

## Is biodiversity on businesses radar?

Businesses are beginning to recognise that declines in biodiversity associated with their operations can be bad for business. That is, many businesses, indeed even the [World Economic Forum](#), are starting to view biodiversity loss as a risk to business operations - threatening operational productivity, access to finance, regulatory compliance, and business reputation. A public signal of businesses acknowledging biodiversity as a material risk is when they make commitments to or account for their influence on biodiversity in sustainability reporting.

In a [recently published study in Conservation Biology](#), Dr Joe Bull and Professor E.J. Milner-Gulland and I, undertook an analysis of the current state of corporate biodiversity accountability. To do this we turned to some of the world's largest companies – the Global Fortune 500, to better understand their global commitments and actions for biodiversity, as published through their sustainability reports. We assessed the sustainability reports of the top 100 of the [2016 Fortune 500 Global](#) companies (hereafter the Fortune 100), to understand what commitments, activities, and biodiversity performance businesses are publicly disclosing.

Our study offers a global snapshot of the biggest corporations around the world, across multiple sectors of business, and revealed some surprising results:

## The state of corporate biodiversity accountability

### 2016 Fortune 100 companies



Represent **15 sectors**, dominated by the financial sector (23 companies) and the energy sector (21 companies)



Have **headquarters located in 15 countries**, dominated by USA (38 companies) and China (19 companies)



Total revenue =  
US\$12.6 trillion



Total employees =  
26.4 million staff

### Representation in biodiversity risk sectors



31 companies (e.g. energy)



32 companies (e.g. finance)



37 companies (e.g. healthcare)

### Commitments made

**49 companies** mentioned biodiversity in their sustainability reports.

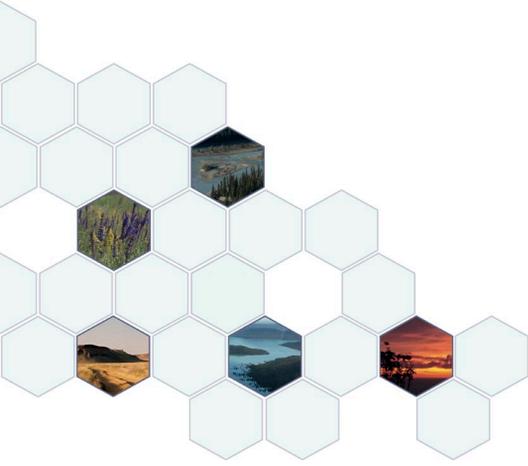
**5 companies** had biodiversity commitments that are specific, measurable, & time-bound.

### Actions & indicators

**49 companies** *qualitatively* reported biodiversity-related activities. e.g., habitats restored, & partnerships formed.

**9 companies** *quantitatively* reported biodiversity-related activities. e.g., sustainable sourcing of resources, & avoidance of protected areas.

**No companies** reported on *quantitative outcomes of their activities* for biodiversity, making it difficult to assess whether business actions are achieving positive outcomes for nature.



## Businesses mentioning & making commitments for biodiversity:

Of the top Fortune 100 companies, 86 have publicly available sustainability reports. We found that almost half (49) of the Fortune 100 companies mentioned 'biodiversity', 'nature', 'species', or 'ecosystem' in their sustainability reports. This could be as brief as a single mention in the context of other environmental issues (e.g., climate), through to a dedicated biodiversity chapter, with clear biodiversity commitment(s) and disclosure of biodiversity-related activities.

Whilst this figure of 49 is impressive, when we took a closer look at which companies were making commitments that were specific, measurable & time bound, we found that only 5 of the Fortune 100 did so (Walmart, Hewlett Packard, AXA, Nestlé and Carrefour). For example, Walmart's commitment: "*To conserve one acre of wildlife habitat for every acre of land occupied by Walmart U.S. through 2015*". Beyond Walmart's commitment, none of the remaining Fortune 100 had adopted quantifiable biodiversity commitments (e.g., no net loss or better), unlike the [small but rising number of businesses](#) outside of the Fortune 100.

