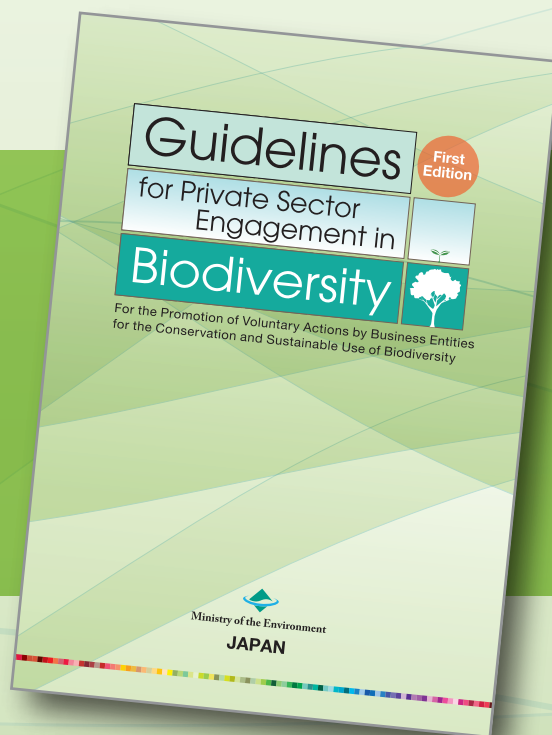


Guidelines for Private Sector Engagement in Biodiversity

For the Promotion of Voluntary Actions by Business Entities for the Conservation and Sustainable Use of Biodiversity



Is biodiversity a part of your business strategy?

Opportunities

- Securing long-term, stable procurement of biological resources.
- Improving the brand value of products and acquiring new clients.
- Attracting investors who value socially responsible investment.
- Creation of markets for new technologies.
- Improving employee satisfaction and securing human resources.

Risks

- Risks of destabilized procurement of biological resources.
- Risks of damage to the image of a product, brand or company.
- Risks of reduced market competitiveness of products and services due to deterioration in environmental quality.

Business entities are expected to take actions for the conservation and sustainable use of biodiversity

Business entities, having connections with many other actors including consumers, are expected to contribute to the realization of a sustainable society in harmony with nature, through the active adoption of measures for the conservation and sustainable use of biodiversity, and by shifting consumer lifestyles through the provision of goods and services.



Ministry of the Environment
JAPAN

FOR ALL THE LIFE ON EARTH

Biodiversity

Biodiversity – supporting lives and livelihoods.

Since the birth of our planet, a wide variety of living things, including humans, have emerged over a long period of time, all living in close interconnection (this is “biodiversity”). **The benefits associated with biodiversity (“ecosystem services”) support our lives and livelihoods.**

Under the Convention on Biological Diversity, biodiversity is defined as the variability among all living organisms; there are three levels of diversity: diversity within species (genetic diversity), diversity between species (species diversity), and diversity of ecosystems.



Diversity of Ecosystems



Diversity of Species



Genetic Diversity

[Examples of biodiversity benefits]

- Provision of rice, vegetables, wood, fish, fresh water, etc.
- Creating local landscapes with mountains, rivers and seas, and unique local cultures.
- Deriving technological innovations inspired by nature’s mechanisms.

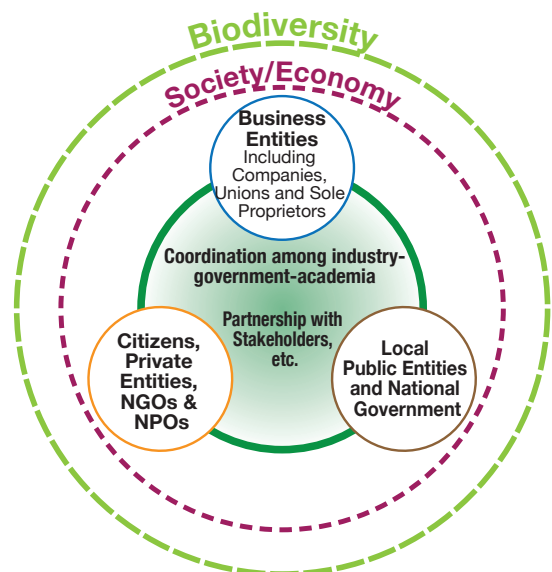
[Examples of biodiversity status]

- ☀ Due to human impacts, the extinction rate of species has risen up to 1000-fold over the past several hundred years.
- ☀ Worldwide, some 73,000 km² (about 1/5 of Japan’s land area) of forest ecosystems is lost each year.

