

Application Guidance

Part of a series of Biodiversity Guidance to accompany the
Natural Capital Protocol

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Key messages

- The results of your biodiversity-inclusive natural capital assessment can be used to direct a range of business actions for your business, one of them being biodiversity target setting.
- This Guidance examines the existing frameworks which can be used by businesses to inform the setting of biodiversity targets as a result of a natural capital assessment.
- Approaches exist which businesses can use to develop targets in line with global, regional and national goals, but there are also options not linked directly to these, by using frameworks such as no net loss of biodiversity.
- This Guidance also provides approaches on how businesses can include biodiversity-inclusive natural capital assessments as part of the way they do business.

What is the Apply Stage?

This Apply Stage of the Protocol introduces guidance on how you can interpret, apply and act on the results of the natural capital assessment to help set informed biodiversity targets. This Guidance builds on **applying** the results of the assessment towards your objective outlined in Step 02 of the Protocol and the **Scoping Guidance**. This Guidance aims to inform biodiversity target setting by addressing Step 08 and 09 of the Protocol and builds on information provided in the **Measuring and Valuing Guidance**.

How does the Biodiversity Guidance map to the Protocol?

Table 1 provides an overview of the questions and actions of Steps 08 and 09 of the Apply Stage in the Protocol and outlines the actions for which the Biodiversity Guidance provides additional information. This Guidance has been developed to address the following questions asked within the Protocol:

Step 08: How can you interpret, validate and verify your assessment process and results?

Step 09: How will you apply your results and integrate natural capital into existing processes?

This Guidance does not provide a detailed methodology on how to comprehensively carry out all of these steps, but provides guidance on how to ensure natural capital assessment results can be used effectively to inform the setting of biodiversity targets.

Table 1

The Apply Stage: Mapping between the Protocol and the Biodiversity Guidance

Protocol Step	Questions this Step will answer	Protocol Actions	Additional guidance included?
08 Interpret and test the results	How can you interpret, validate and verify your assessment process and results?	8.2.1 Test key assumptions	No Revert to Protocol page 95 for general guidance.
		8.2.2 Identify who is affected	
		8.2.3 Collate results	
		8.2.4 Validate and verify the assessment process and results	
		8.2.5 Review the strengths and weaknesses of the assessment	
09 Take action	How will you apply your results and integrate natural capital into existing processes?	9.2.1 Apply and act upon the results	Yes See Action 9.2.1
		9.2.2 Communicate internally and externally	No Revert to Protocol page 106 for general guidance
		9.2.3 Make natural capital [biodiversity] assessments part of how you do business	Yes See Action 9.2.3

Additional notes

You should address all actions associated with each Step in the Apply Stage. This Guidance only provides additional information for some of the actions where it is most appropriate.

How should you plan for this Stage?

Before you get started with the Apply Steps of your assessment, it is important to consider any planning requirements. The Protocol, for example, identifies some of the resource needs that should be considered for each component of the assessment. For applying the results within your business more resources may be needed.

For applying your biodiversity-inclusive natural capital assessment, there are a number of published resources including guidelines, frameworks and measurement tools. Table 2 provides a non-exhaustive list summarizing some of these and illustrates how they may be useful for your assessment.

Table 2

Examples of biodiversity-specific resources relating to applying your biodiversity-inclusive natural capital assessment

Author	Name	Type	Description
Capitals Coalition and CCI	Decision Tree	Online Tool	Designed to guide a user through a biodiversity-inclusive natural capital assessment by signposting to available guidance notes, frameworks and tools.
EU Business @ Biodiversity Platform & UNEP-WCMC	Assessment of biodiversity measurement approaches for business and financial institutions. Update Report 2.	Report	Second assessment report providing updates on measurement methodology developments, to support businesses on selecting appropriate approaches. A section on targets and goals which can be used to inform biodiversity targets.
Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services	Summary for policymakers of the global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services	Report	Designed to provide a summary for policymakers of the global assessment of biodiversity and ecosystem services. Includes sections on relevant global biodiversity targets which businesses could adhere to.
Convention on Biological Diversity	Global Partnership for Business and Biodiversity	Report	Designed to provide an overview of the national and regional business and biodiversity initiatives. It provides an overview of the initiative's activities, structures and services.

Step 08 Guidance: Interpret and test the results

In this Step, no further Biodiversity Guidance is provided. The Protocol provides actions to answer the following question:

How can you interpret, validate and verify your assessment process and results?

