communicating the issues and their importance for the Group, as well as gaining buy-in from local operations by taking into account their priorities and perspectives on the issue.

Global consistency

Lack of agreed terminology relating to biodiversity creates problems for companies in understanding what is expected of them and in communicating this to operating companies across the Group. The term 'biodiversity' itself may not be understood, nor the relationship between 'biodiversity issues' and, for example, landscape restoration. Sometimes there are variations in what is meant by a 'biodiversity strategy' and 'Company Biodiversity Action Plan'. This also makes Group-level monitoring and reporting of biodiversity activities difficult.

Some companies are developing tools which all operations can use to structure their biodiversity activities, helping to ensure the systems used by local operations are globally compatible. Establishing common definitions and terminology aids clear communication on policy and strategy between the company's headquarters and local operations. Providing local employees with training opportunities can also help ensure that they are aware of biodiversity issues.

Developing site-level biodiversity action plans

Companies with significant land-holdings or whose activities impact on habitats and ecosystems should develop specific, costed Biodiversity Action Plans for these sites. National Biodiversity Strategies and Action Plans (NBSAP) can provide a useful framework to ensure that company activities are appropriate and relevant, but in many countries these are not well-developed.

UK-based companies have worked with NGO partners as well as government departments and others with biodiversity expertise to develop appropriate activities in these areas. Some companies are working with governments and others to contribute to the development of NBSAPs. Companies are also looking at other information to understand and address local biodiversity issues, including international conventions, designations, special status or legislation relevant to the land-holdings; for example, the area may be protected or home to a protected species.

Developing indicators and performance measures

Lack of agreed indicators and performance measures against which to report on and measure biodiversity conservation mean that companies have found it difficult to set performance targets and to monitor and report against these. Some companies are working with their local operations as well as NGOs and other stakeholders to develop appropriate indicators, set performance standards and monitor these. A growing number of investor indices are developing biodiversity performance criteria so companies should also be aware of how external bodies are assessing company biodiversity performance.

Integrating biodiversity activities across the company

Many companies are working to integrate their biodiversity strategy into company management systems at both Group and local operational level. The complexity of biodiversity and difficulty in quantifying it can make this quite a challenge. On the other hand, many potential synergies exist between biodiversity and other aspects of company environmental and CSR strategies. Drawing out these links can be valuable for external relations departments and others working on environmental and social issues.

Centralised reporting and information gathering and sharing

Gathering biodiversity data from across the company was something that many companies found difficult. The most advanced companies are developing systems which will allow them to gather and share information more easily. Effective data collection systems might enable the company to share its biological data with outside organisations, simultaneously contributing to conservation and demonstrating the companies biodiversity activities to the conservation community. Local operations should ideally be encouraged to report back to Group level regarding both progress and difficulties with their biodiversity activities.

2.2 STAKEHOLDER MANAGEMENT

Involving both internal and external stakeholders in the development and implementation of a company biodiversity strategy can deliver better results and be a catalyst for good relationships between the company and important groups. Many companies are developing formal partnerships with external organisations. These include NGO partnerships and sectoral initiatives which pool expertise and resources and develop joint solutions to common biodiversity issues. Internal stakeholders are important too and head office staff have found that they get more support and less resistance within the company from people who feel involved, understand the issues, and recognise how these are relevant to their own priorities.

Several companies have found that developing policies and making commitments to environmental initiatives has attracted attention to the company and raised the expectations of some stakeholders, resulting in more, rather than less, criticism and pressure to achieve potentially unrealistic goals. Good relations with stakeholders can help manage such expectations.

2.3 SUPPLY CHAIN

Companies in many sectors have found that their most significant impact on biodiversity is likely to be through their use, directly or indirectly, of biodiversity as a product or resource. In order to manage these impacts, they find they need to work with their suppliers and others who fall outside the direct management of the company. This has proven to be a particularly challenging area. It can be difficult to establish where these impacts arise, and companies need to develop new relationships and ways of working with stakeholders along the supply chain. In addition, this may involve finding a balance between environmental protection, social and economic development needs. Again, stakeholder involvement in these decisions can help the company to reach an acceptable compromise, and leading companies are working with their suppliers to improve their environmental performance and are seeking supplies from accredited 'sustainable' sources.

2.4 CORPORATE RESPONSIBILITY AND STEWARDSHIP

Many companies have developed activities beyond the immediate impacts of their own operations, by supporting local, national or international issues addressing biodiversity. They are increasingly recognising that these fulfil part of their corporate social responsibility strategies, and that by incorporating them into a coordinated company strategy they can maximise these opportunities for constructive engagement with internal and external stakeholders.

3 CASE STUDIES

Biodiversity as a strategic issue for multi-national companies is a relatively new development. The case studies in this section represent the experiences of a number of multi-national companies based in the UK which operate internationally. They illustrate common themes within the approaches to biodiversity taken by companies reviewed for this publication.

3.1 DESIGNING AND IMPLEMENTING A COMPANY BAP

3.1.1 SETTING A GROUP LEVEL POLICY AND STRATEGY

The Group level policy and strategy will be important in providing a framework which provides clear direction across the Group's operations overseas, helping departments to identify strategic advantages of engaging appropriately with biodiversity, and in setting criteria, targets and guidance for local operating companies.

Many companies operating globally have devolved much of the management to local operations, and their buy-in will be needed for successful implementation of Group biodiversity strategy. Involving operating companies in developing policy, processes and indicators may help, as will thorough communication of the issues, covering the business case, the effort required and the risks as well as the benefits of engaging in biodiversity.

BP has a policy goal of *'no damage to the environment'* and there are obvious, direct links between the company's operations and biodiversity. The key themes of the company's biodiversity strategy are:

- Operating Responsibly – to understand the company's direct and indirect impacts on biodiversity
- Public Policy – to contribute constructively to the public policy debate on biodiversity
- Conservation Projects – to create collaborative partnerships, fund and contribute to conservation activities aligned with local, national, regional and global priorities
- Research, Education and Awareness – to make a positive contribution to biodiversity research and education; to raise the awareness and understanding of the company's employees, people they work with and their customers
- External Relations – to understand what is important to people, forming partnerships to develop solutions to biodiversity issues.

This has been reinforced by public presentations by the company's CEO, specifically regarding the company's commitment to biodiversity.