In order to continue to benefit from biodiversity, each of us must take cooperative measures together.

In order to conserve biodiversity and build a “society in harmony with nature” that passes along to future generations the blessings of nature, **it will be necessary for a wide range of actors** – including citizens, businesses and other private organizations, local governments, and the national government – **to undertake actions for the conservation of biodiversity and its sustainable utilization.**

In particular, **businesses have important roles to play as members of society**, due to the connections that businesses and their activities have to biodiversity both within Japan and overseas, as well as due to the influence they have on the relationship between biodiversity and citizens, through the goods and services they provide to consumers.



Domestic and International Trends

In recent years, with the growing international interest in biodiversity, actions by businesses for the conservation and sustainable use of biodiversity and ecosystem services are gathering momentum both domestically and internationally.

2001-2005

Millennium Ecosystem Assessment (MA)

This assessment of global ecosystems was called for by the United Nations and conducted with the participation of about 1,360 experts from 95 countries. The purpose of the assessment was to evaluate the impacts that changes in ecosystems have on human well-being.

The Millennium Ecosystem Assessment's findings and concept of ecosystem services

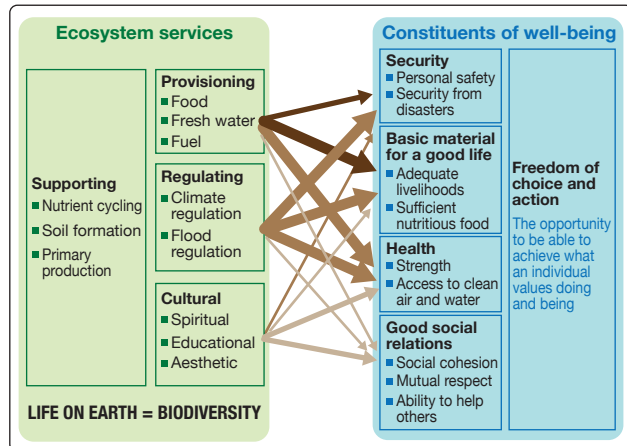
■ Quantification of artificial changes to ecosystems

- 1/4 of land area has been converted for cultivation
- 1/4 of fishery species are experiencing collapse

■ Conclusions

Worldwide, 2/3 of the services nature provides to humans – such as food, wood, water, and climate stability – are in decline.

The concept of “ecosystem services” helps to explain the relationships between biodiversity and human livelihoods. To restore these services, decisive policy changes are necessary.



March 2006

Decision on Private Sector Engagement (COP 8, Brazil)

The Eighth Conference of the Parties (COP 8) to the Convention on Biological Diversity adopted a Decision on private sector engagement for the first time, addressing the importance and promotion of private sector engagement for the conservation and sustainable use of biodiversity.

May 2008

G8 Environment Ministers Meeting (Kobe City, Hyogo Prefecture)

Biodiversity became an important topic for the first time in the history of the G8 at the G8 Environment Ministers Meeting in Potsdam in 2007. The G8 Environment Ministers Meeting in Kobe in 2008 adopted the “Kobe Call for Action for Biodiversity.”

June 2008

The Basic Act on Biodiversity of Japan

The Basic Act on Biodiversity, which aims to realize a society in harmony with nature, including promotion of policies for biodiversity, came into effect in June 2008. The Act specifies the **responsibilities of businesses** in Article 6: “in keeping with the fundamental principles, in conducting their business activities businesses shall endeavor to reduce impacts on biodiversity and to achieve sustainable use by **gaining an understanding of impacts of their business activities on biodiversity** and by **conducting biodiversity-friendly business activities** while aiming at coordination with other businesses and other persons concerned.”

August 2009

Release of Guidelines for Private Sector Engagement in Biodiversity

October 2010

Tenth meeting of the Conference of the Parties to the Convention on Biological Diversity (COP 10) (Nagoya City, Aichi Prefecture, Japan)

The tenth meeting of the Conference of the Parties (COP 10) to the Convention on Biological Diversity, which is ratified by 193 parties, will be held in Nagoya City. Private sector engagement is expected to be a major theme at COP 10.