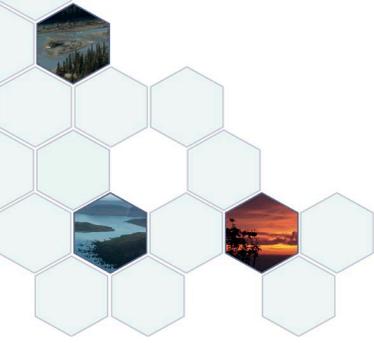
An absence of clearly defined corporate biodiversity commitments means that it is impossible to measure whether businesses are genuinely making progress in relation to managing their impacts and dependencies on biodiversity, and whether they are contributing to international goals to halt the loss of biodiversity. In comparison, there has been much greater adoption of science-based [climate commitments made by companies](#) committing to reduce carbon emissions in line with the Paris Agreement within the next decade.

Twenty-four of the 49 companies that mentioned biodiversity made links with the biodiversity-focused Sustainable Development Goals (SDGs [14](#) & [15](#)). This is far greater than the 6 companies that acknowledged the [Convention on Biological Diversity](#) (the international policy instrument for biodiversity). Although not intended as a reporting framework, the SDGs resonate with the private sector and are already clearly being used to frame their sustainability commitments and activities.

## Business actions for biodiversity

The Fortune 100 companies that mentioned biodiversity disclosed a diverse range of activities that they are undertaking for biodiversity. Activities included managing or preventing impacts, protecting and restoring biodiversity, monitoring biodiversity, engaging and connecting people with biodiversity, and investing in biodiversity. These activities and areas of disclosure are far greater than the voluntary areas of biodiversity disclosure recommended by the [Global Reporting Initiative](#).

Forty-nine of the Fortune 100 companies disclosed information about their activities qualitatively, involving short case study narratives or general descriptions in sustainability reports. Only 9 companies provided quantitative performance indicators associated with descriptions. We did not find any companies that reported on quantitative outcomes of their activities for biodiversity (e.g., whether ecosystem condition improved, or species abundance increased), making it difficult to assess whether business actions are achieving positive outcomes for nature.



## How can we advance corporate biodiversity accountability?

Our assessment of the 2016 Fortune 100 Global companies has revealed that big businesses are taking notice of biodiversity, but the commitments made, activities undertaken and information disclosed about biodiversity in sustainability reports are incredibly variable. There is clearly room for improvement, and in [our paper](#) we show how approaches from conservation science can help advance corporate biodiversity accountability.

Conservation scientists have spent decades developing processes and tools to help public sector organisations effectively measure, evaluate & act on biodiversity performance. This science can help advance corporate biodiversity accountability through helping businesses clarify and deepen their commitments to biodiversity, and take action for biodiversity where most urgent attention is needed.

Frameworks (like structured decision making and the mitigation hierarchy), and approaches to indicator development (like Essential Biodiversity Variables and systems to measure state, pressure and response) can help the private sector clarify and measure their commitments to biodiversity. Also, scientific studies can help direct corporate action in conservation priority areas by avoiding impacting the [most threatened species and ecosystems](#), and helping conserve the [last of the wilderness areas](#).

### How processes and tools from conservation science can help advance corporate biodiversity accountability



**Developing science-based corporate biodiversity goals:** using science-based approaches to articulate SMART corporate biodiversity goals.



**Developing transparent and comparable corporate biodiversity indicators to evaluate achievement of corporate biodiversity commitments:** using tools to develop robust and comparable metrics to assess site- to corporate-level corporate biodiversity performance.



**Identifying corporate biodiversity actions to address impacts:** using predictive tools to identify priority biodiversity actions to mitigate impacts & achieve goals.

### What's next?

Now that we understand how businesses currently treat biodiversity in their public reporting, we can work in a more targeted way with businesses to help them more rapidly advance their corporate biodiversity accountability. Some critical areas we are already beginning to work with business on include developing science-based corporate biodiversity commitments, and robust and relevant quantitative biodiversity indicators for business.



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