



Business Handbook for Biodiversity Conservation Summary

2022

Partnered
with



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Supported by:

HSBC
SEE Foundation
SinoCarbon Innovation and Investment (SCII)

Acknowledgement

The compilation of the Business Handbook for Biodiversity Conservation was guided by the Center for Environmental Education and Communications (CEEC) of China's Ministry of Ecology and Environment (MEE), and was jointly formulated by the World Business Council for Sustainable Development (WBCSD), Business for Nature (BfN), World Wide Fund for Nature (WWF), One Planet Foundation (OPF), International Union for Conservation of Nature (IUCN), Society of Entrepreneurs & Ecology (SEE) and Changjiang Conservation Foundation (CCF). We are grateful to HSBC, SEE Foundation and SinoCarbon Innovation and Investment (SCII) for their strong support in the compilation of this Handbook. We sincerely thank all the businesses that have supported us with their case studies. Our special thanks also goes to those who have instructed or contributed to the preparation of this Handbook (in alphabetical order by pinyin): Clea Kaske-Kuck, Chen Yongrui, Gao Wenou, Kang Wei, Li Nan, Li Yan, Wang Yue, Wang Qian, Yang Jun, Yuan Yuan, Zhang Bowen, and Zhang Lu.



This handbook is supported by HSBC

Preface

The year 2022 is a milestone for the global environmental movement. It not only marks the 50th anniversary of the first United Nations Conference on the Human Environment, but also the 30th year since the conclusion of the CBD. Since leaders of more than 150 countries signed this historic convention at the Earth Summit of the United Nations Conference on Environment and Development in Rio de Janeiro, Brazil in 1992, the importance of biodiversity and the urgency of its conservation have been rapidly and widely recognized.

In October 2010, the CBD COP10 was held in Nagoya and the Aichi Biodiversity Targets were adopted. The Aichi Targets, as the first global framework for biodiversity conservation with a duration of 10 years, composed of 5 strategic targets and 20 action targets. However, the Global Biodiversity Outlook 5, released by IPBES in 2019, pointed out that, at the global level, none of the 20 action targets have been fully achieved, and only 6 have been partially achieved. Only 7 out of the 60 specific indicators have been achieved and 38 have shown progress.

Among the various reasons for the failure of Aichi Targets, one of the major elements is that businesses failed to actively participate or did not even know how to participate in the process. In environmental governance, which encompasses biodiversity conservation, how can the businesses transcend gambling with governments and the public, more actively respond to challenges, and go beyond themselves by implementing new development concepts in the future, so as to truly lead the coordinated green development of social economy? This is a major issue that demands for discussions among governments, businesses and the public.

On the one hand, governments need to enhance the businesses' awareness of social responsibility through publicity and education, and regulate their production with laws and regulations. A mechanism of environmental information disclosure for key polluting companies should be established to subject their impact on the environment to public supervision, and a corresponding incentive mechanism should be introduced in order to guide the self-organization and self-governance of businesses. On the other hand, businesses should constantly improve their understanding of environmental protection, work from operating in a compliant manner to proactively shouldering social responsibilities, and thus achieve "self-atonement" in the process of solving environmental problems.

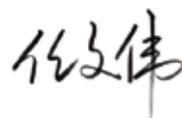
How can businesses turn from passively assuming social responsibilities to integrating environmental and social responsibilities into business development and enhancing core competitiveness? Only by integrating environmental and social responsibilities into their sustainable development and transforming external pressure into an internal driving force can businesses achieve strategic upgrading, make profits, improve branding and realize comprehensive management along the whole industrial chain, and thus achieving "self-fulfillment". In this regard, scientific and effective methodological guidance is necessary.

The Handbook is compiled to welcome China as the President of CBD COP15 in response to the national strategic layout for ecological progress. It aims to help China's businesses with their "self-atonement" and "self-fulfillment", promoting business involvement in the ecological progress featuring "lucid waters and lush mountains are invaluable assets" and encouraging businesses' engagement in international exchanges on biodiversity conservation, so as to contribute Chinese wisdom and strength to global sustainable development.

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Gambling: Nature Loss and Business Risk

Biodiversity is the essential feature of living systems. The survival and continuity of human beings depends on biodiversity. However, the biosphere is declining at an unprecedented rate in human history. Over the past two decades, global biodiversity has declined sharply, which has attracted much attention from the international community.

