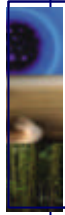


SMIA 03, University of Geneva, 4-6 September 2003

# “The business case for corporate biodiversity action”

**Nick Bertrand**, IUCN-The World Conservation Union

Based on  
***Business & Biodiversity: The Handbook for Corporate Action***  
Earthwatch Europe, IUCN and WBCSD



## What is biodiversity?

“*Biodiversity is everywhere and is everyone’s business.*”

## The Convention on Biological Diversity

- Launched at the Rio Summit in 1992, ratified by over 180 countries
- Provides an integrative approach to biodiversity linked to sustainable development and poverty alleviation
- Provides a global governance platform for corporate biodiversity strategies and action plans



## Biodiversity components

- **Ecosystems** - For a business, an ecosystem perspective focuses on where a company's operations sit within the larger ecological landscape.
- **Species** - All sectors, indeed all people, rely on biological resources – at the very least for food which comes from plants and animals.
- **Genes** - The private sector plays a dominant role in the commercial use of genetic resources and their derivatives.

## Biodiversity objectives

- **Conservation of biodiversity** - Businesses have a global responsibility to conserve biodiversity. Biodiversity conservation can also be a value proposition.
- **Sustainable use of biological resources** - Linking conservation to development; more and more companies focus on increasing the sustainability of the biological components of their supply chains.
- **Equitable sharing of biodiversity benefits** - Linking biodiversity to social responsibility. Companies can adopt a stakeholder approach

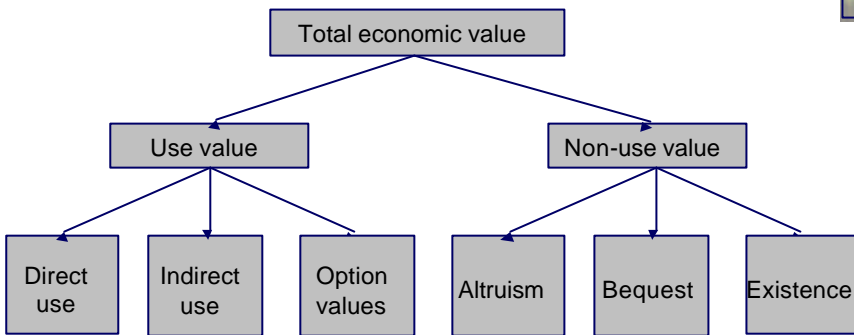


## Compatible perspectives on sustainability

biodiversity	sustainable business	sustainable finance	sustainable development
conservation	environmental protection	environmental value	environmental protection
sustainable use	economic growth	economic value	economic development
equitable sharing	social equity	social value	social development



## Economic values of biodiversity



## The business case

“ *The biodiversity strategy is a subset of the company’s wider social responsibilities or sustainability agenda.* ”



AMAZON WATCH \* FRIENDS OF THE EARTH \* BANK INFORMATION CENTER  
ENVIRONMENTAL DEFENSE \* AMAZON ALLIANCE \*  
INSTITUTE FOR POLICY STUDIES

For Immediate Release:

August 28, 2003

**Financing for Peru's Camisea Project Voted Down by U.S. Ex-Im Bank**

**U.S. Agency Applauded for Upholding Indigenous and Environmental  
Safeguards in Controversial Amazon Energy Project**

Footage and Photos of Damage by Camisea Available Upon Request

Press Contacts listed below

**Managing Biodiversity Risks**

Business News Americas – 28 Aug 03

Washington, D.C.—Under mounting pressure from environmental and indigenous rights groups and members of Congress, today the board of directors of the Export-Import Bank of the United States (Ex-Im) voted to reject financing for the controversial \$1.6 billion Camisea Gas Project in the Peruvian Amazon. The Ex-Im loan would have provided \$213 million for the venture led by Hunt Oil and PlusPetrol. Ray Hunt, Chairman of Hunt Oil, is a Bush Pioneer Fundraiser who raised \$100,000 for the 2000 Presidential elections.