○ The aim of the Guidelines

The goal of these Guidelines is to contribute to the conservation and sustainable use of biodiversity, through promoting engagement by business entities in biodiversity-related activities.

These Guidelines are **general guidelines applicable to many kinds of business entities** and are intended to supplement and support the environmental management systems of businesses particularly with respect to activities in the biodiversity area.

○ The object of the Guidelines

Among the various entities relevant to biodiversity conservation (business entities, the general public, private organizations, local governmental bodies, and the national government), these Guidelines specifically target business entities. In particular, **the Guidelines contain information useful for those responsible for actual business operations and who are beginning to contemplate initial biodiversity-related actions.**

Please note that for the purposes of these Guidelines, the terms “businesses” or “business entities” are used

1. Rationales

Rationale 1: Conservation of Biodiversity

Biodiversity – including the diversity of ecosystems, wildlife species and their local populations and genes – should be conserved in keeping with the environmental and social circumstances of each locality.

Rationale 2: Sustainable Use of the Components of Biodiversity

Biodiversity components should be utilized in a manner that does not lead to a long-term decline in the components of biodiversity or the benefits (services) derived from them.

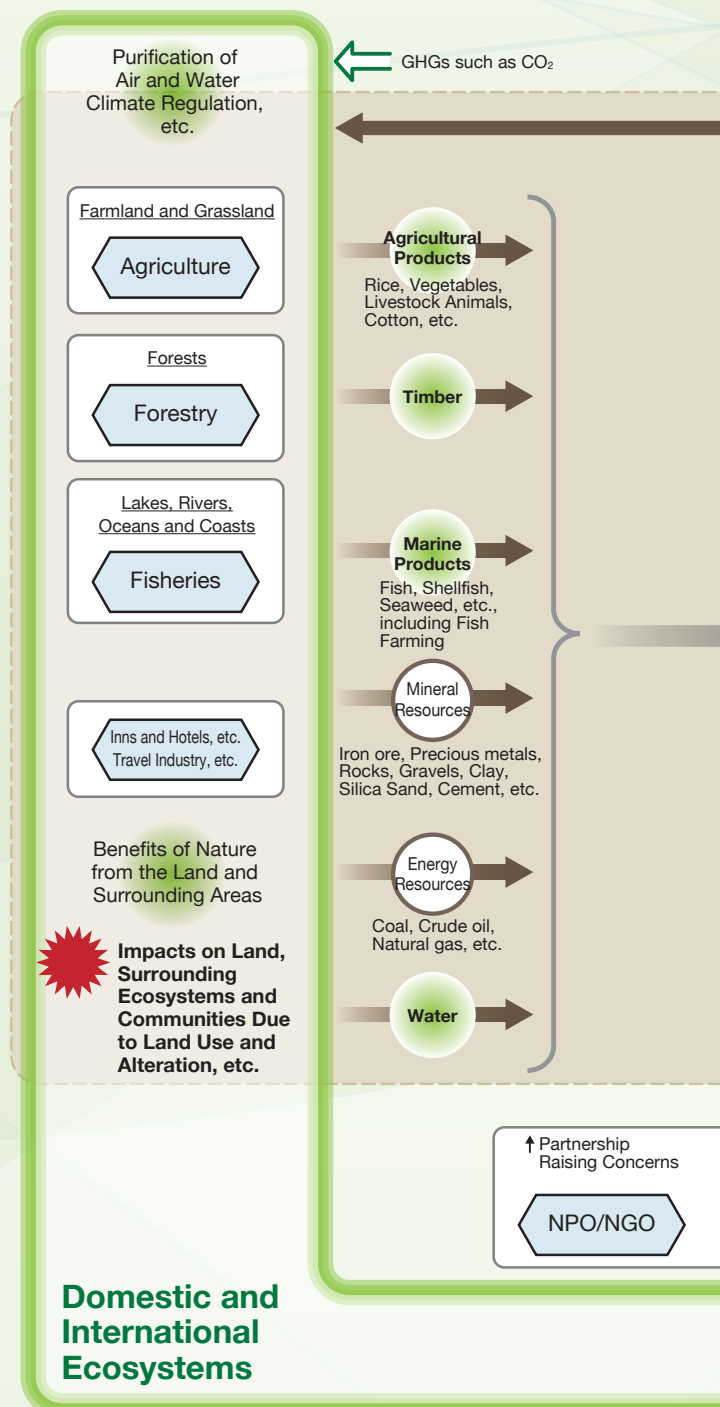
2. Guiding Approaches

- 1) Work to assess the interrelationships between business activities and biodiversity (both the benefits (services) received from biodiversity as well as impacts on biodiversity).
- 2) Work to reduce impacts on biodiversity and work for its sustainable use through business activities that give due consideration to biodiversity.
- 3) Work to put in place systems that support actions.