The main drivers of biodiversity loss can be summarized into five aspects (Figure 1). The recession of ecosystems has caused the decline in a series of functionality, costing the global economy more than 5 trillion US dollars a year.

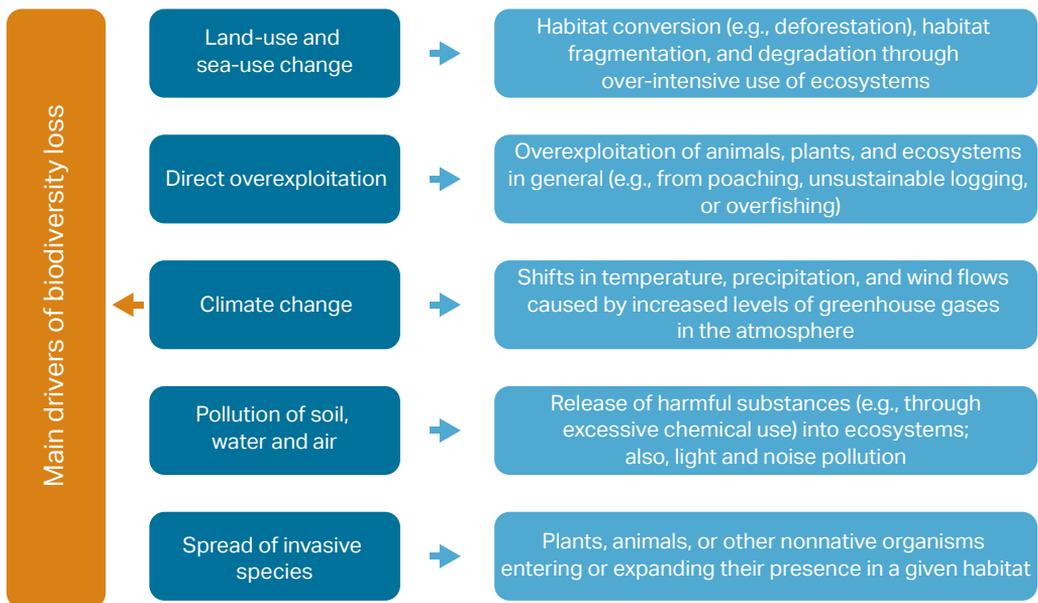


Figure 1. Main drivers of biodiversity loss



Numerous business activities, especially those related to resource development and cultivation, have intensified the trend of biodiversity loss. According to a report by Boston Consulting Group (BCG) in 2021, in terms of functions and the degree of impacts, business activities accounting for biodiversity degradation can be divided into four categories, namely resource extraction and cultivation, resource conversion and manufacturing, services, and consumption (Figure 2); and in terms of the impact on final consumption, the four value chains of food, infrastructure and mobility, energy, and fashion are responsible for roughly 90% of biodiversity loss.

The negative impact of business activities on biodiversity will eventually hinder businesses' sound operation. The loss and shrinkage of available resources, the increase in resource costs, as well as the destruction of the overall environment will all restrict the profitability of businesses.

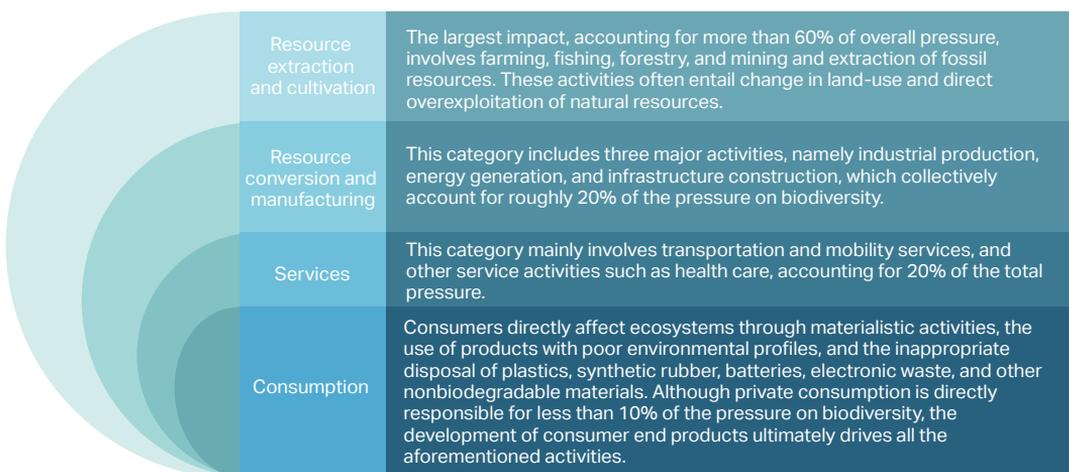


Figure 2. Four types of functional activities account for most pressure on biodiversity

Source: BCG, The Biodiversity Crisis is a Business Crisis, 2021.