"Ex-Im board members displayed courage and environmental leadership in the face of considerable pressure," said Jon Sohn, international campaigner for Friends of the Earth.

Is Nicky Oppenheimer an old-fashioned mining tycoon or a radical economic reformer?



able that the Treasury does not share his faith. But few expected that an Oppenheimer, the arch symbol of liberal white privilege, would want to encourage more debate on black empowerment. What is behind his blast of political correctness?

Mr Oppenheimer talks of a family tradition of "public service to our country" and being "deeply committed to South Africa and its future." His father, Harry, opposed apartheid, represented a liberal opposition party and long argued that black South Africans must take a fuller part in the economy. That remains the dominant business issue today and Nicky believes that "since it sort of fell upon one, well, you've got to pick up that ball and run with it." His son Jonathan, a director at De Beers, chips in that the "family dynasty" has a special duty.

The chairman of De Beers can also afford to put his mind to such higher thoughts. Despite the global economic slowdown, the diamond business is flourishing. The firm delivered a 34% rise in profits in the first six months of this year; it still controls nearly two-thirds of the world's \$8 billion rough-diamond market. Mr Oppenheimer hopes he can return to lucrative diamond mines in Angola, and the firm controls all of Botswana's produc-

IT IS hard to know what pleased Nicky Oppenheimer last week. The affable, grey-bearded head of De Beers' diamond cartel, is delighted that South Africa's cricket team, England's team. Once a keen player, he intones the captain, Graeme Smith, with near religious reverence another reason to be content. On August 5th he gathered 100 or so of the country's most influential people in the wood-paneled library of Little Brentnurs, his Johannesburg mansion, to hear his plan to reform the country's economy.

The Oppenheimer dynasty has presided over South African business for three-quarters of a century, ever since tough old grandfather Ernest won control of the diamond industry that was formed by Cecil Rhodes. Nicky Oppenheimer (some call him "The Cuban" because of that beard) has been in charge since 1998. The family still owns nearly half of De Beers and a chunk of Anglo American, another mining giant with interests in gold, platinum, construction and forestry. Although Anglo has moved its main listing to London, it and the privately owned De Beers

**Secure the license to operate**

The Economist – 9 Aug 03

...but there are also more important reasons for the Oppenheimers' current interest in good causes. Nicky is learning to turn threats into opportunities. A few years ago De Beers most feared an international consumer-boycott campaign by activists who said that diamond trading fuelled civil wars in Sierra Leone, Angola and Congo. Instead of opposing them, De Beers helped to draw up the Kimberley Process, a scheme backed by the United Nations for regulating and tracing the production of diamonds. By the end of July, 54 diamond-producing countries were listed as part of the process. Others will be excluded from legal trading. That helps to keep the industry clean—and bolsters De Beers' image. By pushing aside irregular traders, it also helpfully allows De Beers to keep a tight grip on the global supply.

Just as engagement worked globally for conflict diamonds, he

New views on meat | McDonald's and rivals address animal welfare

## Paying attention to what makes a pig happy

By David Roberts

**T**HREE LAKELAND, Indiana — He comes on riding bare at Purdue University's animal research center, tracking a half-dozen pigs, each with an ink streak slanted across its back for identification. The pigs have a choice to make. They can use their snouts to lift their tails a pair where they can co-suckle with other pigs, or to push entry to another pig with more food.

"We want to get the animal's perspective, to see what they prefer," said Edmund Pajor, an assistant professor of animal behavior and welfare who heads the Purdue center. "We want to know: How important is social contact and grooming? What do they like and hate?"

A decade ago, big food companies would have been the first to finance such research as little as a dozen from the dozens in industrial farming that have allowed them to steadily reduce the cost of hams, burgers and chicken nuggets. But today, some of those companies are not just taking the research seriously; they are financing it.