The activities of businesses, as shown in the right-hand figure, build upon benefits received from biodiversity and impact on it at the same time. When undertaking actions for biodiversity, business entities are expected to assess the interrelationships of their business activities with biodiversity.

■ Overview of Business Activities and Biodiversity

This chart briefly illustrates business activities from the viewpoint of biodiversity. It is not a comprehensive illustration of all actors, activities, materials flows, etc.



interchangeably to refer to a broad range of actors, including large companies, small and medium enterprises, all types of corporate entities including unions and associations, and sole proprietorships.

It is expected that these Guidelines will also be utilized by non-business entities (such as local governmental organizations, researchers and NGOs/NPOs) working in collaboration with business entities, including by helping deepen awareness of the actions that are being taken by businesses.

The structure of the Guidelines

Executive Summary

Executive summary for managers of businesses

Introduction

Goals and role of the Guidelines, and their effective utilization

Section I: A Shared Understanding of the Situation

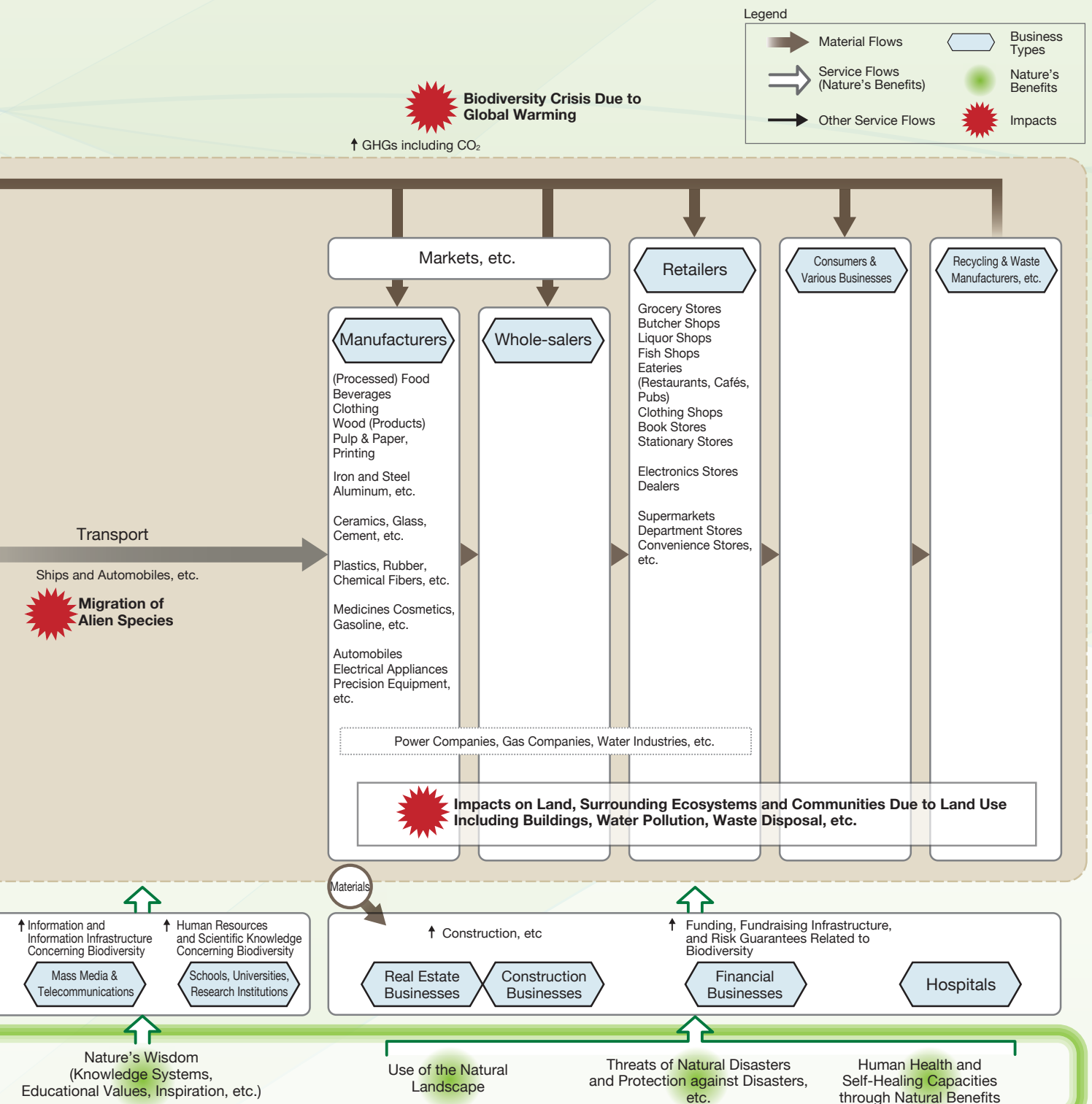
Basic information on biodiversity and its relationships to business activities