Rio Tinto identified biodiversity as a strategic issue for the company in the mid-1990s. Since then they have been working towards the development of a corporate biodiversity strategy, and a Steering Group has been set up to continue the development of this strategy. One of the major elements of the strategy is a comprehensive survey assessing the current status of biodiversity across most businesses in the Group. This is covered in more detail in Figure 1. The results of the survey will be an important basis from which to develop standards and guidelines for engaging with biodiversity throughout the company.

CDC, an equity investor in the emerging markets, currently owned by the UK's Department for International Development, includes biodiversity in its Environmental Policy and Procedures; specifically, the company will 'only invest in businesses which take account of the environmental impact of their operations (through a formal Environmental Impact Assessment in cases involving loss of biodiversity or habitat, climate change, water or air quality, substantial solid waste and other issues where the negative impact could be significant) and take steps to mitigate any risks'. The company will 'only invest in businesses which take account of relevant international environmental agreements'.

Biodiversity is included in **ICI's** five-year objectives for environmental improvement. This means that all major sites, greater than 10 hectares, and those located close to sensitive biodiversity regions, will have completed an on-site ecological survey by 2005 and have developed and be implementing a plan for managing and enhancing biodiversity.

Biodiversity is specifically mentioned in **RMC Group's** environmental policy, which commits the company to 'conserve and create habitats that support a diversity of plants and wildlife before, during and after [its] operations, in partnership with others'.

Unilever has identified three key sustainable development areas of fish, water and agriculture. These form the three themes of the company's biodiversity policy and strategy. The company has been working since the mid-1990s with other stakeholders in developing long-term programmes for each of these. For example, there is a target to source all fish from sustainable sources by 2006, which will be achieved with the help of the Marine Stewardship Council, created by Unilever and WWF.

Shell published a formal group-wide Biodiversity Standard in May 2000 which recognises the importance of biodiversity and commits the Group to:

- work with others to maintain ecosystems
- respect the basic concept of protected areas
- seek partnerships to enable the Group to make a positive contribution towards the conservation of global biodiversity
- conduct environmental assessments, which include the potential impacts on biodiversity, prior to all new activities and significant modifications of existing ones
- bring focused attention to the management of activities in internationally recognised 'hot spots', including the identification of, and early consultation with, key stakeholders.

The Standard provides the framework to help to allow the company to operate more responsibly, reduce its environmental footprint and also to make a positive contribution towards biodiversity. To help implement this Standard, Shell has appointed a Group Biodiversity Adviser who is supported by a person on secondment from IUCN.

3.1.2 ASSESSING EXISTING ACTIVITIES

One of the early stages of developing a company biodiversity strategy is likely to be an assessment of current activities within the company related to biodiversity. Assessment exercises can highlight important information which can then be taken into account during the the development of Group biodiversity policy and strategy.

Rio Tinto has recently completed a comprehensive survey of the status of biodiversity awareness and management across the Group as part of its corporate biodiversity strategy (see Figure 1). The main objectives of this exercise were to assess what is known of the biodiversity on the land owned or managed by Group companies, what is done with that knowledge, what actions are taken to manage biodiversity, how effective is that management and what partnerships and external expertise are used to design, implement and review these actions.

Rio Tinto worked with three NGOs – Fauna & Flora International (FFI), BirdLife International and the UNEP-World Conservation Monitoring Centre (UNEP-WCMC) – to design the questionnaire, as well as getting input from departments within the company.

Responses were received from all 27 managed businesses, with detailed returns covering over 90% of land owned or managed by Rio Tinto. The results of the survey are being handed over to the Steering Group whose role is to continue to develop the company biodiversity strategy.

Figure 1: Rio Tinto Questionnaire.

The questionnaire had three sections, each aimed at a different aspect of the company. Part A asked questions of the headquarters of businesses, as many biodiversity issues are handled at this level. Part B was directed at individual operating sites and the questions were oriented towards land owned or managed. Exploration, where large areas of land are often held for relatively short times under non-exclusive use arrangements, was covered in Part C. The survey was completed by respondents online and returns were compiled in a central database for interpretation.

The following types of information were requested in the three parts of the questionnaire (brackets indicate in which parts):

- Information about the business or site, plus a contact person for the survey (A, B, C)
- Information on the use of the term 'biodiversity' and familiarity with its definition (A, C)
- Information on resources and skills in the business (responsibilities and qualifications) (A)
- Information on screening of projects for biodiversity risks (B, C)
- Information on the management of biodiversity in exploration activities (C)
- Information (date, coverage, scope, etc.) on any biodiversity surveys and assessments which have been carried out (A, B, C)
- A self-assessment of the scientific rigour of biodiversity assessments and information on inputs to the work from external sources (A, B, C)
- Information on the role of external stakeholders in the design and implementation of biodiversity assessments and monitoring programmes (A, B, C)
- Information on the significance of biodiversity issues in Environmental Impact Assessments (EIAs) (A, B)
- Information on how biodiversity is addressed in the Environmental Management Plan (EMP) or Environmental Management System (EMS) of the business or operating site (B)
- Details of biodiversity and related monitoring programmes including use and reporting of the data (B, C)
- Information on biodiversity aspects, rehabilitation activities and land-use objectives of site closure plans (B, C)
- Information on stakeholder influences (reactive and proactive) on biodiversity programme development (A, C)
- Details of links between site biodiversity activities and regional, national and global biodiversity priority-setting processes and management plans (A, B, C)
- Details of partnerships with conservation and community groups, academic bodies and government agencies for biodiversity activities (A).

BP carried out a preliminary workshop with internal and external stakeholders in several countries during 1998 to help develop their biodiversity strategy. A questionnaire was prepared and sent to all the business units in order to capture the current practices and knowledge on the area. The questionnaire was then followed up where the issues were further outlined by the business unit. An extensive database resulted from this exercise. The next step included the production of site biodiversity action plans for 12 of BP's facilities which the organisation had identified as particularly relevant for biodiversity work, or where there was already support activity taking place.

3.1.3 GLOBAL CONSISTENCY

A consistent approach aids reporting and monitoring centrally. However, initial surveys may well reveal that many biodiversity conservation activities are already taking place within a company, and consolidating such activities into a consistent framework can be difficult and time-consuming. It may require great sensitivity to existing local conditions, but ultimately biodiversity, like health and safety and other environmental issues, can be managed through a consistent global system.

