

# An initial overview of the IUCN Biodiversity Guidelines for Business: Planning and Monitoring for Corporate Biodiversity Performance

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## Introduction

Many companies strive for a unified picture of their biodiversity performance, especially if they are involved in multiple activities, sites, products or brands, with multiple raw materials and supply chains. Several efforts have been made to tackle the issue (Box 1) but many companies still struggle to answer key questions such as: How can data from so many different origins be aggregated into a meaningful measure of biodiversity performance at a corporate level?

### Box 1: Biodiversity indicators developed for business

A number of biodiversity indicators have been proposed specifically targeted at businesses (see e.g. UNEP-WCMC, 2017; Lammerant et al., 2019). As these indicators are not linked to corporate goals they provide information that cannot be acted upon. Many propose a single indicator of business biodiversity performance (e.g. mean species abundance, potential species loss, potentially disappeared fraction of species per hectare/cubic metre); these often use secondary data and modelling to estimate impacts rather than direct measurement and do not reflect the complex differences between ecosystems and species. Lessons from conservation project management suggest a more holistic approach, linking indicators to goals to answer specific management questions, would be more useful.

The primary business application supported by the *IUCN Biodiversity Guidelines for Business* is corporate-level biodiversity performance monitoring for both internal decision-making and external disclosure. The information generated is not granular enough to make site-level decisions but is actively based on the need for site level monitoring reports. However it can be used to support a strategic level discussion about the direction that a company wants to take in investing its resources, developing new products and enhancing its sustainability.

The *IUCN Biodiversity Guidelines for Business* are based on the experiences and practices of some of the world's largest conservation organisations and on the lessons learned from applying various conservation project management standards (e.g. Kapos et al., 2008; Dickson et al., 2017; Stephenson, 2019a; Conservation Measures Partnership, 2020). They also build on, complement, cross reference and add value to other relevant business standards, guidelines, and tools such as International Finance Corporate Performance Standard 6 (IFC, 2012a) ISO standards (e.g. BSI, 2015), the Natural Capital Protocol (2016) and the Global Reporting Initiative (2018a,b).

These guidelines are based on experiences and lessons from conservation to help businesses identify more tangible biodiversity goals around species and habitats, and provide an indicator framework that allows aggregation of data at the corporate level. There has been a concerted effort in the last decade to harmonize methods, approaches and indicators for biodiversity conservation to enhance data sharing and to aggregate results at institutional, government and global levels provide (Sparks et al., 2011; Tittensor et al., 2014; Stephenson et al., 2015; Navarro et al., 2017); the lessons are used to help inform businesses who have many of the same data needs. Indeed, the model of aggregating common indicators to gain an overview of performance is also embedded in social science thinking on collective impact (e.g. Hanleybrown et al., 2012)

Finally, what makes these guidelines unique, and where companies will find added value in their use, is that they:

- use lessons from decades of conservation biology and conservation practice
- link to current global efforts to harmonize approaches and indicators for biodiversity
- cross reference existing guidelines and tools
- allow companies to be more specific and targeted in their choice of biodiversity to conserve
- advocate an indicator framework that gives a more complete picture of biodiversity than most systems and allows aggregation of data at the corporate level
- do not propose one indicator or indicator set but rather a process to identify scalable indicators from existing frameworks
- have been developed to address identified user needs in the business community.

## Key Elements of the IUCN Approach

### Glossary:

- **Core indicators:** Indicators that are used across the company at multiple levels by multiple people to provide common measures of progress against biodiversity goals and objectives.
- **Indicator:** A unit of information measured over time that documents changes in a specific item or condition (e.g. a threat, a species, a benefit). Characteristics: measurable (in quantitative or qualitative terms); precise; consistent; sensitive (changing proportionately in response to actual changes).
- **Monitoring:** The periodic collection and evaluation of data relative to stated project goals and objectives
- **Outcome:** The desired future state of a threat or opportunity. An objective is a formal statement of the desired outcome.

(Adapted from Conservation Measures Partnership, 2020).