Section II: Policies

Rationales, guiding approaches, actions, fundamental principles and perspectives that businesses should consider when undertaking actions for biodiversity.

References: Implementation Advices

Reference examples of actions, concrete examples, and related information and laws.



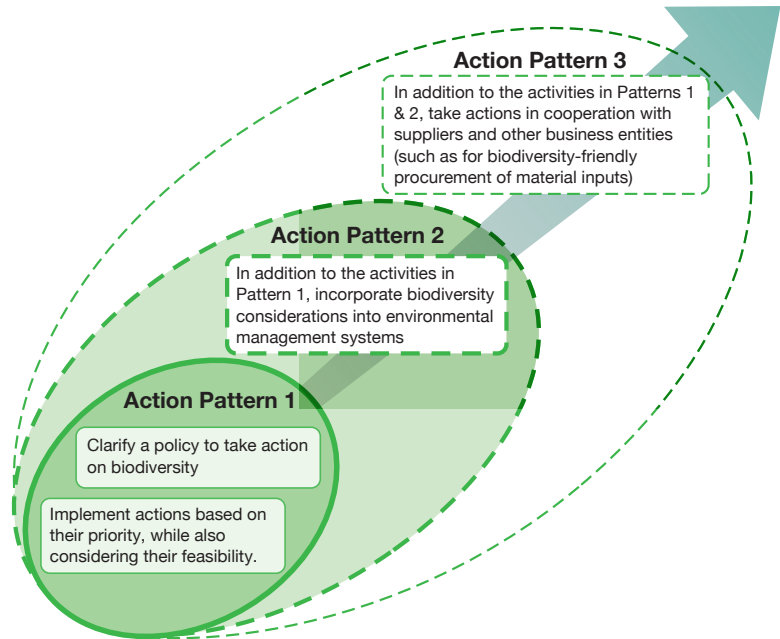
3. Taking Actions

- (1) First, **indicate a policy to take action** for the conservation of biodiversity and its sustainable use.
- (2) **Identify actions that are of highest importance** based on an understanding of the business entity's interrelationships with biodiversity, then determine relative priorities among these actions, and **take action with respect to those activities having a high priority**. In order to achieve steady results, actions should be pursued through a step-by-step approach, taking into account their feasibility.

Those business entities that have already started undertaking actions should review previous actions, and may take further additional actions.

For example, as shown in the right-hand figure, there are many potential patterns for what could be done, including a pattern of adopting a policy on biodiversity-related actions and undertaking specific actions such as for the conservation of biodiversity, or the pattern of expanding cooperation to engage suppliers and other business entities.