McDonald's, Burger King, KFC and Wendy's have all underwritten research and recently hired what are called "animal welfare specialists" to help them devise new standards aimed at ensuring more humane treatment of the animals destined for their kitchens. Industry trade groups are proposing the new rules and conducting audits of livestock products to ensure they are being followed, though some groups express concern about higher costs and other complications.

Food experts say that the food industry is responding to growing public health concerns and widespread criticism of America's factory farms, which raise over 4 billion animals yearly in crowded, close quarters in production and slaughtering facilities. Growing regulations — most immediately in Europe, but also in the United States — are adding to the pressure.

The changes are being applauded even by People for the Ethical Treatment of Animals, or PETA, an organization best known for guerrilla attacks on the fur industry and fast-food outlets, and for publicizing photographs of what they say are cruel acts being performed on farm animals.

"McDonald's, Burger King and Wendy's have done some pretty good stuff, but they had to be prodded into it," said Dan Stinson, a spokesman for PETA. "These animals are not living in luxury when being handled properly, but this is an improvement."

Last week, McDonald's said it would begin testing that its suppliers cut back their use of antibiotics in sick animals and eliminate the use of certain growth-promoting antibiotics that are fed to healthy animals, particularly chickens. The seven-year, health performance standards in the United States and Europe have insisted that the increase of antibiotics in farm animals might eventually reduce their effectiveness in humans.

Health officials applauded the McDonald's announcement, but some producers criticized the company for bowing to public pressure and barring the use of some antibiotics that are considered safe by regulators.

Whether motivated by marketing concerns or social conscience, McDonald's has stepped to the forefront of the animal welfare movement, at least among corporations. McDonald's has passed the egg industry, for instance, to become by far the most vocal sponsor of egg laying hens in factory farm houses. The company also has said it will begin testing the practice of withholding food and water from hens in order to induce them to lay larger eggs over those supplies are reduced.

Similarly, McDonald's now presses beef suppliers to reduce their use of electrical prods and encourage chicken producers to use automated equipment to gently gather chickens. In these and several other ways, such



## Strengthen the supply chain

IHT — 26 June 03

Researchers at Purdue University are studying the importance of social contact among pigs. "We want to get the animal's perspective, to see what they prefer," said Edmund Pajor, an assistant professor of animal behavior and welfare.

largest restaurant chain and one of the biggest purchasers of animal products, whose cooking status is driving change throughout the food industry.

"There will be differences on details, but not on the bigger picture," said Gary Weber, executive director of regulatory affairs at the National Cattlemen's Beef Association. "There might be disagreement on the use of hormone treatments or de-birding."

ingud their adaptations to various conditions. McDonald's has also turned to animal behavior and welfare researchers at Purdue University, who are studying looking into such topics as how female pigs socialize and whether some feed pigs when their tails are docked.



## Les entreprises suisses dans le peloton de tête du classement international ISO

Fabienne Bogadi

**L**es entreprises et organisations du monde entier sont devenues plus soucieuses de leur image. Une préoccupation que reflètent les chiffres de l'étude annuelle de l'Organisation internationale de normalisation (ISO), dont la dernière édition vient d'être publiée: à fin 2002, le nombre de systèmes de management certifiés conformes aux normes ISO 9000 et 14001 atteignait un total de 811 209, contre 547 381 l'année précédente. Ces normes, qui répondent à un besoin croissant de transparence de la part des entreprises, connaissent une progression constante d'année en année. «Ce phénomène est lié à la globalisation», explique Jacques-Olivier Chabot, directeur des services généraux et marketing de l'ISO. En d'autres termes, les entreprises exportent leurs normes de qualité internationales.

Mais que disent ces affirmations et ces chiffres, barbares aux yeux du néophyte? L'étude, publiée il y a une semaine, porte sur trois normes, ISO 9000 et ISO 9001:2000 qui, dès décembre,



depuis 1994, l'ISO 14001, elle a connu une progression de 35% par rapport à 2001.