8.2.1 Test key assumptions

For this action, revert to the Protocol page 96, for general guidance.

8.2.2 Identify who is affected

For this action, revert to the Protocol page 97, for general guidance.

8.2.3 Collate results

For this action, revert to the Protocol page 97, for general guidance.

8.2.4 Validate and verify the assessment process and results

For this action, revert to the Protocol page 99, for general guidance.

8.2.5 Review the strengths and weaknesses of the assessment

For this action, revert to the Protocol page 101, for general guidance.

Step 09 Guidance: Take action

This section of the Guidance provides actions to answer the following question:

How will you apply your results and integrate biodiversity into existing processes?

In particular, it will help you to undertake the following actions:

9.2.1 Apply and act upon the results

9.2.3 Make natural capital assessments part of how you do business

When applicable, this Guidance provides further advice on how to apply the results of the natural capital assessment towards biodiversity targets within your business. The intention is to provide supplementary information to the Protocol as a user completes a biodiversity-inclusive natural capital assessment.

9.2.1 Apply and act upon the results

At this stage, the results of a natural capital assessment will identify biodiversity-related risks and opportunities which should be used to inform a series of corporate actions in relation to biodiversity, building upon the assessed impacts and dependencies. Some of these actions could be to support specific actions related to your business sector and operations, or it could include creating a new biodiversity target.

Table 3 lists examples of company actions that may be taken following a biodiversity-inclusive natural capital assessment, and refers to the relevant business applications outlined in the **Scoping Guidance**.

[Click here to see how a water company is restoring habitats their business operations are dependent on.](#)

Table 3

Examples of business actions taken as a result of the natural capital assessment

Example company action based on assessment results	Example based on assessed impacts or dependencies	Business Application
Consider changing procurement strategy for upstream materials e.g. sourcing products with lower risk based on their biodiversity dependency.	Dependencies	BA4: Compare Options
Disclosure of assessment results to stakeholders, being transparent that biodiversity impacts and dependencies may reduce reputational risks.	Impacts/Dependencies	BA5: Biodiversity accounting for internal reporting and/or external disclosure
Work towards gaining relevant biodiversity certifications.	Impacts	BA6: Certification by third parties
Support restoration efforts of biodiversity stocks that support business operations e.g. pollinator-supporting habitats.	Dependencies	BA7: Screening and assessment of biodiversity risks and opportunities
Enhance natural infrastructure across business operations e.g. use of forests in flood defence schemes.	Dependencies	BA7: Screening and assessment of biodiversity risks and opportunities

In the particular case in which you wish to set a biodiversity target as a result of your assessment to manage your biodiversity risks and opportunities, some additional guidance is provided below to inform your target setting process.

a. What existing frameworks are there to guide your biodiversity target?

There are currently a range of existing frameworks which you can use to inform the development of biodiversity targets. These include those which are globally recognized, such as the Sustainable Development Goals (SDGs) or the targets set under the Convention on Biological Diversity (CBD), national targets and priorities such as National Biodiversity Strategy and Action Plans (NBSAPs), or those which can be adopted individually, such as no net loss, or net gain commitments. Some of these current frameworks for informing biodiversity targets are outlined below (Table 4).

Table 4
Examples of global, national and company-led frameworks for informing biodiversity target setting