■ Patterns of Actions – Examples



4. Fundamental Principles

Principle 1. Avoiding or Minimizing the Impacts to Biodiversity

In light of the fact that changes in socioeconomic activities have led to the loss of biodiversity, and that the utilization of natural resources is likely to have impacts on biodiversity in Japan and abroad, **the use of biodiversity requires sustainable methods of utilizing land and natural resources to avoid or minimize the impacts businesses have on biodiversity.**

Principle 2. Taking Precautionary and Adaptive Approaches

Biodiversity depends on a delicate balance that must be maintained; it also involves many phenomena that have not been scientifically explained; **biodiversity is also difficult, or virtually impossible, to completely restore once it has been damaged.** Therefore, for the conservation and sustainable use of biodiversity, efforts must be made to: **improve scientific knowledge; adopt precautionary methods for biodiversity conservation; continuously monitor the status of biodiversity after a project is initiated; evaluate the monitoring results scientifically; and undertake adaptive measures through which these results are reflected in the project and other actions.**

Principle 3. Adopting a Long-Term Perspective

Biodiversity provides many long-term, ongoing benefits. The impacts on biodiversity involve many factors having complex interrelationships, and impacts may become gradually apparent only after a relatively long period of time. Therefore, the conservation of biodiversity and its sustainable use necessitates **a long-term perspective for efforts to conserve and restore ecosystems.**

5. Perspectives to Consider

Perspective 1: Focusing on Localities, Thinking Regionally and Globally

Conservation of biodiversity is made possible through actions in unique natural areas, making a **place-based perspective** important. On the other hand, it is important for businesses to **undertake domestic and international actions with a wide-ranging and global perspective**, keeping an awareness of the connections linking biodiversity at the watershed and global scales, as well as linkages involving ecosystem services.

Perspective 2: Partnering with Diverse Stakeholders and Considering Their Views

In order to promote the conservation of biodiversity and its sustainable use, it is important to work in an organic and flexible fashion through partnerships with a diverse range of stakeholders (including actors relevant to a given place – local governments, NGOs and NPOs, community residents, and others). It is also important to **consider the perspectives of stakeholders utilizing biodiversity**, including the local communities where operations are conducted and material inputs are sourced.

Perspective 3: Social Contributions

It is important to keep in mind that business entities are not only economic actors that pursue profit, but are also **members of society and will therefore be expected to contribute to biodiversity**.

Perspective 4: Linkages with Global Warming and Other Environmental Measures

It is important to keep in mind that certain biodiversity-related actions may have **beneficial effects on other environmental issues, as well as in terms of contributions to local communities**, and actions should therefore be taken that will be effective in a comprehensive fashion across multiple fields.

Perspective 5: Considering the Supply Chain

In order to ensure the conservation and sustainable use of biodiversity, it is important to **undertake actions in such a way that the businesses at each stage along the supply chain can cooperate from their respective positions**.

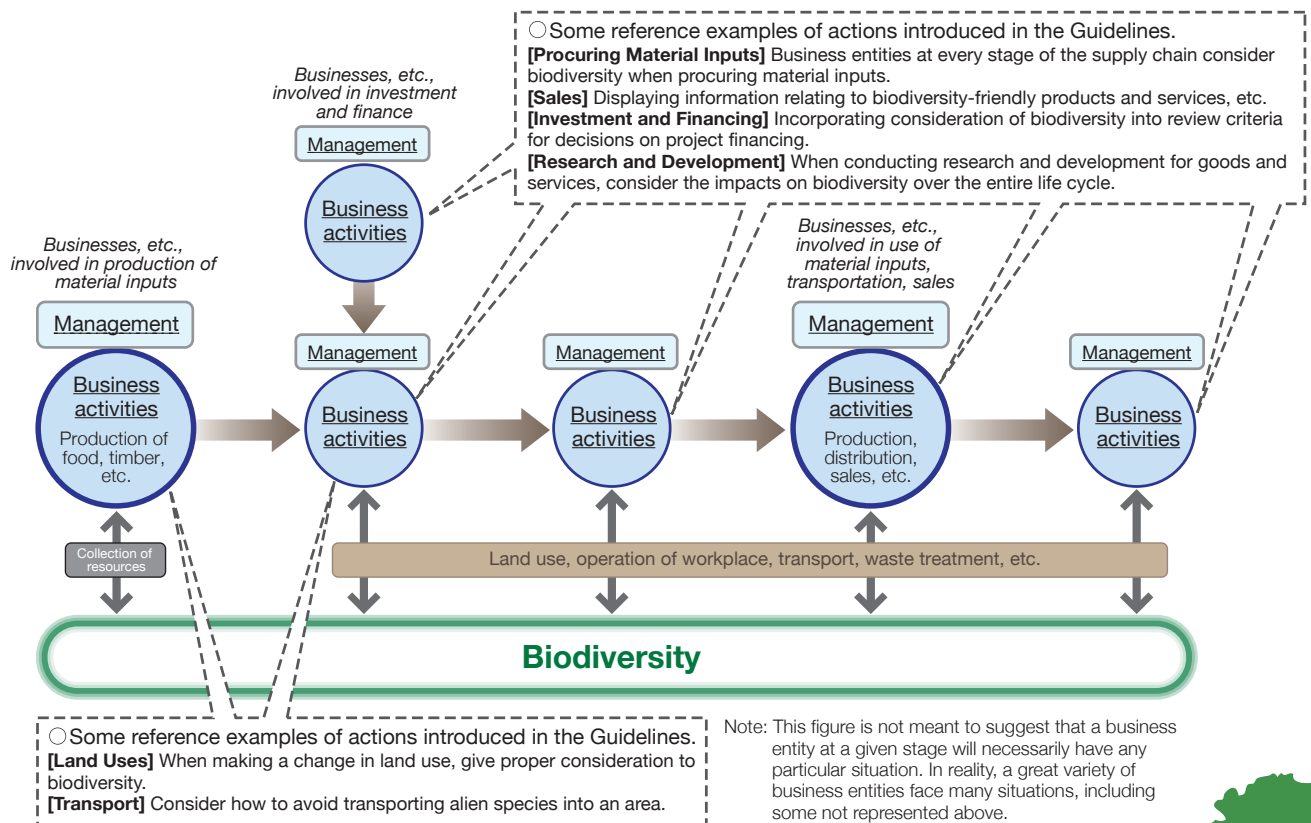
Perspective 6: Verifying Impacts on Biodiversity

