



**Biological Diversity Protocol, *accounting framework to help business report on its biodiversity impacts***

**National NCA Forum  
July 11, 2019**



# Introducing the Biological Diversity Protocol (BD Protocol)

- Designed as a comprehensive biological diversity accounting and reporting framework that can help you produce the credible and unbiased information needed for various biodiversity-related applications, especially **disclosure**
- Benchmark for aim and structure: GHG Protocol Corporate Accounting and Reporting Standard
- The BD Protocol is an output of the Biodiversity Disclosure Project (BDP), managed by the National Biodiversity and Business Network (NBBN) of South Africa and hosted by the EWT.
- Aligned to the Natural Capital Protocol of the Natural Capital Coalition



# Target audiences and uses

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## Which companies can use it?

- Any sector or industry
- Any step of value chain, including suppliers and clients

## Helps you generate 2 main types of biodiversity information:

- 1- biodiversity footprint (surface area adjusted for condition);
- 2- Species level impact data.

## Target audiences:

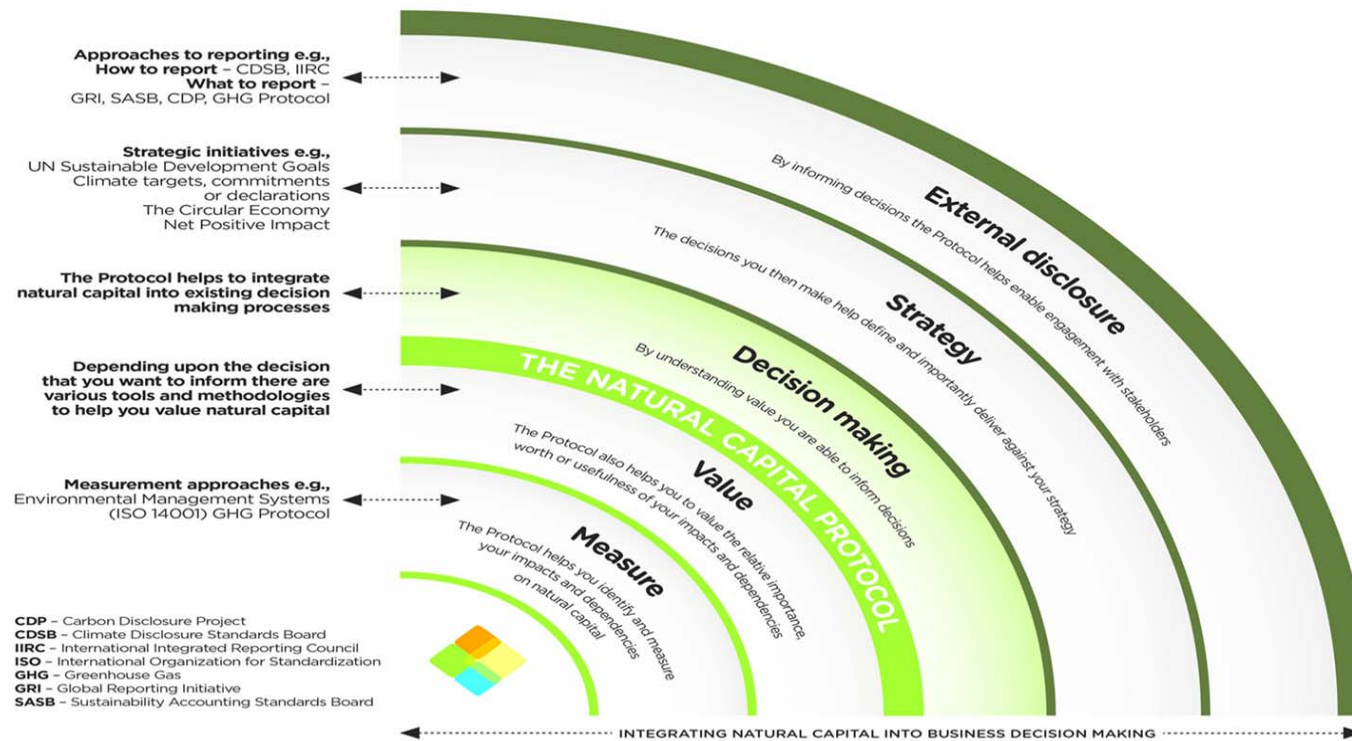
- Environment / sustainability specialists within companies
- Environmental consultants
- Biodiversity specialists
- Reporting / disclosure specialists

## Pilot studies:

- 2 Eskom energy generation sites, including transmission
- 2 other in discussions (property development, mining)



# The BD Protocol helps with biodiversity impact measurement and disclosure

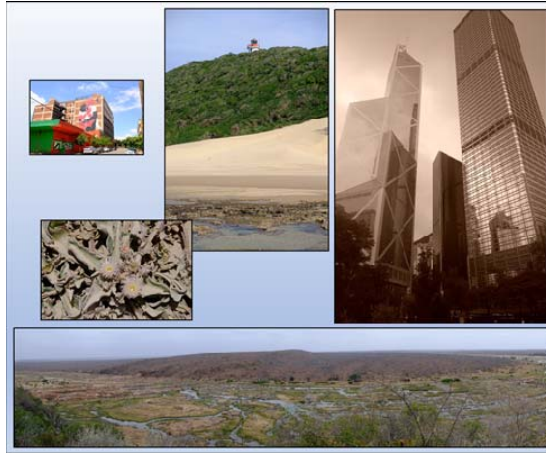


This landscape is not exhaustive. The Natural Capital Coalition will continue to explore the landscape as it evolves.