UN Sustainable Development Goals	Global Goal
<p>Goals 14 and 15 focus on the protection of biodiversity and ecosystems within the marine and terrestrial environments. In addition to these two SDGs, the remaining 15 SDGs also include biodiversity-explicit targets (CBD 2020a).</p>	
<p>Benefits</p>	<p>Limitations</p>
<p>Provides a comprehensive list of indicators to measure progress towards a number of easily understood goals.</p> <p>Ecosystem services are essential for several of the SDG's, leading to this framework being useful for companies which want to conserve ecosystem services (Wood et al 2018).</p>	<p>Not designed with businesses in mind. Some of the information used for these indicators would be particularly difficult for businesses to access/obtain. However, there are examples for how businesses can adhere to these goals (UNGC and KPMG 2015).</p>
Aichi Targets (and the Post-2020 Biodiversity Framework)	Global Goal
<p>There are twenty Aichi targets, covering the period 2011-2020, which were established at a global level but with a flexible framework to allow integration into national or regional targets. Due to the flexible framework, individual countries were able to set their own targets and ensure their national needs and priorities were integrated.</p>	
<p>The Convention on Biological Diversity will in October 2020 adopt the Post-2020 Global Biodiversity Framework (CBD, 2019) to replace the Aichi Targets, which will provide a stepping stone towards achieving the 2050 Vision of "Living in harmony with Nature". This framework aims to provide 'realistic', 'measurable' and 'time-bound' targets with respective indicators and clear ways to report, monitor and produce baselines.</p>	
<p>Benefits</p>	<p>Limitations</p>
<p>Global policy framework adopted by all parties to the Convention on Biological Diversity.</p>	<p>Framework is difficult for businesses to engage with, however, there are plans to address this within the proposed framework (CBD 2019). Targets are to be replaced with the development of the post-2020 Biodiversity Framework.</p>
Science Based Targets for Nature	Global Goal
<p>Targets which define and promote best practice for businesses by responding to five Earth systems; Climate, Freshwater, Land, Ocean and Biodiversity (SBTN 2020). These are based on the planetary boundaries framework with targets currently available for climate (SBT 2019), and targets for nature being developed for launch in 2022.</p>	
<p>Benefits</p>	<p>Limitations</p>
<p>Actor-based targets specifically designed for businesses, and linked to global policy goals.</p>	<p>Not yet defined for biodiversity.</p>

National Biodiversity Strategy and Action Plans (NBSAP)s and related biodiversity policies	National Goal/Company-led Goal
<p>As part of the CBD, under Article 6 of the Convention of General Measures for Conservation and Sustainable Use, each Party member creates a national strategy, plan or programme on: how, when and where biodiversity and ecosystem services should be conserved, used sustainably, and the benefits of their use shared equitably. NBSAPs can serve as a policy driver to set a country on the right track to meet its biodiversity and environmental objectives, which are outlined within their own environment policy. Subnational Biodiversity Strategies and Action Plans (SBSAPs) and Regional Biodiversity Strategies and Action Plans (RBSAPs) have also been developed as part of the CBD. The CBD have an online database which can be used to see whether your country has a NSBAP or a national target (CBD 2020b).</p> <p>Click here to see how a property development business has adhered to global and national targets when creating an internal biodiversity strategy.</p>	
Benefits	Limitations
<p>Contributing to global biodiversity plans which are set under the CBD through national scale policies/targets</p>	<p>Framework can be difficult for businesses to engage with.</p>
No Net Loss and Net Gain (Mitigation Hierarchy)	Company-led Goal
<p>This framework builds on the mitigation hierarchy with targets to achieve no net loss or no net gain (BBOP, 2012). More details in the Scoping Guidance.</p> <p>Click here to see how a construction company has used no net loss to create biodiversity targets</p>	
Benefits	Limitations
<p>Methodology and information is well developed for certain applications making this easier for businesses to use (e.g. by the Business and Biodiversity Offsets Programme). Can achieve successful outcomes for activities which are highly localised, such as mining (IUCN, 2020), infrastructure and building development, but also activities which are not site-specific, such as supply chains (Aiama et al 2015) and the banking sector (ASN Bank 2020).</p>	<p>Associated negative social impacts with implementation, but there is documentation to reduce negative impacts on local communities (IUCN, 2018). Effects on some highly threatened species may be impossible to avoid, but a framework has been devised to assess the achievability of offsetting within a given area (Gardner et al 2013). High biodiversity areas might not be fully compensated for, therefore, the timeline at which you will see 'biodiversity benefits' are not considered. Harder to implement for companies that don't operate at the site-level e.g. supply chains.</p>
Planetary Boundaries ¹⁷	Company-led Goal
<p>This concept includes nine processes which regulate the stability of the Earth's systems, to ensure the survival of humanity (Stockholm Resilience Centre n.d.). Crossing boundaries 'beyond zones of uncertainty' disrupts the balance between these processes, which may lead to increased risk of large-scale abrupt or irreversible environmental challenges. One of these boundaries explicitly addresses biodiversity loss – 'Loss of biosphere integrity'.</p>	
Benefits	Limitations
<p>Can help businesses to understand how their specific biodiversity targets are contributing to global Earth systems. Can also be used to support implementation of Sustainable Development Goals related to nature (PBL NEAA 2018).</p>	<p>No current method to scale the planetary boundary to the company level. 'Tipping points' for biodiversity are undefined (Montoya et al 2018). The current data does not include global processes and/or rates of extinction (Montoya et al 2018), leading to difficulty in assessing the global implications of a company's biodiversity target and quantifying a biodiversity target.</p>

b. How can you adhere to global and national biodiversity targets?