BP has established a biodiversity unit at group level which is developing toolkits for the worldwide operations as part of Health, Safety and Environmental Management System 'getting HSE right'. It provides a template via its intranet site for its operations to integrate biodiversity considerations into an Environmental Management System, based on a model developed by the Sustainable Development Commission.

Shell is developing tools to facilitate systematic consideration of biodiversity issues in decision-making processes and as part of the Health, Safety and Environmental System. Data on protected areas such as World Heritage sites, Ramsar sites, sites in IUCN categories I-VI, the Worldwide Fund for Nature (WWF) Global 200 Ecoregions and Conservation International's 'hot spots' have been loaded on a Geographic Information System (GIS) which can be used when planning new business opportunities. The company is also integrating biodiversity into their standards and guidance on Environmental and Social Impact Assessments which are carried out before all new projects and significant modifications.

ICI has employed a group level Land Protection Manager to oversee the development of biodiversity action plans for all sites over 10 hectares in the next five years.

3.1.4 DEVELOPING SITE BAPS

Site level Biodiversity Action Plans need to be integrated with relevant local and national biodiversity priorities. In countries with a national Biodiversity Action Plan, this should help to identify these priorities. In the absence of a national Biodiversity Action Plan, companies need to seek alternative sources of information to understand and address local and national biodiversity issues and priorities. These may be international organisations, NGOs or government departments or NGOs in the country of interest. The World Conservation Monitoring Centre (UNEP-WCMC) has extensive information systems which allow companies to find out whether they are operating in a sensitive area.

Figure 2: Site BAP Template with example (fictitious) data.

SITE BASED BIODIVERSITY ACTION PLAN STATUS SUMMARY					
Site / Business Unit Name, Location, Primary Activities					
No-Org Blue Acres oilfield is located along the southern coastline lying on the Indian Ocean. The facility currently has five sites (two on-shore and three off-shore) linked by underground pipelines, communication channels and cables. It is envisaged that the number of sites will increase to 10 by 2010 at which time operations will continue for a further 15 years. The current production rate averages 5000 barrels a day per site. At the end of the licensed period of operations in 2025 all facilities will be reinstated to their original state or as otherwise agreed with the National Government Ministry of Environment, Energy and Mining.					
Key Contacts	Name	Telephone	E-Mail		
Environment Manager	Ibu Charlotte Tobba	23 11 129 7234	Ctobba@noorg.glob		
Site Manager	Barry Morgan	52 21 345 923	rmorgan@lc.noorg.glob		
Chair of Environment Forum	Bapak Nuri Waryanto	52 21 346 271	None		
Brief Description of Surrounding Environment					
Many of the oilfield sites are surrounded by areas of ecological importance including coral reef, mangrove forest, sea grass, rivers, floodplains and sandy beaches. The coral reef supports over 300 species of fish and 250 species of invertebrates. Some of the species are of international significance including wrasse, groupers, elasmobranch and turtles. The mangroves are dominated by <i>Rhizophora</i> and <i>Avicennia</i> species with important ecological, biodiversity and livelihoods uses including acting as nurseries for marine life and for coastal protection.					
Description of Land Take					
The ratio of developed land to land managed for conservation is about 1:3.					
Location (Lat-Long)	Facilities Area	Designated for Conservation	Managed for Conservation	No Active Management	Total Area
10 S 150 E	84	10	52	200	346
Key Biodiversity Issues					
<ul style="list-style-type: none"> • Land Use Change: Removal of habitat for construction of facilities causing habitat loss and fragmentation. • Pollution: Release to water of pollutants affecting water, marine life and coral reef quality. Releases to air affecting air quality. Disturbance of local wild life from the physical presence of the site, light and noise disturbance associated with people and machinery working at exposed sites in coastal habitats. Potential for accidental release of oil or other oilfield • Unsustainable use of biodiversity: Procurement of natural materials for use in construction. • Introduction of species: Use of imported soils and plants in landscaping of facilities. 					
Key Action Plan Items for 2002 and longer term and how these make a positive contribution					
Proposed Action	Timescale	Contribution to Biodiversity			
Reduce land take in sensitive habitat; manage land for conservation extending existing work to new sites.	2002 - 2025	Reduce threats to priority habitats and species			
Alignment of conservation and monitoring work with local and national priorities	2002 - 2025	Identify and reduce threats to priority habitats and species			
Assessment of supply chains for raw materials and gain an understanding of biodiversity impact	2002 - 2005	Reduce impacts on biodiversity from supply and extraction of natural resources. Raise awareness of indirect impacts with stakeholders			
Raise awareness of biodiversity issues through a programme of open days, consultations, talks etc.	2002 - 2010	Improve knowledge about biodiversity issues and raise environmental standards			
Current Organisations We Work With					
National FFI, Regional IUCN Office, Department of Biology at University of Ampeman, Local NGO Environmental and Development Forum (FSPLH)					
Context for Priority Setting					
No NBAP exists therefore working with in-country FFI and local University					
Has information been verified?	Verifier	Verification Date	Next Review		
YES	NO				

BP developed a summary template to summarise key features of site-level BAPs (see Figure 2). In addition the company has been working with UNEP-WCMC to develop Country Biodiversity Profiles which outline information about biodiversity resources and issues in a particular country, such as the country's progress in implementing the CBD, its priorities and mapping of sensitive habitats.

Since the 1970s, RMC has conducted science-based research in a number of countries to understand better the impact of its aggregate operations on local ecosystems. This research is often conducted in partnership with government agencies, NGOs and academics in order to apply or develop best practice. Topics have included impact on water tables, design of aggregate restoration programmes to accelerate ecosystem development and protection of existing ecosystems and individual species while aggregate extraction is taking place. The company has also developed links with academics and other stakeholders in order to develop a better scientific understanding of its contribution to wetlands creation and protection.

3.1.5 DEVELOPING INDICATORS AND PERFORMANCE MEASURES

Appropriate indicators are necessary to enable companies, and their stakeholders, to monitor, track and demonstrate performance. However, developing indicators for biodiversity itself is very difficult and to develop indicators for a company's impact on biodiversity even more so.