# Consultation process

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**BIOLOGICAL DIVERSITY PROTOCOL**  
*Draft 1.1 - For consultation only*

## Biological Diversity Protocol

- 1st comprehensive draft completed (V1.1)
- Consultation online:  
<https://collaborase.com/bdprotocol>
- Hosted by the **Natural Capital Coalition**
- Consultation open until August 15
- Stakeholder feedback report in 2019
- Updated BD Protocol late 2019
- Preparing for CBD CoP China 2020



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# The BD Protocol includes guidance on how to:

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- Develop and manage a biodiversity impact inventory according to the appropriate organisational and value chain boundaries
- Identify and determine material biodiversity impacts
- Assess impacts on biodiversity, considering the nature of the biodiversity components impacted
- Account for net changes in biodiversity, in accordance with the impact mitigation hierarchy and the associated equivalency principle
- Apply the biodiversity accounting framework to build Statements of Biodiversity Position and Performance and account for biodiversity gains and losses over time
- Validate and verify a biodiversity impact assessment
- Disclose or report on an organisation's consolidated impacts on biodiversity in a coherent and meaningful manner



# Scoping assessment boundaries

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## Value chain boundaries:

- **Scope 1: Direct operations** (gate-to-gate), which covers activities over which your business holds ownership or control.
- **Scope 2: Upstream** (cradle-to-gate), which covers the activities of suppliers;
- **Scope 3: Downstream** (gate-to-grave), which covers activities linked to the purchase, use, re-use, recovery, recycling, and final disposal of your business' products and services.

For all scopes, need to distinguish:

- A: Direct biodiversity impacts;
- B: Indirect biodiversity impacts;



# Building your biodiversity impact inventory

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The BD Protocol recommends that your business accounts for:

- **All its impacts on land cover** => critical to produce the biodiversity footprint of your business, the headline key performance indicator for reporting or disclosure purposes
- Only its **impacts on taxa** (species and sub-species) that are **important** to its internal and/or external stakeholders.

NB1: You should use the land cover concept applicable to the jurisdiction(s) the business interest or operation is operating in.

NB2: There are several criteria worth considering in order to determine whether a taxon should be included in your biodiversity impact inventory, including whether:

- The taxon is legally protected;
- The taxon is recognised as a threatened species (e.g. IUCN red list);
- Your business impacts on the taxon are likely to result in a change in its overall population or viability;
- The effective management (or lack thereof) of the taxon generates significant financial revenues (or receivables) and/or expenses (or liabilities);
- The taxon plays a critical role in the ecosystem, and can thus be defined as a keystone, umbrella or engineer species;
- The taxon plays a significant cultural or economic role (e.g. hunting, harvesting) for your stakeholders.





# Biodiversity Impact Inventory examples

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Table 1: Comparing the inventories of three companies with different value chain boundaries

Company XYZ			
Scope 1 A		Scope 2 A	
Direct impacts of business		Direct impacts of supplier in country X	
Land cover	Grassland - Type A	Land cover	Grassland - Type A
Land cover	Grassland - Type B	Land cover	Forest - Type A
Land cover	Wetland - Type A	Land cover	Wetland - Type A
Taxon	Plant A	Taxon	Plant A
Taxon	Plant B	Taxon	Plant B
Taxon	Bird A	Taxon	Mammal A
Manufacturer A			
Scope 1 A		Scope 1 B	
Direct impacts of business		Indirect impacts of business	
Land cover	Grassland - Type A	Land cover	Grassland - Type A
Land cover	Grassland - Type B	Land cover	Forest - Type A
Land cover	Wetland - Type A	Land cover	Forest - Type B
Taxon	Plant A	Taxon	Plant B
Taxon	Plant B	Taxon	Plant C
Taxon	Bird A	Taxon	Bird A
Retailer A			
Scope 2 A			
Direct impacts of supplier in country Y			
Land cover		Grassland - Type C	
Land cover		Forest - Type C	
Land cover		Wetland - Type B	
Taxon		Plant D	
Taxon		Bird B	
Taxon		Mammal B	



# Biodiversity Accounting Framework

Table 1: Conceptual illustration of a Statement of Biodiversity Position

			<b>C</b>	<b>Accumulated negative impacts</b>
<b>Biodiversity assets / stocks</b>	<b>A</b>		+	
			<b>B</b>	<b>Accumulated positive impacts</b>

Table 2: Conceptual illustration of a Statement of Biodiversity Performance

<b>E</b>	=	<b>F</b>	-	<b>G</b>
<b>Net biodiversity impacts</b>		<b>Periodic biodiversity gains</b>		<b>Periodic biodiversity losses</b>



# Biodiversity Accounting Framework

*Helps consolidate impact at group level  
Records both positive and negative impacts*

Table 1: Example of a baseline Statement of Land Cover Position – Scope 1A of company XYZ (derived from data in Table 4)

Land cover category	(A) total biodiversity footprint	(B) accumulated positive impacts (Ha eq.)	(C) accumulated negative impacts (Ha eq.)
Grassland - Type A	500	200	300
Grassland - Type B	400	240	160
Wetland - Type A	55	44	11
Total	955	484	471



Join the consultation ! <https://collaborase.com/bdprotocol>

***Start a pilot biodiversity footprint assessment!***

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*Joël Houdet, PhD*  
*joelh-consultant@ewt.org.za*