Global biodiversity targets, such as the Aichi targets and Sustainable Development Goals set out broad goals, which can be used to create your own biodiversity targets. However, these are not designed for businesses and do not lend themselves to corporate needs. Ideally, you should aim to align internal biodiversity targets with national targets and priorities, as these can adhere to wider global biodiversity goals. Due to the lack of clarity on what constitutes a 'good biodiversity goal' you should consider expert input or stakeholder consultation particularly important (see action 9.2.2 in the Protocol), as well as industry benchmarking to ensure your targets are appropriately positioned against peers. Biodiversity targets being developed for the Post-2020 Global Biodiversity Framework have emphasised the need for specific, measureable, ambitious, realistic and time-bound targets (SMART) and you should create such targets to ensure your progress can be tracked (e.g. through no net loss or net gain).

Despite the absence of clearly defined global biodiversity goals at the time of writing, the results of a natural capital assessment can still aid in setting targets for businesses or inform company processes, driving enhanced performance. Global commitments can be extrapolated to your business, by addressing your impacts and dependencies on biodiversity within your supply chain.

For examples of how international or national biodiversity goals can be translated into corporate goals using the natural capital assessment results, see Table 5, which has been adapted from the Joint Nature Conservation Committee (Smith et al 2018).

Table 5

Hypothetical international and national biodiversity goals and their relevance to corporate biodiversity goals and actions

Hypothetical international biodiversity goal	Possible corporate biodiversity goal	Example business actions
Retaining and/or restoration of freshwater, marine and terrestrial ecosystems by achieving net increase in area	Retain and/or restoration of freshwater, marine and terrestrial ecosystems within your operation/or supply chain	<ul style="list-style-type: none"> • Use the mitigation hierarchy to avoid species and habitats which you have high impact or dependency on within these systems (through no net loss) • Reduce impacts and dependencies on species and habitats within these systems • Adopt restoration measures to ensure sustainable use of these systems
Reduce the percentage of species which are threatened by extinction and increase species abundance	Reduce impacts and dependencies on species which are threatened by species within your supply chain and/or site-based locations	<ul style="list-style-type: none"> • Establish private protected areas within your site-based projects • Reduce or eliminate high impacts and dependencies on species which are current threatened by extinction or near threatened by using IBAT

		<ul style="list-style-type: none"> • Adopt/ implement voluntary certification schemes and industry standards • Prevent introduction or spread of invasive species
Maintain or increase genetic diversity	Maintain or increase genetic diversity within your supply chain and/or site-based locations	<ul style="list-style-type: none"> • Establish private protected areas, or support the implementation/management of protected areas for genetic diversity with your site based locations • Adopt/implement restoration efforts • Prevent introduction or spread of invasive species • Sustainably source natural resources within your supply chain
Enhance the use of biodiversity and ecosystem-services for people	Enhance the use of nature for people within your business and wider society	<ul style="list-style-type: none"> • Invest in ecosystem services, nature-based solutions and green spaces • Ensure the needs of indigenous groups, women, the less wealthy and those from vulnerable groups are considered within business actions • Adhere to or incorporate other international, regional and or national rules which are related to biodiversity and ecosystem services
Ensure benefits of nature are shared equitably	Stakeholder engagement, support and knowledge exchange	<ul style="list-style-type: none"> • Ensure multi-stakeholder dialogue to manage actions towards impacts and dependencies of the natural capital assessment • Incorporate traditional knowledge into planning and management of biodiversity • Ensure biodiversity monitoring data to shared amongst stakeholders to assist decision making and adaptive management actions

As well as adhering to global biodiversity goals, you can align your biodiversity targets towards regional, national and sub-national biodiversity strategies, such as National Biodiversity Strategies and Action Plans, Sub-national Biodiversity and Strategies and Action Plans and Regional Biodiversity Strategies and Action Plans.

To assess whether you want to adhere to regional, national or sub-national biodiversity frameworks, you should consider the following points below:

- Do the relevant countries within which you work have National Biodiversity Strategies and Action Plans, Sub-national Biodiversity Strategies and Action Plans or Regional Biodiversity Strategies and Action Plans or other national biodiversity targets? This will dictate what level of targets you can adhere to. See Table 4 for relevant links to identify whether your country of interest has these frameworks in place.
- Does your business have project sites and supply chains across multiple regions and/or countries? Or is your business within one country only? Note that the specific legal and regulatory requirements will be biodiversity and country-specific.