A company's 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. 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 example, the extent to which a company's operations are covered by site-level Biodiversity Action Plans (see Figure 2). This requires that there are targets and dates against which progress can be measured. Examples of performance improvements in managing biodiversity are:

- the development of a biodiversity strategy in line with the corporate biodiversity policy
- increasing the number of sites or proportion of landholdings covered by site-specific BAPs or biodiversity management systems
- establishment of a procedure for periodical review of implementation of site BAPs.

A leaflet is available from Earthwatch which deals in more detail with some aspects of measuring biodiversity performance (Earthwatch 2001).

Several companies are working to develop their own systems of empirical indicators related to biodiversity performance.

The **Business in the Environment Index** measures companies' biodiversity performance. In 2001, almost one third of companies completing the index opted to complete the biodiversity section. This revealed that most companies measure process and the proportion of their operations or land holdings covered by a biodiversity management regime. The questions asked by BiE to measure biodiversity performance are listed in Figure 3, Index of Corporate Environmental Engagement: 2001 Survey.

Figure 3: Questions on biodiversity impact from the 2001 Survey for the Business in the Environment Index of Corporate Environmental Engagement Section 2: Environmental Performance.

1 Measurement and reporting: Do you assess and monitor your impact on biodiversity?

☐ No.

Yes, it is assessed and monitored:

☐ for less than 75% (e.g. by turnover) of operations

☐ for more than 75% (e.g. by turnover) of operations

☐ for more than 75% (e.g. by turnover) of operations and is publicly available

Summary of Impact – If you ticked box 3 or 4, please state:

INDICATOR (qualitative or quantitative); PERFORMANCE MEASURE; DATA PERIOD.

2 Scope of information: Please indicate how much of your worldwide operations (e.g. percentage by turnover) is covered by the performance measure quoted in 17.1 above:

☐ < 25%

☐ 25 - 50%

☐ 50- 75%

☐ > 75%

3 Quality of information: Please indicate the quality of the information used to derive the performance measure in 1 above:

☐ Largely based on estimates.

Based on a combination of estimates and verifiable data collection, the latter accounting for

☐ less than 75% of the performance measure.

☐ more than 75% of the performance measure.

☐ Independently verified.

Guidance note: Independent verification may include a formal review by the company internal audit department or external verifiers.

4 Targets: Do you have a specific policy regarding your impact on biodiversity?

☐ No. If not applicable, please explain:

Yes, we have a policy and plan/strategy for implementing it

☐ which covers less than 75% of our operations (e.g. by turnover, environmental risk, etc.)

☐ which covers more than 75% of our operations

☐ which covers more than 75% of our operations and is publicly available.

Guidance Notes

∞ Setting strategic business unit or group corporate level policy on biodiversity is an important first step in improving performance.

∞ Performance improvement targets are difficult to set and monitor for biodiversity; implementing BAPs across all sites owned or managed by the company is an appropriate target for performance improvement.

5 Performance improvement: Which phrase most closely describes your company' s performance on biodiversity?

☐ We cannot demonstrate any improvement in performance.

We can provide evidence of an improvement in our performance on biodiversity:

☐ Within the last year ☐ Within the last two years ☐ Over the last three to five years.

Unilever is currently developing indicators for its agricultural business. These indicators include soil fertility, soil loss, nutrients, pest management biodiversity, product value, energy, water, social/human capital and local economy. At its Brooke Bond operations in Kenya, the company is developing biodiversity indicators with local partners. The indicators will aim to measure:

- the maintenance of genetic diversity within the crop, which is necessary in order to provide a resource for plant breeders in future
- the amount of biodiversity within the plantation or concession
- the biodiversity 'footprint' of the plantation i.e. the effects of the plantation on biodiversity in the surrounding area.

3.1.6 CENTRALISED REPORTING AND INTERNAL COMPANY COMMUNICATIONS

Amongst the companies reviewed for this publication, gathering and centralising information on biodiversity was a common area of difficulty. Most companies lacked the resources and procedures to track what was happening in overseas operations. The more advanced companies in this area are in the process of building systems that will enable them to do this. Shareholders and other stakeholders are increasingly demanding that companies monitor and report on progress across the Group, as well as at the level of individual operations. This requires a globally consistent approach, and performance indicators, as outlined in Section 2.

At **Cable & Wireless**, the environment department is part of the risk management function within the finance department. The chief executive of each business unit has operational responsibility for managing environmental issues and submits an annual report to the Risk Management and Environment Department. Because this process is parallel to the financial reporting, it undergoes a similarly rigorous and regular process.

Within **Shell**, each country chairman has to respond to specific questions on biodiversity as part of the HSE Annual Assurance Letter.

3.2 STAKEHOLDER MANAGEMENT

3.2.1 IDENTIFICATION OF INTERNAL STAKEHOLDERS

A company identifies its internal stakeholders and seeks to engage them in the company's biodiversity strategy. A company should consider that biodiversity, as an issue, is owned by a variety of departments across the company. There are many different stakeholders in biodiversity, often found in unusual places throughout the company:

- board/senior management
- community relations department
- environment department
- managers in local operations
- worldwide employees.

The nature of **Rio Tinto's** business means that there is significant interest in birds and their habitats around the Group. A five year agreement with the global NGO, BirdLife International, enabled the company to use its employees to undertake bird activities at 35 businesses and operating sites in 2001. These included bird watching events related to specific habitats, and involved local community groups, schools and BirdLife International partners. This is the third year of events and several conservation projects have been identified for implementation over the next few years.

3.2.2 ENGAGEMENT OF INTERNAL STAKEHOLDERS

A company establishes mechanisms for engaging internal stakeholders in biodiversity and the company's activities relating to biodiversity. Engagement may be through communication or active involvement.

Board/senior management

A company's board may be engaged by:

- the influence of other departments with the company
- the influence of external advisors at board level or non executive directors
- a committed chief executive

In **ICI** the inclusion of biodiversity in the company's five-year targets was submitted to the board by the environment team.

In **Shell** sustainable development, of which biodiversity is seen as an integral part, is reflected in senior management performance scorecards.

The board of **GlaxoSmithKline**, formerly Glaxo Wellcome, was advised on biodiversity issues by Professor Sir Richard Southwood, former Linacre Professor of Zoology at Oxford University, as a result of which the company engaged in a series of activities relating to biodiversity worldwide, such as:

- becoming a member of the secretariat of the UK Round Table for Sustainable Development for the production of a UK Business Guide to integrating biodiversity into environmental management systems;
- contributing to a Business and Biodiversity publication produced by the World Business Council for Sustainable Development (WBCSD);
- producing internal guidelines on the collection and use of natural products and materials;

Shell has established a biodiversity Working Group with representatives from each of its businesses to help implement the Group Biodiversity Standard.