When undertaking concrete projects, it is important to **keep in mind whether and to what extent a project will have impacts on biodiversity**.

Perspective 7: Taking Actions Appropriate to the Size and Characteristics of the Business Entity

Business entities should proactively **take actions that make fullest advantage of their size and characteristics**.

■ Examples of actions from among the wide range of contexts in which business entities operate.



The Guidelines for Private Sector Engagement in Biodiversity also introduce many innovative actions and other activities in the section “Implementation Advice,” which provides useful reference information, particularly for those that are responsible for project-related operations within business entities considering undertaking biodiversity-related actions.

Information introduced in “References: Implementation Advices”

Reference 1 Examples of Procedures for Implementing Actions

This section presents and explains examples of approaches to actions on the part of management.

Reference 2 Examples of Assessing Interrelationships between Business Entities and Biodiversity

This section provides more detailed explanations of the approaches for assessing interrelationships with biodiversity presented in Reference 1.

Reference 3 Actions by Business Entities in Key Contexts

This section introduces examples of actions under a variety of possible business activity situations.

Reference 4 Social Contribution Efforts

This section introduces concepts and considerations for actions to implement social contribution efforts.

Reference 5 Concrete Examples

This section introduces examples where business entities are making innovative efforts in a variety of fields.

Reference 6 Recent Key Documents Related to Biodiversity

Reference 7 Reference Information for This Document

Reference 8 Summary of Japanese Laws Related to Biodiversity

Some Japanese business entities have already begun proactive action.

In June 2009, AEON Environmental Foundation and the Ministry of the Environment founded the “Biodiversity Japan Award” to promote “Conservation of Biodiversity” and “Sustainable Use of Biodiversity” in Japan towards the tenth meeting of the Conference of the Parties to the Convention on Biological Diversity (COP 10) to be held in Nagoya City, Aichi Prefecture in 2010. In September 2009, eight outstanding performance prizes for the “Biodiversity Japan Award” were announced, recognizing the accomplishments of various leading enterprises.

Conservation Communication Awards
Outstanding Performance Prize
Chunichi Shinkin Bank
“Biodiversity-Conscious Fixed-term Deposit System”



A “Biodiversity Corner” set up near service counters.

Sustainable Use Product Awards
Outstanding Performance Prize
Sekisui House, Ltd.
“Ten Procurement Principles Including Conservation of Biodiversity”



Objective criteria are introduced for procurement of wood, including for housing construction.

The “Guidelines for Private Sector Engagement in Biodiversity” can be downloaded from the following website:
http://www.env.go.jp/nature/biodic/gl_participation/english/index.html

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