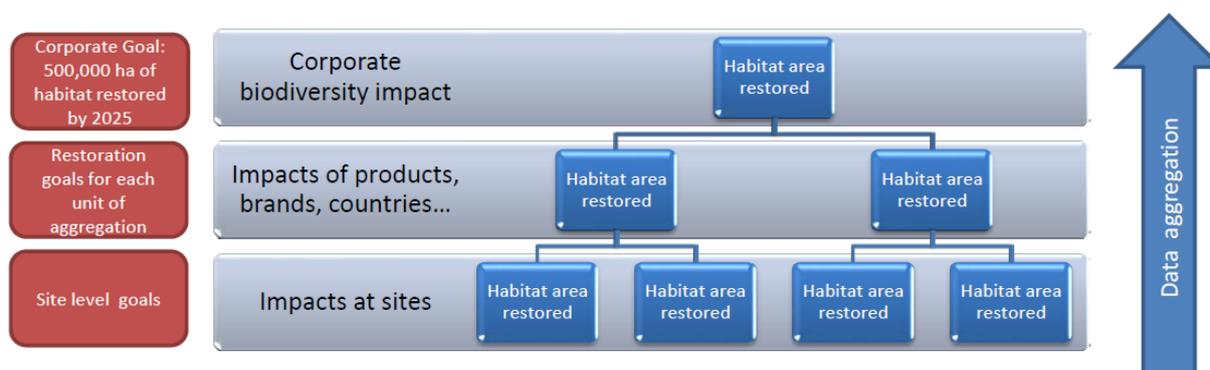
The IUCN Biodiversity Guidelines for Business are designed around three main elements.

### Plan-Do-Check-Act model

A full picture of corporate biodiversity performance can only be achieved by following a results-based management cycle and applying best practices not only for monitoring but also priority-setting, planning, capacity building, data management and use, and lesson learning. The guidelines are therefore structured based on the Assess-Plan-Implement-Analyse/Adapt-Share steps of the Conservation Measures Partnership (2020) that mirror the Plan-Do-Check-Act model that is encouraged in, for example, BSI environmental management systems (BSI, 2015), IFC Performance Standard 1 (IFC, 2012a) and the Natural Capital Protocol (Natural Capital Coalition, 2016). Therefore, the approach taken is not new and companies that follow the proposed stages will enhance their ability to apply and report on other standards.

### Scalable goals and indicators

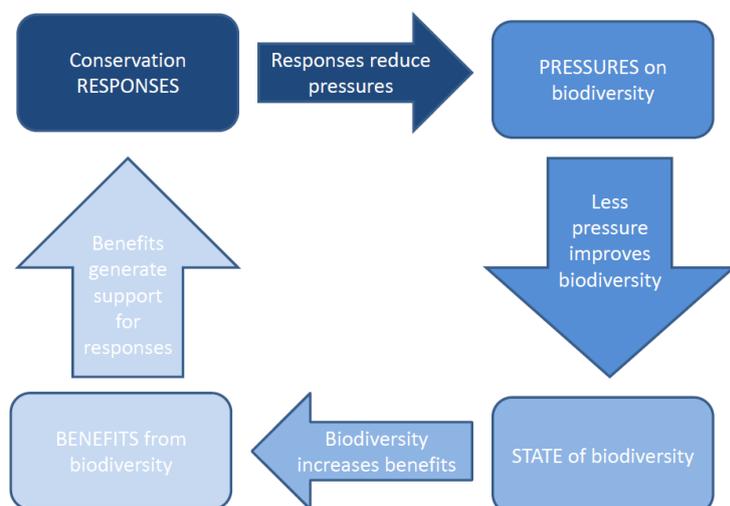
A goal or an objective or an indicator is considered scalable if the company can use the same type of ambition or the same type of measurement at multiple scales (e.g. a goal focused on restoring natural habitat cover, and the related indicator monitoring the change in habitat cover, can be used at a site level as well as at the corporate level). The use of scalable goals and indicators (Fig. 1) that can be used at both a site level and a global level will ensure a company can provide data of use from its own sites and/or raw material production sites that can also be aggregated at corporate level, while providing information of value in communicating the company's performance.



**Figure 1.** A graphic to illustrate how data generated by applying the *IUCN Biodiversity Guidelines for Business* will help measure performance at multiple levels. The theoretical example is based on a company aspiring to restore natural habitats in and around its area of influence.

## Pressure-State-Response-Benefit framework

The Pressure-State-Response-Benefit indicator framework (Fig.2) is commonly used by conservation agencies and governments to monitor biodiversity. By using this set of interlinked indicators – where a change in one type of indicator is expected to lead to a change in another – companies will be able gain a more holistic picture of their biodiversity performance at multiple levels.



**Figure 2.** Pressure-State-Response-Benefit indicator framework (adapted from Sparks et al., 2011).

Each company needs to select a small set of **core indicators** that can be monitored from the site level to the corporate level. In order to make the indicators meaningful and to provide a complete and coherent picture of corporate performance, the indicators should follow the Pressure-State-Response-Benefit (PSRB) framework.