John Browne, CEO of **BP p.l.c.**, is on the board of two NGOs, FFI and Conservation International's Centre for Environmental Leadership in Business.

Community relations department

Those setting a biodiversity strategy might find that biodiversity activities are already supported by their community relations departments. This means that:

- a company might have an advantage when identifying NGO partners
- it might find it already has access to environmental expertise through these partners
- it might find that it is already engaged in biodiversity activities, but not as part of an environmental strategy.

BP's conservation awards, providing grants for research and conservation projects, were set up by the corporate affairs department and seen initially as an investment in people's development with a conservation focus. The programme has expanded over ten years and is now seen as part of the company's biodiversity strategy. The awards are run in partnership with Fauna and Flora International and BirdLife International, who are also working, along with other NGOs, with BP on the implementation of its biodiversity strategy across the company.

Environment department

The environment department might be the first department to regard biodiversity as an important issue for the company and initiate activities relating to biodiversity within the company by:

- integrating biodiversity into the company's environmental policy, thereby giving business-wide acknowledgement that biodiversity is important;
- integrating biodiversity considerations into the company's environmental management system, thereby institutionalising biodiversity management;
- getting buy-in from the executive board and therefore the go-ahead to influence other departments.

If the initiative starts elsewhere, with the desire to make a sincere and credible commitment to the issue, it is usual to integrate it into the environmental department in order to ensure it becomes institutionalised.

Within **Rio Tinto**, engagement with biodiversity began corporately through the External Affairs department as an issue of international importance and in **Shell**, with the External Affairs and Health, Safety and Environment (HSE) department, where biodiversity was recognised as an issue of public concern. In Shell, biodiversity management is now being incorporated into the company's environmental strategy through its Health, Safety and Environment (HSE) department. Within Rio Tinto, the development of the biodiversity strategy is a joint initiative between the Health, Safety and Environment and the External Affairs departments.

Local operations

One of the single most important things within a global company is buy-in from local operations, as ultimately this is where any strategy will be implemented. With biodiversity, companies are acknowledging that:

- the issue may not be seen as immediately relevant to the business
- there might be very little formal knowledge in ecology but a great deal of local expertise in biodiversity within a local area
- local companies may already be engaged with the issue but in a way which needs to be aligned to the global strategy
- a biodiversity strategy may be perceived to conflict with business needs but equally can present many opportunities.

To help develop its biodiversity strategy and action plan for its operations in Athabasca, northern Alberta, **Shell** has been consulting the local community. The First Nation people have a great deal of local knowledge and expertise and will be able to help Shell in developing its reclamation and restoration plan as the project develops.

BP has developed a template which encourages operations to focus activities on biodiversity issues of local and national priority and helps align activities across all business units (see Figure 2).

Palabora Mining Company, which is managed and 48.6% owned by **Rio Tinto** borders Kruger National Park in South Africa. Free movement of animals between the park and mine is encouraged, and large numbers of a variety of species are temporarily or semi-permanently resident on the mine, including elephant, hippo, buffalo and giraffe, as well as leopard and lion.

In order to balance the needs of biodiversity conservation and of employee safety, the mine has established a biodiversity management plan, which includes:

- erecting signs drawing attention to the presence of wildlife and the associated risks
- carrying out daily inspections by PMC game wardens or trained volunteer wardens
- establishing procedures for closing areas where high wildlife risks have been identified
- improving induction training for all employees and visitors to the mine, including wildlife risks.

Worldwide employees

To a company's employees, biodiversity may be seen as the company's most important environmental issue because it is emotive and gives aesthetic and cultural value to the communities in which they operate. Negative impacts on biodiversity attract potentially the most external criticism, which can make it difficult for employees to be ambassadors for the company in their local communities.

ICI has operated a programme called Nature Link for the last ten years. The programme encourages and involves employees in nature conservation and biodiversity at sites around the world. Nature Link wildlife surveys form the basis of practical and locally significant conservation projects which are supported with expert advice and encouragement from ecology advisers. Where appropriate, local teams work with local, national or even international conservation bodies. The surveys have enabled the company to establish base-line biodiversity data at all its major, and many of its smaller sites. More than 2,500 species of animals, birds, insects and plants found around ICI's facilities worldwide are available to a global audience through the Internet.

British American Tobacco, Shell (Project Better World) and Rio Tinto have developed employee involvement programmes with Earthwatch. Each programme enables employees from throughout the company to participate for two weeks in field research projects related to biodiversity issues. The programmes offer the opportunity for extensive internal communication about biodiversity and raise environmental awareness across the company. All those selected are required to pass on information of their experiences through reports, presentations and displays on their return from the project.

3.2.3 IDENTIFICATION AND ENGAGEMENT OF EXTERNAL STAKEHOLDERS

A company establishes mechanisms for identifying external stakeholders in biodiversity and the company's activities relating to biodiversity. Engagement may be through communication or active involvement.

Non-Governmental Organisations (NGOs)

NGOs – whether local or international – can be both critics and partners of companies sometimes both at the same time. The most common criticisms, when either the nature of the company's business has an impact on biodiversity everywhere it operates, or a specific site has a biodiversity impact of importance (e.g. affecting a red-list species) are:

- lack of transparency and information
- lack of action when an impact is known and recognised
- lack of trust.

Stakeholder dialogue is an increasingly used tool in designing and implementing a company's strategy. True stakeholder dialogue is not a process of informing, but of involving stakeholders in decision-making, frequently through workshops.

BP, Rio Tinto and Shell all hold periodical workshops with international NGOs. The workshops have enabled the companies to learn more about NGO opinions and expectations, and for the NGOs to better understand the needs of the businesses. During the scoping for their biodiversity strategy, BP also held workshops in a number of countries (such as Venezuela, Vietnam and Malaysia). Rio Tinto has developed long-term NGO-partnerships, with Earthwatch Institute (Europe), Royal Botanic Gardens Kew, FFI, BirdLife International, the Eden Project and UNEP-WCMC. Shell continues to work with many of the conservation organisations with whom it consulted during development of its biodiversity strategy.