La Suisse n'est pas en reste, puisqu'elle fait partie des dix pays en tête de classement pour la progression des certifications ISO 9000 (+1694 réalisations à fin 2002), ainsi que pour le nombre de certificats délivrés selon la norme ISO 9001:2000 (5066). «La Suisse est traditionnellement un pays exportateur. Elle a toujours démontré son attachement à la

ne. C'est pourquoi elle a adopté ces normes de manière presque naturelle», commente Jacques-Olivier Chabot.

Quels sont les avantages d'une certification? Elle est surtout utile sur le plan promotionnel et marketing, souligne-t-il. Elle permet à l'entreprise de faire la preuve de son sérieux en matière de qualité et d'environnement.

Une certification est volontaire et valable trois ans, avant que le

certificat de l'entreprise soit renouvelé. A l'avenir, ces normes continueront d'évoluer en fonction des besoins de l'industrie, qui changent sans cesse: «C'est un processus évolutif et vivant», conclut Jacques-Olivier Chabot. Depuis sa création, l'ISO a édicté 13 700 normes, dont une grande partie a été révisée.

\* Une version abrégée de l'étude peut être consultée sur [www.iso.org](http://www.iso.org).

## Strengthen the supply chain

Le Temps — 5 Aug 03

- > How the Standards Were Developed
- > Acceptable Mortality Limits in the Standards
- > Ecosystem & Fishery Management Core Standard
- > Ecosystem & Fishery Management Best Practice Guidance
- > Collecting, Fishing & Holding Core Standard
- > Collecting, Fishing & Holding Best Practice Guidance
- > Handling, Husbandry & Transport Core Standard
- > Handling, Husbandry & Transport Best Practice Guidance

**Marine Aquarium Council**  
 923 Kalia Avenue  
 Honolulu, Hawaii 96817  
 USA

Home > **MAC Standards**

## MAC Standards and Best Practice Guidance Documents for the Marine Aquarium Industry



Collectors segregate fish to ensure optimal health during holding and transport

The MAC Core Standards outline the requirements for third-party certification of quality and sustainability in the marine aquarium industry from reef to retail. There are three MAC Core Standards covering the "reef to retail" supply chain.

### Appeal to ethical consumers

MAC website

- ensure ecosystem health and the sustainable use of the marine aquarium fishery.
- The **Collection, Fishing and Holding (CFH) Core Standard** addresses harvesting of fish, coral, live rock and other coral reef organisms, handling prior to export, holding, plus packaging and transport to ensure the health of the collection area, sustainable use of the marine aquarium fishery and optimal health of the harvested organisms.
- The **Handling, Husbandry and Transport Core Standard** addresses the handling of marine life during export, import and retail to ensure their optimal health, their segregation from uncertified organisms and proper documentation to show that they have only from one MAC

# Major Banks Will Adhere To Environment Standards

## Citigroup, 8 Others to Abide By Pollution Guidelines In Financing Infrastructure

Faced with mounting pressure from protest groups, nine of the world's leading banks have agreed to adhere to international environmental and social-impact standards when financing dams, power plants, pipelines and other infrastructure projects.

Citigroup, ABN Amro, Barclays PLC, Credit Suisse Group's Credit Suisse First

By Michael M. Phillips in Washington and Mitchell Pucelle in New York

Boston and five other banks plan to announce today that they will embrace strict, but voluntary, standards developed by the World Bank's International Finance Corp. to prevent massive construction efforts from poisoning the air and water, demanding forests and destroying the livelihoods of local people who get in the way. While the banks say the standards will apply all over the world, they are aimed mainly at projects in develop-

### Responding to Pressure

Major banks that have agreed to adhere to voluntary environmental and social-impact standards in their lending for infrastructure projects such as dams, power plants and oil pipelines:

BANK	RANK*	BASED	TOTAL LOANS \$ MILLIONS	PROJECTS
Citigroup	1	U.S.	\$1,909	35
HypoVereinsbank	3	Germany	1,411	38
WestLB	7	Germany	1,057	28
ABN Amro	8	Netherlands	895	24
Credit Lyonnais	11	France	815	26
Barclays	15	U.K.	760	22
Westpac	26	Australia	425	13
Rabobank	47	Netherlands	254	12
Credit Suisse First Boston	97	Switzerland	106	4

\*Based by loan amount

Source: Dealogic

### Attract responsible investors

WSJE - 04 May 03

## FTSE raises bar for SRI indexes, advises JSE

Seven companies have been dropped from the FTSE4Good family of socially responsible investment (SRI) equity indexes, as FTSE continues to "raise the bar" for inclusion. The index provider is also helping the Johannesburg Stock Exchange (JSE) create its own SRI index in South Africa.