Mission: The Time Calls for Responsible Businesses

Biodiversity loss, climate change and pollution have been listed as the triple planetary crisis by the UN. To answer this crisis with three closely related aspects, a synergy of strong policy support, corporate actions and public engagement is urgently needed.

Internationally, it has become a general trend for businesses to participate in biodiversity conservation. The Chinese government organizes domestic businesses to collect cases on biodiversity, carries out surveys on businesses' awareness of biodiversity conservation, and participates in international forums on biodiversity and green development,

in a way to initially establish a platform for exchanges and cooperation between the government and businesses. The public awareness of sustainable development and biodiversity has also been enhanced. People expect businesses to play a greater part in biodiversity conservation.

Engagement in biodiversity conservation does not only stem from external pressure, but also has more to do with the rules of business development. On the contrary, avoiding the physical, regulatory and reputational risks related to biodiversity reflects the significance of business engagement in conservation (Figure 3).

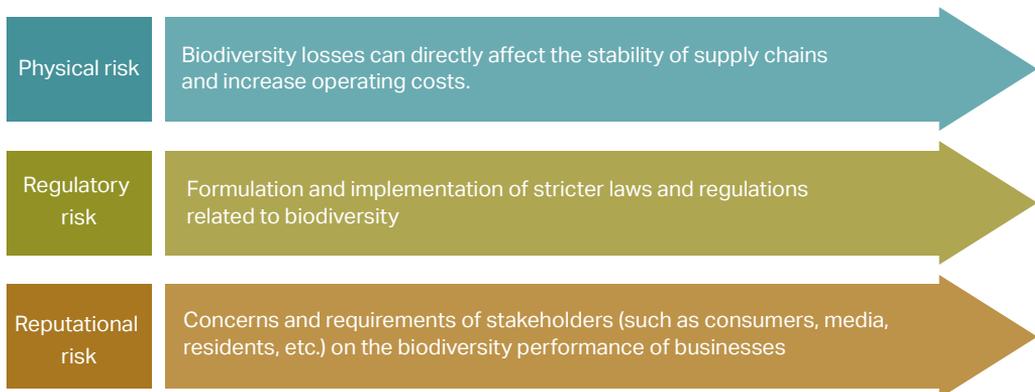


Figure 3. Business risks related to biodiversity

Sources: CECEP Environmental Consulting Group (CECEPEC), Biodiversity Conservation of Businesses: Global Trends and Business Risks, 2021; Organization for Economic Co-operation and Development (OECD), Business, Biodiversity and Ecosystem Services, 2021; WEF, Rising Natural Risks: Why the Crisis Engulfing Nature Matters for Business and the Economy, 2020



Seize opportunities in value proposition, innovation-driven markets, cost benefits and business attractiveness to positively reflect the significance of participating in conservation (Figure 4).



Figure 4. Potential business opportunities for biodiversity conservation

Action: How Can Businesses Participate in Biodiversity Conservation?

At present, businesses should practice biodiversity conservation from the following aspects:

- Focus on the top-level design and macro planning of biodiversity conservation
- Fully identify substantive issues of biodiversity conservation in business chains
- Attract as many stakeholders as possible for joint efforts
- Develop business-level conservation actions to foster the sustainable development ecosystem

The core steps for businesses to participate in biodiversity conservation include but are not limited to six building blocks (Figure 5).

Determine the scope

- Analyze the impact of the businesses' internal operations and value chains on biodiversity.
- Determine the mitigation hierarchy for businesses to participate in biodiversity conservation based on risk and opportunity assessment.

Develop visions and commitments

- The management team establishes vision on biodiversity
- Make biodiversity-related commitments according to the vision of the businesses.

Set up targets and establish systems to measure progress

- Set up the baseline and targets based on the vision and commitment
- Develop indicators as measurement standards and define data collection methods to support corporate data collection.

Develop and implement action plans

- Determine corresponding conservation schemes based on the targets and relevant indicators;
- Ensure effective resource allocation and establish corporate management and support framework;
- Whole-process and all-round implementation of the action plan.