Once you have decided whether a regional, national or sub-national biodiversity framework is suitable, you can develop your corporate biodiversity targets based on the possible options in Table 5 and steps in the subsequent section of this Guidance.

c. How do you create a biodiversity target?

As global biodiversity goals are being developed, companies have created biodiversity targets internally using no net loss or net gain (Rainey et al 2015) and guidance has been developed to assist this process (BBOP 2018). These targets aim to match the negative biodiversity impacts which occur as a result of a project, portfolio or supply chain, with biodiversity gains. Additionally, biodiversity net gain goals aim to increase the biodiversity post-implementation of a project.

The following provides a **hypothetical example of a company** wanting to achieve no net loss of biodiversity in response to a natural capital assessment:

- 1) The results of your natural capital assessment suggest that you have a high impact on a particular species as a result of your activities in one of your sites and/or supply chains due to habitat destruction. The species has legal protection and impacting it has a reputational and operational risk associated with it. You want to reduce your impact on the species at the site to avoid these risks.
- 2) You will need to select a framework to inform the setting of your biodiversity target, by using Table 4. Assess whether you can work towards global or national/ regional biodiversity goals or create internal biodiversity targets. Use Table 5 to consider the business actions you can take in relation to the biodiversity framework you have selected. Since you want to reduce your impact, you may decide to use no net loss as a framework.
- 3) Use the results of your natural capital assessment to establish a baseline for your target to have no net loss of the population of the species. Alternatively, conduct a species assessment to establish a baseline to monitor progress towards.
- 4) You aim to have no net loss on the population at the site, meaning that any possible negative impacts on the species need to be balanced with conservation action. Therefore, you need to compensate the total area of habitat which is negatively impacted, by restoring habitat elsewhere. Stakeholder consultation will be important at this stage. A way this can be conducted is through a Biodiversity and Natural Capital Account, to track stocks, flows and costs associated with no net loss actions. The net changes to biodiversity, their value and the costs associated with no net loss

actions can be tracked during multiple stages of the project, indicating whether your no net loss actions are on track. Using the Biodiversity and Natural Capital Account, or a similar approach, and considering all limitations, you may decide to set your target for a 20-year period, i.e. no net loss of that species within your supply chain or at a particular site by 2040.

[Click here to see how a construction company has used this approach to develop no net loss biodiversity targets](#)

- 5) You will then need to ensure you monitor and track progress towards your target by assessing population changes at appropriate intervals (these will depend on the nature of the species being monitored).

Steps on how to **plan, implement, assess and update a no net loss or biodiversity commitment**, to support the development of an internal biodiversity target can be found within the [Annex](#).

Although it is currently difficult for businesses to demonstrate a quantifiable contribution to a global goal in the same way as companies can commit to a science based target for climate, it is nonetheless possible for business to demonstrate contribution to societal goals based on impacts and dependencies identified through a biodiversity-inclusive natural capital assessment.

9.2.2 Communicate internally and externally

For this action, revert to the Protocol page 106, for general guidance.

9.2.3 Make natural capital assessments part of how you do business

Global reports have ranked biodiversity loss and ecosystem collapse as one of the top five threats humanity will face (WEF 2020) providing the opportunity and momentum for businesses to address the issue, not only for risk management but for market advantages (WEF and PwC, 2020). The setting of corporate biodiversity targets related to Sustainable Development Goals and the Convention on Biological Diversity can aid business reporting on biodiversity, which has previously been noted as limited (KPMG 2018). In addition, for the Sustainable Development Goals businesses are able to create links between their own sustainability strategy and the goals (Smith et al 2018), but to date they tend to not address Goals 14 and 15, those which are biodiversity-focused. More recently, the Post-2020 Global Biodiversity Framework explicitly engages the private sector, providing scope for businesses and other non-state actors to align with global biodiversity frameworks in a way that has not been possible previously (CBD 2019).

Biodiversity-inclusive natural capital assessments improve risk management leading to better decisions and a competitive advantage within your business and sector. Ensuring the longevity of these, is to ensure natural capital assessment results are continually being incorporated, and the actions taken are improved within your business, resulting in an adaptive and resilient working culture.