The companies have been excluded from the indexes for indicating that they "will take no steps" to meet stricter environmental criteria, FTSE says. They are: Hahlund, a Norwegian energy distribution company; US firms Tenet Healthcare and Suntrust Banks; Irish biopharmaceutical company Elan Corporation, and UK companies RoyalBlue Group, a software company, pharmaceuticals firm Goldshield Group, and St Ives, a printer.

Sunny Uberoi, an Elan Corporation spokesman, hit back at the index provider saying he is not aware of any

one contacting his organisation. "I feel like an 18-year-old boy again. I've been dumped and I don't know why," he adds. A Goldshield spokesman says that it has environmental policies and procedures in place. The remaining companies would either not comment or did not return calls by the time Environmental Finance went to press.

However, following FTSE's semi-annual review, 48 new companies have been added to the indexes for the FTSE4Good criteria. Entrants included cement producer Lafarge, manufacturing firm Norwegian oil and gas group Statoil, BHP Steel in Australia and Japanese photography firm Konica.

To be considered for the indexes, companies need to satisfy criteria based on human rights and dialogue with stakeholders, as well as on environmental issues. The indexes automatically exclude

tobacco producers, weapons manufacturers and owners/operators of nuclear power stations.

For the first time, existing constituents have had to improve their environmental performance to stay in the index, says Will Oulton, deputy chief executive of FTSE Group.

This shows that FTSE is committed to "raising the bar" for environmental performance, says Oulton, but he

notes that the criteria it adopts will be similar to FTSE4Good's, but will be tailored to the domestic market and might include HIV/AIDS and black empowerment issues, says Oulton. It hopes to launch the index early next year.

The FTSE4Good index family comprises separate benchmark and tradable indexes for UK, European, US and global markets. FTSE4Good has almost 20 licenses with linked assets worth \$1.6

## Attract responsible investors

Environmental Finance – April 03

management systems in place at this review, but now have until September to implement them, he says. Its stricter human rights policy has been delayed to mid-April and its supply chain criteria to the end of the year, he adds.

FTSE is also working with the JSE to develop an SRI index for South African com-

panies giant Estée Lauder and Allied Capital, a small loan provider, were added to the index. They replace financial services group H & R Block; Watts Industries, a valve manufacturer, and Minnesota-based electronics company Omronics. Boston-based KLD Research selects the index constituents. Alex Mathias



## Attract responsible investors

Financial Times – 07 Feb 03

Bio+10

At Rio Tinto, we believe partnership is a powerful means of cross-sector engagement, which produces clear value for all and helps us respond to external expectations. Partnerships have enhanced our confidence in working with other sectors - a vital skill as our long-term success depends on maintaining good relationships with neighbours and other stakeholders.



Improve employee productivity

Bio+10 project

# Business and the Environment

## Business

The Economist August 9th, 2003



**Also in this section**

- 50 NGO war for Coke and Pepsi
- 51 Rescuing Alstom
- 51 Launching new products
- 52 Law firms going bust
- 52 Trouble in the rag trade
- 53 Foreign sport booms in Asia
- 53 Microsoft's monopoly, continued
- 54 Face value: Nicky Oppenheimer, diamond tycoon with a plan

### Non-governmental organisations and business

## Living with the enemy

## Building partnerships

The Economist - 9 Aug 03

Companies are increasingly under attack from NGOs. Should they co-operate?