The types of indicator in the PSRB model are:

- Pressures: indicators monitoring the extent and intensity of the causes of biodiversity loss that responses aim to address (e.g. levels of exploitation (offtake), nitrogen deposition rate (pollution), habitat loss, invasive alien species, climate change impacts)
- States: indicators analysing the condition and status of aspects of biodiversity (e.g. species populations, community composition, habitat extent, water quality)
- Responses: indicators measuring the implementation of policies or actions to prevent or reduce biodiversity loss (e.g. protected area coverage, Protected Areas management effectiveness, area under sustainable management)
- Benefits: indicators quantifying the benefits that humans derive from biodiversity (e.g. livelihoods, fuelwood availability, populations of utilized species).

As a general rule:

- State and benefit indicators measure impact – the desired future state of biodiversity (including ecosystem services that benefit people). A goal is a formal statement of an impact.
- Pressure indicators measure outcomes – the desired future state of a threat or opportunity. An objective is a formal statement of an outcome.
- Response indicators measures outputs – the desired product of an activity or collection of activities (strategies).

There is a relationship between the indicators: a change in response is expected to lead to a change in pressure which leads to a change in state which provides more benefits for people, encouraging more responses. Therefore, the PSRB indicators create a more complete picture of the situation, allowing an understanding of how company actions/interventions (responses) are faring, how these then relate to any change in pressures on biodiversity, and how these in turn lead to any improvements in the state

of biodiversity and the ecosystem services benefits available to people. Another advantage is that, given that state level indicators only change slowly and companies may only be able to demonstrate improvements in species and habitats and ecosystem services after a few years, pressure and response indicators can demonstrate change and progress more rapidly.

Indicators will need to be appropriate for measuring progress against the goals and objectives; goals and objectives not measurable, with no obvious indicator, need to be changed. They also need to be scalable; in other words, the same indicator should be able to monitor both a site level (e.g. a farm or a plant or a mine) and a global level, in order to facilitate aggregation.

Examples of scalable indicators include “area under forest cover” or “number of species” or “level of illegal offtake” or “area under sustainable production”, as they can be calculated in an area of a few hectares and also aggregated at landscape, national, regional and global levels. Note that some indicators, such as those focused on species populations or status, are usually aggregated as an index (e.g. Living Planet Index, Wild Bird Index, Red List Index) to make it easier to track multiple species at once. For example, if the company is monitoring small populations of mammals but large populations of birds, the relative change over time of all the species monitored is easier to compare using an index (which has an effect similar to then tracking percentage population change rather than absolute numbers).

## Who the Guidelines are For and What They Will Produce

The *IUCN Biodiversity Guidelines for Business* are clearly-defined stages and steps that can be followed by companies from primary and secondary sectors of industry, including in the construction sector. It is assumed that companies in the secondary sector, and in particular manufacturing, have a good knowledge and influence of how the raw materials used in the manufacturing processes are produced.

By following the guidelines a company will be able to:

- identify a small and appropriate suite of core biodiversity indicators which, when applied to sites and supply chains, facilitate data aggregation at national and corporate levels, thereby allowing the company to assess and report on biodiversity performance in a holistic way;
- articulate clearly and concisely the company's biodiversity goals (and, where appropriate, help demonstrate contributions to international biodiversity goals such as the SDGs and the post-2020 biodiversity goals of the CBD);
- develop and use maps and dashboards to visualise information and facilitate reporting and data-driven decision-making;
- build capacity and partnerships for mainstreaming biodiversity data into corporate reporting and decision-making and develop a learning, results-based management culture.

Every company will have a different starting point, with different levels of knowledge on their impacts and opportunities associated to biodiversity and mitigation measures already in place. Some will start with no idea of what biodiversity is, no plans and no resources invested; others will have a few actions focused on biodiversity but without a defined overarching goal, and others will already have some form of goal and a suite of operational actions. Many companies already have in place some elements of the system, and the guidelines allow the retrofitting and adaptation of existing goals and indicators, as well as the creation of new ones. The stages outlined here are valid in each case.

The application of the guidelines should be possible for most companies across sectors. However, implementation is likely to be easier the closer the company is to biodiversity and the more directly it uses, or influences the use of, natural resources at sites within their value chain. Therefore, companies at least partly in the raw materials or manufacturing sectors (e.g. extractive industries, agriculture, farming, fishing, forestry, bioenergy) may find it easier to identify biodiversity they impact or would like to conserve than businesses in the sales and services sector.

Whichever sector a company is in, in order to apply the guidelines successfully it is likely to need some or all of the following pre-requisites.

