

Business and Biodiversity
**Cooperating with stakeholders towards new
strategies and practices**

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Foreword

2006 : Decision VIII/17 was taken at CoP 8 in Curitiba, business community has officially been asked to contribute to the objectives of the Convention on Biological Diversity

- Need for innovative tools for firms to take biodiversity and ecosystem services into account within their decision-making processes and daily operations
- But, there are lacks of standardized methodologies to help firms account for their BES dependencies and impacts to internal and external stakeholders.
- These lacks are increasingly recognized as major barriers to widespread pro-biodiversity changes in business strategies and practices.

- We want to contribute to the reflection on “how to fill this lack of standardized methodologies”
- Presentation of the actual results of the OREE’s “Business & Biodiversity” working group
 - Formalisation of the question and actual results

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Objective : how to build tools and frameworks to take into account the interaction between actors (business, local government, stakeholders ...) on the subject of biodiversity

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Time 1: auto-evaluation of the interdependence between business and biodiversity (IIEB)

Time 2: propose accountability tools and frameworks to change the behavior of business with biodiversity and ecosystem services

Time 3 : case studies

Véolia Waters : specialised in the diffusion of waters and in wastewaters treatment plant

Nestlé Waters : Vittel mineral water

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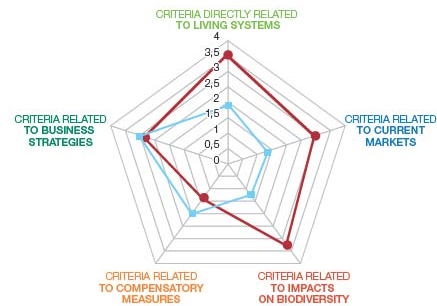
- Phase 1 : our aim was to analyse the relationship between business and biodiversity

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- Biodiversity a source of risks and opportunities external to the business
- Interdependence business and biodiversity
- General framework to take into account interactions and behavioral typologies : new strategies and practices

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The interdependence indicator Business/biodiversity



J. Houdet 2008

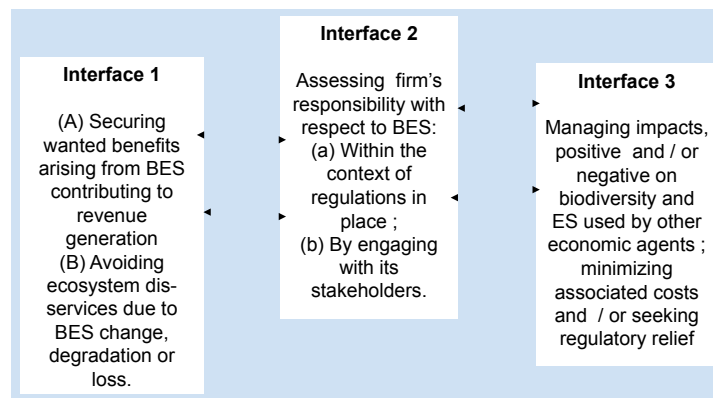
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– Numerous case studies involving the Business and Biodiversity Interdependence Indicator.

- Business (seché, phytoystore, carrefour, ...)
 - Local government (CG92, ...)
- All business and local government activities depend and impact to some degree on BES

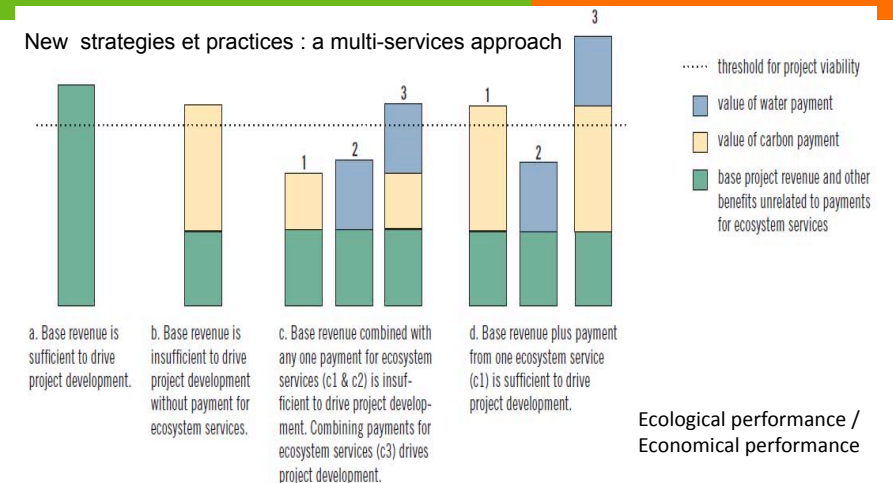
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Understanding interactions between firms and BES from the perspective of managers: what strategies and practices?