Assess

- Track, monitor and assess the impact of biodiversity conservation actions and project progress;
- Conduct systematic and comprehensive assessment after a cycle of actions.

Disclose and report

- Showcase the progress, performance and achievements of biodiversity conservation through news reports, etc.
- Implement whole-process information disclosure through sustainable development reports and social responsibility reports, etc.

Collaborate with stakeholders

During the whole process, businesses also need to actively collaborate with stakeholders, integrate and utilize the stakeholders' resource advantages, to successfully follow through the six stages. At the same time, businesses should constantly learn lessons from experiences and analyze new opportunities and challenges to improve the follow-up actions.

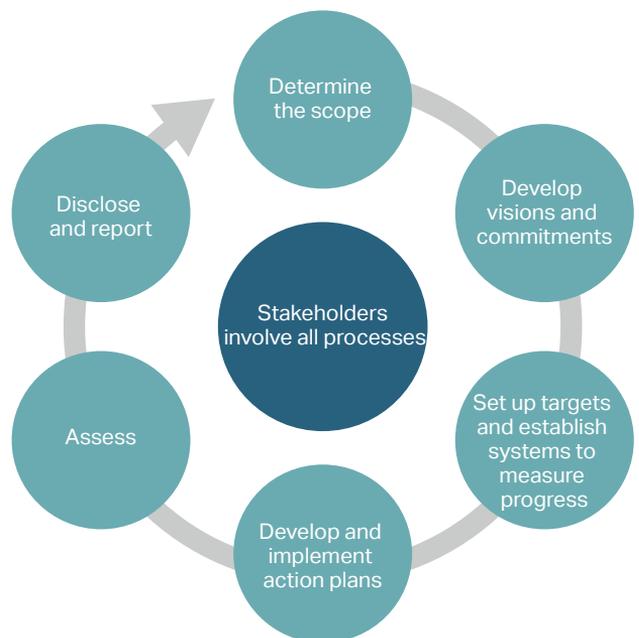


Figure 5. Core steps of business actions on biodiversity conservation



There are also many biodiversity conservation method systems that businesses can refer to. For example, the “four-stage approach” of the IUCN stresses on guidelines for planning and monitoring corporate biodiversity performance (Figure 6), the “six building blocks” of WBCSD

draw a roadmap for “nature-positive” businesses (Figure 7), and BfN’s nature action framework of “four modules” focuses on four critical steps, namely to assess, commit, transform and disclose (Figure 8).

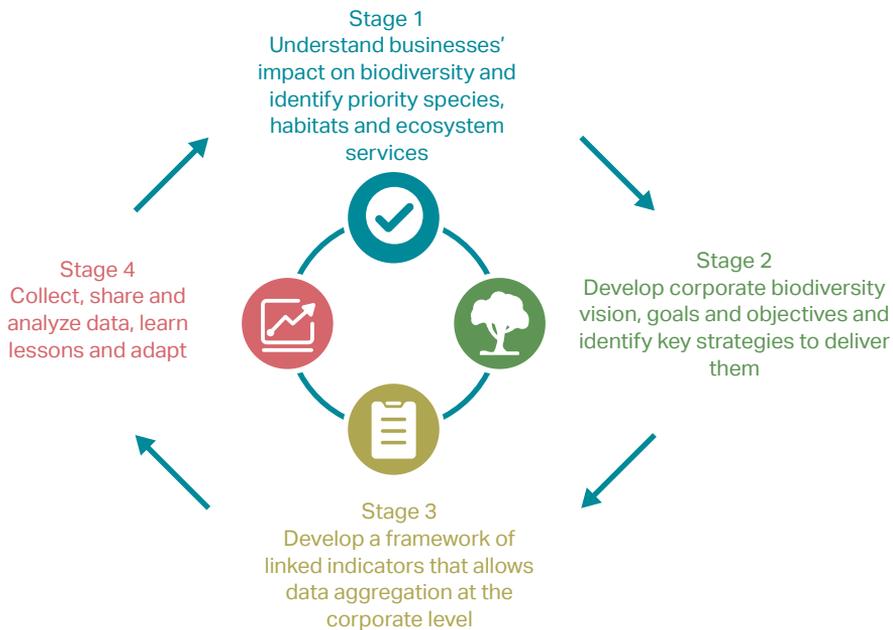


Figure 6. “Four-stage approach” of the IUCN



Figure 7. "Six building blocks" of WBCSD for "nature-positive" businesses
 Source: WBCSD, What does Nature-Positive Mean for Business, 2021.