The following points provide some indication on how and why natural capital assessments which focus on biodiversity, can be part of your business's process:

1) Business case strengthening

- Keep updated with global biodiversity frameworks which will provide an update to goals and targets.
- Strengthen the business case for natural capital and biodiversity within your organisation, amongst corporate board members and senior members of your business.
- Increasing rates of natural resource consumption and climate change can have led to unexpected and unpredictable changes towards your business. Therefore, present the results of the natural capital assessment to senior members of the business and relate it to your business model.

2) Update methodology on how to measure and value biodiversity

- Continually explore new methodologies on how to measure and value your biodiversity impacts and dependencies.
- Continually engage with project-developers, suppliers, site-managers and other external stakeholders to better identify how your business is impacting and depending on biodiversity within existing projects and new projects.
- Maintain internal capacity on how to measure and value biodiversity impacts and dependencies.

3) Explore linkages with new and existing processes and or targets

- Ensure that information on biodiversity is integrated within other business management systems, including financial and management accounting through an existing process or a natural capital account.
- Consider how biodiversity targets can be incorporated into additional societal goals which your business aims to achieve. This way multiple societal goals can be targeting with fewer business actions (UNGC and Duke University, 2010).

4) Maintain capacity and strengthen collaboration amongst stakeholders

- Ensure your team carrying out the natural capital assessment have the necessary resources and skills, just as the same for financial and business accounts.
- Continue to develop a theory of change to influence your decision-making within your business (Conservation International 2013).
- Continue to collaborate with stakeholders which you have involved within the natural capital assessment to facilitate knowledge exchange on your impacts and dependencies.
- Continue to develop relationships with internal and professional organisations to help influence the global debate on biodiversity, doing so will ensure businesses are better integrated into policy decision making.

Case Studies

Company example: Water company

A major water company in the United Kingdom has engaged with habitat restoration programmes that support their business operations.

The company recognized their dependency on the ecosystem service of clean water provision, but found the quality of the raw water collected in their catchment areas to be deteriorating over time, increasing operational costs of water treatment. They conducted a natural capital assessment to assess their dependence on healthy peatland habitats in providing clean raw water and its role as an important United Kingdom Ecosystem. The water company realised that degraded peatlands increases soil erosion and therefore water sedimentation. This led to the need for Peatland habitat restoration within catchment areas to potentially reduce operational costs.

In response, restoring these habitats was integrated into their Biodiversity Action Plan, and the company engaged with relevant stakeholders and regulatory bodies in a multi-partner Peatland restoration programme. In doing so, they also fulfilled regulatory requirements for catchment management, reducing operational as well as legal and regulatory risk, whilst also demonstrating to external stakeholders their positive influence on biodiversity.

Company example: Property developer

A major property developer and owner, manager and developer of retail destinations across Europe launched a Net Positive target in response to the United Kingdom's Biodiversity Action Plan which responds to the Convention on Biological Diversity.

The plan was to improve new development and existing maintenance with regards to biodiversity across their land holdings to meet their biodiversity action plan target by 2030. The strategy aimed to deliver positive carbon, water, resource use and socio-economic impacts across all UK and international operations by 2030 and did this by using biodiversity as an integral role to reduce carbon emissions and increase the size and quality of carbon sinks.

A Biodiversity Action Plan was developed to ensure biodiversity targets were considered across supply chains and a site-specific Biodiversity Action Plan was developed. The property developer used the United Kingdom's Biodiversity Action Plan species and habitat list, and conservation targets, to identify individual species which were related to their own operations. This was done to improve the quality and quantity of biodiversity at specific sites. As part of their Biodiversity Action Plan, ecological appraisals and impact assessments of all new developments were conducted to ensure appropriate mitigation steps were considered.

This delivered multiple benefits such as expedited regulatory processes, increased operator satisfaction, lower operational costs and increased footfall for retail outlets.

Company example: Construction company

A construction company used a natural capital approach at the initial stages of a project to value community benefits derived from achieving Biodiversity Net Gain.

The Corporate Natural Capital Accounting framework has been adapted to measure the wider environmental impacts to achieve Biodiversity Net Gain, leading to the development of the Biodiversity Net Gain-Natural Capital Accounting Framework. Using this framework, the initial impacts of a project with mitigation approaches and the biodiversity offsets can be highlighted. The output of this framework is a balance sheet which includes; i) net changes to biodiversity, ii) net changes to the value of natural capital assets and iii) changes to cost at the sites (where the mitigation hierarchy has been implemented). The benefit of this approach, is that these balance sheets can be produced before, during and or post implementation of a project which enables businesses to consistently track progress.