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New strategies et practices : a multi-services approach



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- The goal is to define some tools and frameworks :
 - Integrating BES into management framework
 - Reporting BES dependencies and impact to external stakeholders.
 - To integrate ecological and financial performances

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Outline of new Orée - FRB research report:

- Potential uses of BES indicators
- Main results of our work on BES accounting for management purposes
- Comparing alternative approaches for reporting BES performance to external stakeholders
- Need for integrated financial – BES reporting standards
- Key principles of a Biodiversity Accountability Framework

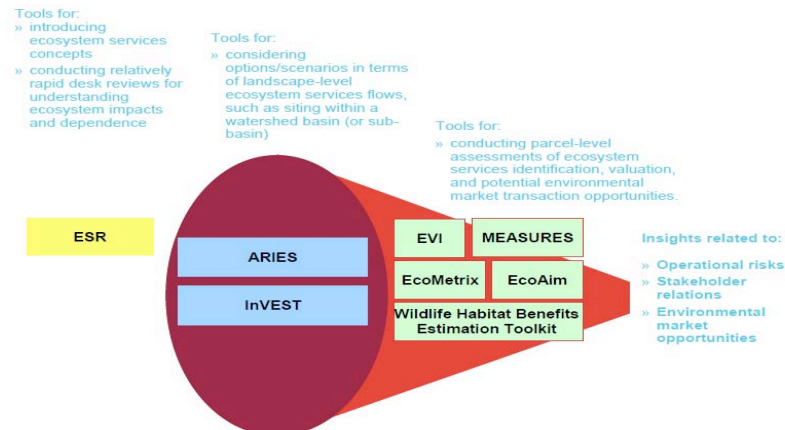


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BES information systems (Waage et al., 2010)



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The diversity of uses of environmental information by firms

	Production system	Organizational system	Institutional system
Uses of environmental information	<ul style="list-style-type: none"> - Tools, standards and indicators for production processes / routines and the management of assets. - Product design: life-cycle assessments - Project, capital investment, business model, technology appraisal: comparison of alternatives (cost-benefit analysis), environmental impacts assessments 	<p>Information systems enabling:</p> <ul style="list-style-type: none"> - The coordination of environment-related activities within the firm (e.g. environmental management system) - The production of environmental performance reports to a variety of internal stakeholders. 	<p>Communication with external stakeholders :</p> <ul style="list-style-type: none"> - Formal and informal stakeholder engagement - Voluntary (CSR reports) and regulated (financial reports) disclosure of environment-related information

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Accounting for biodiversity and ecosystem services for internal stakeholders / management purposes

- Extending environmental management accounting to BES
 - Coupling environmental stocks & flows to internal costs & revues
 - Focus on internal cost reduction
- Accounting for business interactions with BES:
 - Scope: product life-cycle, production site, etc.
 - Dependencies : material inputs derived from biodiversity + ES influcing production porcesses, cost control and revenue generation
 - Impacts: material / liquid / gas outputs + impacts of infrastructures & operations on biodiversity and ES used by other agents
 - Importance of spatio-temporal indicators for ES sources, delivery channels / timing and beneficiaries (use of GIS)
- Several case studies launched: Veolia, LVMH, Séché, Solabia, SAF, etc.

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Towards integrated reporting for financial – BES information: the Biodiversity Accountability Framework

- Based on financial reporting rules (IFRS)
 - Focus on events giving rise to accounting journal entries
 - Disclosing associated **BES impacts & dependencies** (non-monetary indicators)
 - Per type of assets, liabilities, expenses, income
 - E.g. GHG emissions per unit price of good sold => expanding this to materials derived from biodiversity & arbitrages with respect to ES
 - Launch of the International Integrated Reporting Committee in August 2010
- Challenges*
- Software
 - Spatially relevant indicators
 - Information tracing along supply chains
 - Format of disclosure
 - Case studies
 - Going beyond the direct legal responsibility of organizations

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