BEING the boss of a big company besieged by indignant activists is not much fun—though it is increasingly a fact of life. Mention, say, Greenpeace, to a typical boss and he will often turn apoplectic. Still, a growing number of executives are concluding that it is better to get along with the lobbyists than to attack them. Just look at the rapid spread of activist-friendly corporate social responsibility policies or listen to Lord (John) Browne describe how green non-profits have hit firms where it is

entering into public debate with activists, by classifying their comments as “commercial speech”, which lacks America’s usual protection for free speech.)

So what is the best policy for a firm attacked by such NGOs (non-governmental organisations)—which, in contrast to the many NGOs that simply get on with doing good works, aim to force firms to change by deluging them with bad publicity? Should the NGO be attacked, ignored or

This lack of impact may not be entirely surprising. Although the utterances of NGOs are often reported in the media as if they were Holy Writ, as they have become more sophisticated—some business like—some NGOs have selected their campaigns less for the significance of the cause than for their ability to attract publicity and to raise donations from consumers in the market for things to feel angry about.

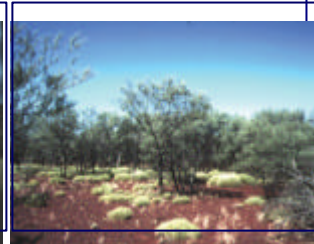
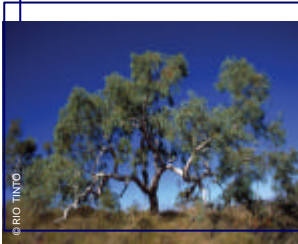
Still, it can sometimes make sense to co-operate with NGOs. Some firms will incur lower costs than others, or even gain, if they capitulate quickly rather than fight, argues Deborah Spar of the Harvard Business School in a recent paper.

# Corporate biodiversity issues

“ *One’s own backyard will always be one’s own hotspot.* ”

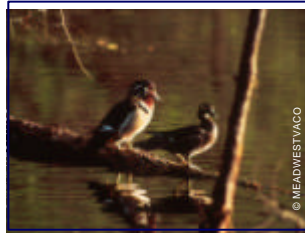
## ***Ecosystem issues***

- Protected areas
- Natural World Heritage sites
- Wetlands
- Biodiversity ‘hotspots’
- Ecosystem restoration



## Species issues

- Threatened species (IUCN Red List)
- Species threatened by trade, Species reintroduction
- Migratory species, Invasive alien species



## IDENTIFYING AND PRIORITISING BIODIVERSITY ISSUES

	Ecosystems	Species	Genes
Conservation			
Sustainable use			
Benefit sharing			

*Biodiversity management matrix*

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## Book Selections



Last updated on 21 Aug 2003

## Business and biodiversity – in Japanese

Coordinated by IUCN member [Biodiversity Network Japan](#) (BDNJ) – with the financial support of the Keidamen Nature Conservation Fund (IUCN member) and the Japan Fund for Global Environment – the [Japanese](#) version of Business and Biodiversity: The Handbook for Corporate Action is now available online. Launched at WSSD in August 2002, [the Handbook for Corporate Action](#) is a joint Earthwatch Europe, IUCN and WBCSD publication. It provides information on the business case for biodiversity, an overview of hot issues, guidance on biodiversity management strategies and case studies ([updated online version](#)). The [Executive Summary](#) is now available in French, Spanish and German.

## Sustainable management in action

The University of Geneva's Centre for Human Ecology and Environmental Sciences is organising the first Congress on "Sustainable Management in Action" on 4-6 September 2003. Labeled as "experiences on sustainable management in action by business practitioners", the three day event will convene speakers from 20 countries delivering 90 speeches. In addition to plenary sessions, a series of workshops will be dedicated to: [sustainable](#)

## Events

### SMIA 03

[Sustainable Management in Action](#)  
Geneva, 4-6 Sep 03

[World Parks Congress](#)  
Durban, 6-17 Sep 03

[Business Events at WPC](#)



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