Before the construction project began, an assessment was conducted to identify the net natural capital value of the project to provide a baseline to compare the biodiversity loss once the project was underway. The developer of the project invested in five biodiversity offsets which resulted in a small increase in biodiversity units, as well as increases in community benefits.

Annex

The following are steps on how to **plan, implement, assess and update a no net loss or biodiversity commitment**, to support the development of an internal biodiversity target (ideas adapted from ['Business Planning for Biodiversity Net Gain: A Roadmap'](#) (BBOP 2018), United Nations Global Compact and KPMG, 2015 and [United Nations Global Compact and IUCN, 2012](#)).

Note that the 'Assess and Update' steps should be completed iteratively to ensure actions are continually being improved and to build internal capacity (de Silva et al 2019).

Plan

- Assess the results of your natural capital assessment on biodiversity. The results will provide you with an indication of the risks associated within your company, and whether there is a high dependency or impact on biodiversity.
- Commit to achieve no net loss (or biodiversity net gain) or another biodiversity commitment. Assess your current commitments, processes and tools which could be related to committing to no net loss or net gain. These would be identified during the Scoping Stage. The activities or business units which are relevant to a no net loss commitment will be revealed during the natural capital assessment. Use this information to define how no net loss or biodiversity net gain is going to be achieved.
- The results of the natural capital assessment will indicate the drivers for high impact/dependency on biodiversity. Depending on your business, the areas of impact/dependency may be site-specific, across whole supply chains or both.
- Assess whether no net loss or a biodiversity commitment can be integrated within existing policy, strategy or management areas (e.g. commitments to water quality and sustainable development), whether the company has capacity to deliver no net loss or no net gain, or whether additional tools and resources are needed. If you are planning to adhere to global goal commit
- Identify team members to steer the planning process and map internal and external stakeholder groups. In particular, ensure vulnerable and local stakeholder groups are included within this process to ensure local knowledge is included. Integrate action early within processes, especially for high dependency/impact activities outlined from the assessment. Identify areas where achieving no net loss or a biodiversity commitment is easily achievable to build experience and confidence, and then address more complicated tasks. Ensure your targets are SMART.
- Ensure that Senior Executives and Board Directors are involved within the process. This increases internal communication within the organisation, and could aid external communication amongst individuals within senior positions.

Implement

- Assign activities to individual staff members who are involved with key activities related to your impact and dependencies on biodiversity. Ensure the necessary resources and capacity to deliver.

- Ensure there is a budget to implement these changes within the organisation at multiple levels.
- Review existing company procedures on how you do business and integrate no net loss, net gain activities or biodiversity activities within these existing frameworks.
- Engage with internal and external stakeholders throughout the process, to encourage adaptive management processes and build internal capacity.
- Establish partnerships with key stakeholders to help implement activities, e.g. conservation scientists for technical support, or local stakeholders such as farmers and NGOs.

Assess

- Review progress of activities internally with key divisions of the organisation, senior staff and board members.
- Compare progress to your baseline to assess whether implementation of activities is on track to meet no net loss targets and whether there are processes which can be improved/alterd. Measuring your process could be done through a framework developed by IPIECA for example (IPIECA 2016).
- Engage with internal and external stakeholders for feedback on whether activities are reaching targets.
- Assess whether the activities towards no net loss are clear to track, evaluate and adapt to meet target. If not, then identify these specifically.
- Monitor progress with external and internal stakeholders at product, site and or supply chain level and ensure feedback from these stakeholders is recorded.

Update

- Implement steps which have been identified during the Assess stage.
- Review and track progress along an agreed timeline to develop continuous improvement.
- Report and disclose progress towards no net loss to build credibility to stakeholders. Report under the [Global Reporting Initiative Standards](#) and management systems such as the [ISO 14001](#). If you are aligning with global goals within your biodiversity targets, you should include this as a reference within your corporate sustainability strategies or biodiversity action plans.

For business actions which specifically involve supply chains, close collaboration with suppliers on your targets will be essential to ensure that these can be successfully achieved. Collaboration in this way can provide a platform for innovation as a way to produce products which have fewer impacts on biodiversity. Additionally, integrating suppliers as part of the development practise of a target contributes to the process of due diligence, reducing reputational and operational risks of your organisation (UNGC and IUCN 2012).

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