Figure 8. BfN's nature action framework of "four modules"

Source: <https://www.businessfornature.org/highlevel-business-actions-on-nature-chinese>

Small and medium-sized businesses can start from the following aspects to gradually establish a biodiversity conservation system.

- Conduct information disclosure business activities and cooperate for supervision
- Assess corporate biodiversity impact
- Participate in biodiversity conservation through compensation and transfer

- Introduce new elements of biodiversity conservation into industry management
- Cooperate with other businesses on biodiversity conservation,
- Utilize supply chain resources,
- Carry out governance through a third party,
- Engage in public welfare activities.

Future: The Starting Point for Win-Win Outcomes

In the post-COVID-19 era, sustainable development has become a more urgent and serious issue. On September 30, 2020, the UN Summit on Biodiversity, with the theme of “urgent action on biodiversity for sustainable development”, called for a green recovery from COVID-19. Under the global ambition, businesses need to work together with the governments, industry organizations, the public and other stakeholders to form a systematic biodiversity conservation model featuring practices “guided by the government, promoted by the industry and implemented by businesses with public engagement”.

A strong Post-2020 Global Biodiversity Framework (hereinafter referred to as the Framework) will provide a more powerful guarantee for promoting win-win outcomes in development and conservation, growth of business value and improvement of ecology, as

well as economic benefits and social equity. The Framework puts forward a theory of change to provide tools and solutions for the implementation and mainstreaming of biodiversity conservation (Figure 9). The Framework will be formally established through CBD COP15 with the theme of “Ecological Civilization: Building a Shared Future for All Life on Earth” and a series of related negotiations.

The implementation of the Framework, related to the fulfillment of global sustainable development goals and the synergy with the Paris Agreement in climate change, is the priority of businesses for sustainable development. In the future, businesses need to pay close attention to key issues related to themselves and actively participate in biodiversity conservation under the guidance of the framework, so as to realize green recovery in the post-pandemic era and achieve win-win outcomes in various aspects.

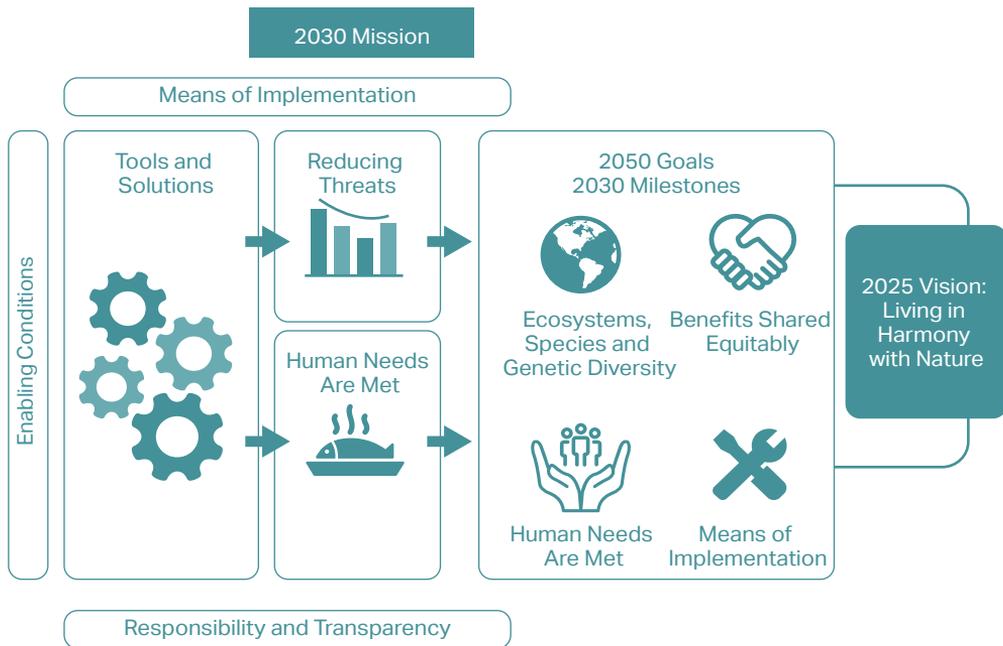


Figure 9. A theory of change for the Post-2020 Global Biodiversity Framework of the UN