As part of their 'Early Warning System', **Shell** encourages staff involved in planning new business opportunities to engage with NGOs at the earliest opportunity (provided that it does not compromise the company in a competitive bidding situation) to ensure that they understand the status of biodiversity in these areas and any concerns there will be about development in the area.

As partners, NGOs can help a company design and deliver its biodiversity strategy and action plan.

- **British American Tobacco** has set up a consortium of NGOs to enable the company to design and implement its Biodiversity Action Plan.
- **B&Q** works with the Forestry Stewardship Council to minimise the company's impact on biodiversity through its supply chain.
- **Unilever** worked with WWF to set up the Marine Stewardship Council and develop a process of identifying sustainable sources of fish.
- At a national level, **RMC** uses the expertise of the Wildlife Habitat Council in the US to help develop plans for its sites. In Austria, RMC has worked with WWF and BirdLife Austria to develop a programme to protect the red-listed Stone Curlew, found to be nesting at one of the company's quarries. In France, RMC works closely with regional NGOs to ensure that its aggregate operations are aligned with stakeholder expectations.
- **BP** has worked in partnership with FFI in developing the biodiversity strategy for the company.
- **Unilever's** Birds Eye Walls peas project is working with the British Trust for Ornithology, local Wildlife Trusts in the UK and other partners to relate management practices to changes in biodiversity as part of their efforts to identify Best Practices and thus to implement sustainability improvements in their supply chain.

Government

There are several tiers of government which are stakeholders.

- Government of the country in which the company is headquartered. In the UK, the government's approach to biodiversity is outlined in areas such as the Turnbull report, the Pensions Disclosure Act, the UK Biodiversity Action Plan and Quality of Life Counts. These place expectations on companies from a wide range of stakeholders about their environmental performance worldwide, not just in the UK.
- Government of the country in which the company is operating. At the national level, a government may place different priorities on biodiversity to those placed by local government.
- It is also important to note that local government priorities might be at variance with those of the national government. At the local level, there may be a clash between the environment and the local economy.

In Australia, **P&O Australia Resorts** leases and manages the Lizard Island Resort. Management of the resort's biodiversity is crucial as the resort is a highly prestigious eco-tourism operation. Lizard Island Resort is close to the Great Barrier Reef Marine Park and a part of the State National Park. Both these areas are designated World Heritage Areas and are characterised as absolute protection areas. In 2000, the company undertook a study of how to better integrate its EMS with the resort's biodiversity requirements. Accreditation of the self-regulatory Integrated Environmental Management System (IEMS) is based on meeting requirements such as the operating parameters and standards of the Queensland Environmental Protection Act and the Best Practice Eco-tourism of the Department of Tourism in Australia. This demonstrates how working within protected area regulations can help enhance and manage one of the business's prime assets.

3.2.4 STAKEHOLDERS OTHER THAN NGOS

Local community

Community consultation is a difficult issue, often leaving companies wondering whom to consult. Do you only hear from the most vociferous people in the community? Are women excluded in certain cultures? The results are likely to be questioned by NGOs for their authenticity and credibility unless independently verified.

Suppliers

A company's suppliers are an important external stakeholder. As the issue of supply chain is such an important one in itself, it is covered in its own section below.

Customers

Customers can be both corporate and individual. As more companies look for standards within their supply chain and biodiversity is one of those standards, demands will be made on suppliers by their corporate customers.

Contractors

Companies contracting short term work to third parties need to be clear in the communication with the contractor. It is important to note and recognise that contracting companies may work with several different corporations simultaneously – all of which have different policies and strategies towards biodiversity. It should be expected that the contracting body follows Group decisions.

Joint ventures

Often today, corporations choose to undertake projects and operations in close cooperation with other companies. In these circumstances, the different corporate strategies and policies should be communicated, including biodiversity.

This can create conflict where policies differ or are of different standards. An increasing focus by NGOs is Joint Venture in which a UK-based partner with a good policy does not use its influence to ensure that its own policies are adopted.

All joint venture companies in which Shell is a partner and over which it has operational control must draw up business principles and an HSE Commitment and Policy which are not materially different from Shell's.

3.2.5 **SECTORAL AND JOINT INITIATIVES**

Where possible, a company seeks to work with other companies in its sector and beyond to pool expertise and resources and develop joint solutions to common biodiversity issues.

The **Global Mining Initiative** has brought together 30 mining industry participants, through the WBCSD, and it aims to develop a sustainable development model to shape the future direction of the industry. The GMI has commissioned an independent analysis of the issues that the industry is facing. Rio Tinto has played a leading role in the Mining, Minerals and Sustainable Development (MMSD) project which is being carried out by the International Institute for Environment and Development. The project will enable the industry to agree on priorities and future standards. This sort of initiative could only be undertaken with the involvement of a large number of companies in an industry. The potential benefits, of social and environmental reputation, will be shared by the entire industry.

Similar initiatives have been set up by the WBCSD to look at:

- sustainable mobility
- sustainability in the electrical utility industry
- sustainable cement industry
- sustainable forest industry.

The **Energy and Biodiversity Initiative** is a multi-stakeholder initiative that aims to develop best practice guidelines for integrating biodiversity conservation into oil and gas development. The initiative seeks to be a positive force for biodiversity conservation by bringing together leaders from energy companies and conservation organizations to share experiences and use their collective influence to recommend best practice guidelines for integrating biodiversity conservation into oil and gas development. Participants in this initiative include four energy companies (BP, ChevronTexaco, Shell, Statoil) and five conservation organisations (Conservation International, Fauna and Flora International, IUCN, Smithsonian Institution and The Nature Conservancy).

RMC, for example, is a sponsor and participant in the WBCSD 'Toward a Sustainable Cement Industry' project. A sub-study on land use and biodiversity includes an international review of karst landscapes and their biodiversity.

In order to investigate the potential of Amazonian biodiversity for drug development, **GlaxoSmithKline** joined forces with a Brazilian company, Extracta. The companies are committed to ensuring that they will not collect samples from endangered species. Additionally, if a developed medicine comes from this area both companies have pledged that an agreed portion of any royalty paid on sales is returned to the source country to be used to support conservation, health and education at the community level. GSK and Extracta are working together to ensure that this agreement will be fully compliant with the 1992 United Nations Convention on Biological Diversity.