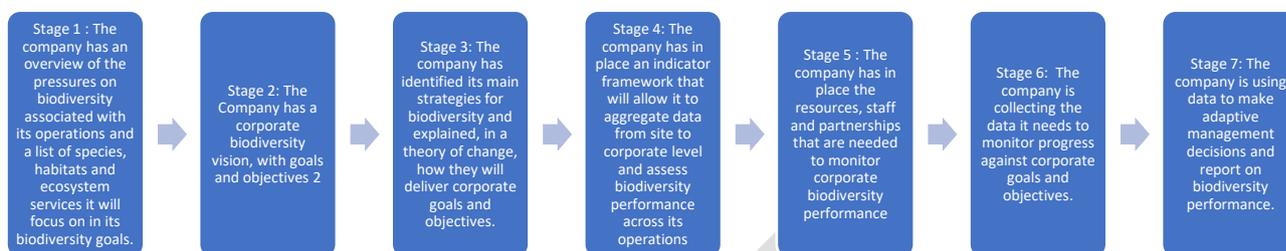
- Commitment from senior management to define and work towards biodiversity goals, and develop a results-based management culture, willing to share data internally and (wherever possible) externally.
- The ability and willingness to set local site and national goals, and develop associated biodiversity action plans, based on global goals and objectives.
- Human and financial resources are mobilized to put in place the necessary capacity and tools for biodiversity; in some cases this may simply be a reallocation of existing budgets – for environment projects, broader CSR work or marketing (which often supports biodiversity work in some companies).
- Good knowledge of the company's operations (at site, supply chain and commodities levels).

The main weakness with the approach is that the dependence on site-level data makes it more costly than process-based indicators that only measure the adoption of specific mitigation measures and require only a yes/no answer, not data. In certain situations, for example in the case of certain commodities, it is unlikely a company will be able to collect site level data on the state of biodiversity, thus limiting the use of state indicators.

One of the main benefits of this system is that it enables a connection between the people working on site to decision makers at the corporate level, making biodiversity a local to a global issue.

## An Overview of the Seven Stages

There are seven stages in the *IUCN Biodiversity Guidelines for Business* (Fig. 3). These stages can be developed in a stepwise process but are iterative and can be used in any order appropriate for the company. Stages 1 to 3 provide the basis for the development of corporate level biodiversity performance indicators (Stage 4). Stages 5 to 7 support the implementation of the corporate level biodiversity indicators.



**Figure 3.** The stages of the *IUCN Biodiversity Guidelines for Business* and where the company will be at the completion of each. These stages can be developed in a stepwise process but are iterative and can be used in any order appropriate for the company.

### First Phase - Design corporate biodiversity performance indicators against defined goals, objectives and strategies

#### **Stage 1 (Priorities): Understand the company's biodiversity and ecosystem services impacts, opportunities and benefits**

- A. Define the corporate area of influence
- B. Identify indirect and direct pressures associated to the activities in the corporate area of influence
- C. Identify the most important pressures to address and prioritize the main activities to focus on for biodiversity (to maximise reduction of pressures or increase opportunities)
- D. Identify priority species, habitats and ecosystem services

#### **Stage 2 (Vision, goals and objectives): Develop corporate biodiversity goals and objectives to deliver the company's vision**

- A. Decide on the relevant Unit(s) of Aggregation
- B. Consult key stakeholders
- C. Develop a vision
- D. Define goals and objectives, with draft indicators

#### **Stage 3 (Strategies and theory of change): Define what actions and strategies will deliver corporate goals and objectives and describe the theory of change**

- A. Develop strategies and plan actions to deliver corporate goals and objectives
- B. Describe the theory of change

#### **Stage 4 (Indicators): Develop an indicator framework that allows data aggregation at corporate level**

- A. Define state and benefit indicators against goals
- B. Define pressure and response indicators against objectives and strategies

### Second Phase – Apply the corporate biodiversity performance indicators

#### **Stage 5 (Capacity): Develop business capacity and partnerships for biodiversity planning and monitoring**

- A. Develop and implement a capacity development plan

B. Develop partnerships for biodiversity monitoring

**Stage 6 (Data collection) Develop, test and adapt monitoring plans and collect data**

A. Develop a monitoring plan

B. Collect data

C. Continually adapt and improve the monitoring plan

**Stage 7 (Data use and learning): Share and analyse data, learn lessons and adapt**

A. Share data in formats that facilitate interpretation and decision-making

B. Implement management systems that encourage learning and continued improvement

C. Conduct periodic evaluations and assessments

D. Review biodiversity priorities and goals

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