Two of the most successful joint initiatives have been the **Marine Stewardship Council** and the **Forest Stewardship Council**. These independent bodies have been created by partnerships between companies and NGOs. They establish standards for sustainable use of biodiversity – fish and forest products – and suppliers which are harvesting these products sustainably can apply for certification. The FSC certification involves a process of inspecting forests to see if they are being managed according to an agreed set of principles and criteria. These include recognition of indigenous peoples' rights, long-term economic viability, protection of biodiversity, conservation of ancient natural woodland, long-term responsible management and regular monitoring. This gives their multinational customers, such as B&Q and Unilever, the assurance that they are sourcing from sustainable supplies, while at the same time developing economically-viable best practice for those products, in conjunction with NGOs, which can be transferred to other companies applying for certification.

3.3 SUPPLY CHAIN

Many companies have an impact on biodiversity through their supply chain. Some companies find that this is where their major biodiversity impacts are, rather than through land they own or manage.

Tracing biodiversity impacts through supply chains can be very difficult. For example, agricultural supply chains vary from the very complex (such as vegetable oils where supplies from many sources are bulked for tanker transport) to circumstances in which companies have direct relationships with individual farmers. However, as more companies look for standards within their supply chain and biodiversity is one of those standards, it is likely that demands will be made on suppliers by their corporate customers. In developing countries, such demands may be extremely difficult to respond to.

Agriculture provides more than three-quarters of the raw materials for **Unilever's** branded products. The company therefore recognises biodiversity as a key element of sustainable agricultural production. Unilever has designed a Sustainable Agriculture programme to incorporate biodiversity management into crop Specifications, Standards and Best Practice guides. This has been piloted for major Unilever crops: peas, spinach, tea, tomatoes and vegetable oils:

The company has identified four key biodiversity issues for the company to address within its agricultural supply chains:

- crop genetic diversity maintenance and exploitation
- intensive agriculture expanding at the expense of natural or semi-natural habitats
- the 'quality' of the farm environment for wildlife
- maintaining the 'ecosystem services' (such as pest control) provided by biodiversity and minimising pollution, soil loss and soil degradation.

Each year approximately 90,000 softwood and 30,000 hardwood sleepers are used in renewal works on UK railways. All hardwood and softwood sleepers now being bought by **Railtrack** contractors are FSC certified and by March all longitudinal timbers will soon come from forests in the process of gaining FSC certification. **B&Q** also stock FSC certified products where possible, provided that all other purchasing requirements are satisfied. Other companies grow their own timber and so can guarantee the integrity of the supplies. For example, for more than a decade **RMC Pacific Materials** has run a *Smartwood* certified timber business on its 9,300 acre forest in Santa Cruz Country, California.

Lake Harvest in Zimbabwe, a fish farm supported by investment from CDC, has found that it is extremely difficult to place environmental demands on local suppliers, where often the company has to help local suppliers develop their business plans. In these cases, environmental performance is a requirement which can only be dealt with after the establishment of stable and viable businesses.

British American Tobacco sources tobacco from many thousands of small tobacco farmers, who dry the tobacco using wood fuelled ovens. British American Tobacco's subsidiary in Bangladesh has an extensive agricultural extension worker network which encourages farmers to reduce pesticide use and to grow trees for fuel. The company is working with a consortium of NGOs to identify the impacts of its tobacco suppliers on biodiversity, and to design biodiversity management processes.

Unilever has found that identifying Best Practices and implementing improvement in the supply chain is not an easy process. The rate at which biodiversity benefits can be achieved through influence on supply chains will vary. The complex factors involved include the crop, climate, political considerations, financial support available to implement changes and current supply chain structures. In addition, the company has found that it is important to work with farmers and local stakeholders to ensure that any demands made which benefit biodiversity can go hand-in-hand with social and economic progress.

In a recent survey to assess environmental standards in the hotels to which it is sending holiday makers, **accoladia** (formerly British Airways Holidays) specifically requested that its hotels answer a question on land management and whether planting in hotel grounds was appropriate to local biodiversity. The survey was designed to broaden the hotels' awareness and understanding of environmental issues beyond simply waste minimisation and water use.

In 1997, **Unilever**, one of the world's largest buyers of frozen food, established the Marine Stewardship Council with WWF. The Marine Stewardship Council (MSC) involved all key fishery stakeholders in drawing up a certifiable standard, which describes indicators against which a fishery may be compared, to enable it to make a claim that the fish it sells emanates from a sustainable and well-managed source. For Unilever, which owns brands such as Findus and Birds Eye, there was a clear business case for developing methods to ensure a sustainable supply of fish. The MSC has now developed into an international, independent NGO. Unilever has set itself the target of sourcing all its fish supplies from sustainable sources by 2006.

3.4 CORPORATE RESPONSIBILITY AND STEWARDSHIP

Increasingly, companies are taking responsibility for the environment beyond the immediate impact of their operations. Companies can act as a resource for biodiversity, providing expertise, financial resources and land to have a positive and significant impact. Such initiatives provide an opportunity for constructive engagement and communication with internal and external stakeholders and to enhance reputation. Taking a stewardship approach means that these opportunities are not limited to companies which have a significant direct impact on biodiversity.

Brooke Bond Kenya's 'Trees 2000' project is planting indigenous trees next to villages and offices, in hospital grounds and along company and public roads. Currently 8,000 seedlings have been raised and 30,000 planted out. A further 50,000 are being raised for future planting. Brooke Bond Kenya has also set aside 10% of its property as natural forest or conservation areas to preserve biodiversity.

Through the company's foundation, **Shell** has signed a five-year memorandum of understanding to work with the Monitoring and Biodiversity Assessment Programme of the Smithsonian Institution (SI). The first of three projects has begun in Gabon, West Africa. Each project will work with a local Shell operation and will work towards enhancing biodiversity knowledge, building local capacity, involving key stakeholders such as government agencies and local communities, and furthering understanding of the impacts that Shell's operations has on biodiversity and how these may be reduced in future operations.

Five years ago **P&O Portsmouth** initiated a collaboration with Biscay Dolphin Research Programme (BDRP), which started taking monthly monitoring trips aboard the P&O cruise ferry, *Pride of Bilbao*. On these trips, BDRP carried out year-round surveys to record the birds, sharks, dolphins, whales and other marine life enroute to Spain. The survey results have been compiled into an extensive database which shows the conservation importance of the Bay of Biscay, and also highlights the importance of low cost, quantitative data which has a high standard and is officially recognised. The partnership has resulted in establishment of a dolphin observatory on board the *Pride of Bilbao* and in a whale and dolphin watching minicruise for interested members of the public to participate in. P&O Portsmouth's association with the BDRP was recognised at the 'Cruise and Ferry Awards 2001' where the partnership received an environmental award for its work.

BP's Cooper River works, a manufacturer of an organic chemical which is the base material for numerous plastic products, occupies 500 acres within a landholding of 6,000 acres of wetland and pine forest. The site employs a full-time specialist to manage the land, which is home to a number of state and federal threatened species, and to run monitoring and education programmes. The site has access to government grants to replace introduced tree species with native species, and the forestry also generates income through harvesting and sale of timber to help offset some of the land management costs. Over 1,000 school children visit the site each year as part of education programmes being run there, and the land provides a recreational resource for employees and contractors who have year-round access. BP's perception is that the benefits to the business of managing this land include very high retention of staff and good relationships with local community and regulators. A recent application for extending the operating site was passed within three months, with no issues raised by NGOs or individuals. While the scale of this land holding is unusually large, similar initiatives could be undertaken on significantly smaller areas.

RMC South Florida Inc., a subsidiary of RMC Group plc, holds mining rights to a large area of wetlands in the Florida Everglades. Once mining is complete the land and a legacy fund to care for the site would usually pass to the state. RMC South Florida has developed a partnership with Florida International University and is donating \$600,000 to the university over five years, and 2,100 acres of wetland. The initiative has also involved developing a degree course in restoration ecology.

The previously derelict land next to BP's oil terminal in Trinidad has been protected as a result of the work of some employees at the business unit. Rare and endangered species were introduced as breeding stock. Trees were added to the natural vegetation on the 25-acre area to provide fruit and cover for wildlife. A small lake was dug which collects the natural run-off of water from the site while providing a home for local freshwater fish, amphibians and water lilies. The idea for the Galeota Point Nature Reserve came from a group of BP employees at the oil terminal who worked on the project in their free time. Local wildlife has already been attracted back to the rehabilitated habitat of the protected area. A bird count conducted by the Asa Wright Nature Centre, one of the leading authorities on wildlife in Trinidad, found more than 30 species at the site. Nature trails have been established for visitors and arrangements have also been made for regular visits by parties of local schoolchildren.

A number of companies including **UBS Warburg**, **Mitsubishi Corporation** and **Rio Tinto** are supporting training in biodiversity monitoring for African conservationists and scientists through the Earthwatch African Fellowship Programme. The programme aims to help build the capacity of sub-Saharan countries to manage their own biodiversity conservation.

Sometimes due to the nature of a company's business, it has little immediate or direct impact on biodiversity. However, many companies have chosen to engage in biodiversity as part of a sustainability agenda for the company.

Cable & Wireless has undertaken an assessment of its impacts on biodiversity through its operations. The company has concluded that its main impact comes from laying cables, both on land and at sea. The company has identified the biodiversity issue as one which is attractive, topical and of interest to its employees and the communities in which it operates. It sees an opportunity for the company in using the topic as a theme for its environmental and community activities across the world.

By collaborating and sharing information biological data collected by the company with other organisations, companies can make important contributions to conservation. **BP**, **Rio Tinto** and **Shell** are developing a project with UNEP – WCMC called ECOiSHARE (ecological information share), which will enable ecological information gathered during environmental assessments to be shared, and thus be made publicly available. The project is currently in a pilot phase and aims to attract many more corporate participants if successful.

British American Tobacco has identified biodiversity as an area in which its operations have a significant potential impact and has developed the BAT Biodiversity Partnership with four NGO partners: Earthwatch Institute (Europe), FFI, Royal Botanic Gardens Kew and the Tropical Biology Association. The NGOs are involved in a five-year programme designing and implementing conservation activities with local conservation partners and people through a range of activities including species and habitat conservation initiatives, awareness raising, capacity building, biodiversity research, and institutional strengthening.

4 RELEVANT ORGANISATIONS

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- Convention on International Trade in Endangered Species (CITES): www.cites.org
- Convention on the Conservation of Migratory Species of Wild Animals (CMS):
www.unep.org/unep/secretar/cms www.wcmc.org.uk/cms
- IUCN – The World Conservation Union:
www.iucn.org www.redlist.org <http://iucn.org/business>
- Ramsar Convention: www.ramsar.org
- World Heritage Convention: www.unesco.org/whc
- Global Reporting Initiative: www.globalreporting.org
- UK Biodiversity Action Plan: www.ukbap.org.uk
- UNEP-World Conservation Monitoring Centre (WCMC): www.unep-wcmc.org
- World Summit on Sustainable Development (WSSD):
www.johannesburgsummit.org www.earthsummit2002.org
- World Business Council on Sustainable Development (WBCSD): www.wbcsd.org

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The Government's Biodiversity Action Plan provides a framework for involving the private sector in biodiversity conservation. This booklet has been produced to illustrate to all businesses with operations or activities overseas that they can play a part in this initiative.

Based on research from over twenty UK-based companies which have faced the challenge of how to implement a global biodiversity strategy, this booklet provides a practical guide for addressing specific problems facing companies operating overseas; it also explains the international framework of conventions, laws and regulations relating to biodiversity which companies need to be aware of when operating overseas.

"In the global economy, many companies have business relationships overseas, whether through their supply chain or through direct ownership. This means UK businesses have the potential to make a very significant positive contribution to biodiversity conservation through their investment, purchasing and operating decisions, and through their ability to influence. Such strategic approaches to biodiversity can not only avoid potential negative impacts but, in turn, create both strategic and operational benefits for a company."

Michael Meacher

Minister of State for the Environment

Lord Browne

Chief Executive, BP p.l.c.

Business & Biodiversity Resource Centre

Earthwatch Europe hosts a Business & Biodiversity Resource Centre supported by the Environmental Action Fund of DEFRA and Innogy. The Business & Biodiversity Resource Centre aims to raise awareness of biodiversity and provide information and practical advice for companies to engage with biodiversity issues. The Business & Biodiversity Resource Centre website can be found at www.businessandbiodiversity.org.

For further information or additional copies of this booklet contact:

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