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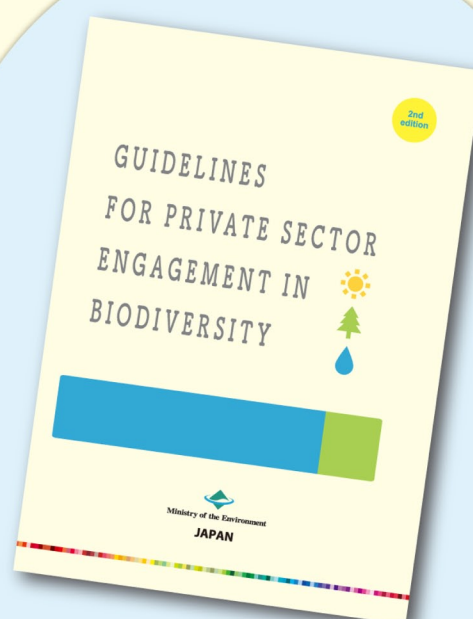
GUIDELINES FOR PRIVATE SECTOR ENGAGEMENT IN BIODIVERSITY



What is the relationship between business activities and biodiversity?

What should companies do to conserve biodiversity?

These Guidelines will help those business entities who have such problems.



Biodiversity supporting life and livelihood

Since the birth of the earth, a long time has passed and various creatures including human beings were born and lived, related to each other (biodiversity).

Our lives and living are supported by the benefit brought by the biodiversity (ecosystem services).

Examples of the benefits from biodiversity

- It brings rice, vegetables, wood, fish, clear water etc.
- It creates regional landscapes such as mountains, rivers and oceans and cultures.
- We get tips for technological innovation from the mechanism of nature.

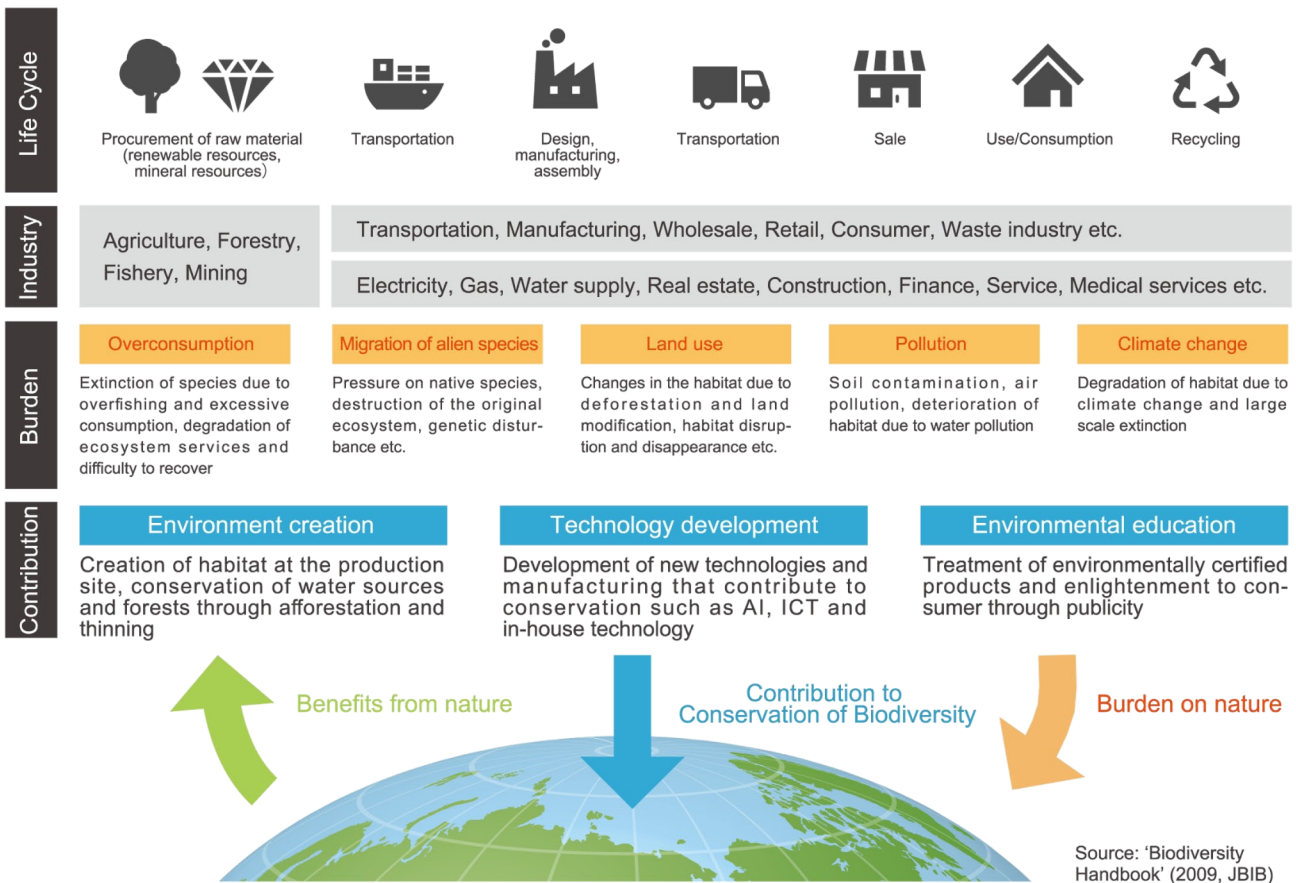
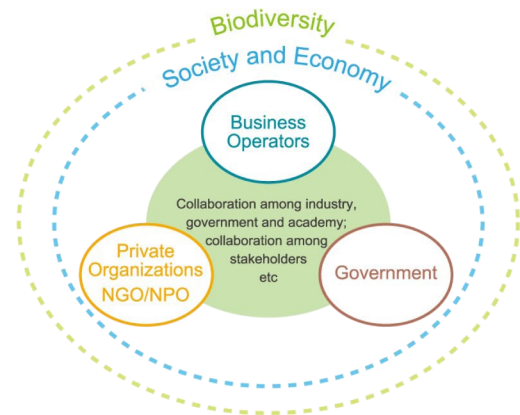
Examples showing current status of biodiversity

- Extinction speed of species is accelerated by about 1,000 times in the last hundreds of years due to human activities.
- Over the last 25 years, world's forest area has decreased by 1.29 billion ha which is equivalent to about 3.4 times of Japan's land area.
- "Biodiversity" has a low degree of recognition.

Everyone's cooperation and efforts are necessary to continue enjoying the benefits from the biodiversity.

It is necessary for diverse entities such as national and local governments, business entities and citizens to cooperate with each other and promote measures and actions for conservation of biodiversity.

In particular, business entities play an important role as a member of society as they are related to domestic and international biodiversity through their activities and involved in the relationship between general public as consumers and biodiversity through their products and services.



Business activities and biodiversity

The Aichi Targets adopted at the 10th Conference of the Parties to the Convention on Biological Diversity (COP10) in 2010 were a big step forward for the biodiversity activities to spread among Japanese companies.

Further, the United Nations Conference on Sustainable Development was held in September 2015, and the Sustainable Development Goals (SDGs) were approved. In addition, many companies in Japan and overseas started to consider social issues presented in the SDGs as business opportunities and incorporate them into their management strategy.

In this way, expectations from business entities on activities for conservation of biodiversity are increasing more and more, and so in the near future, corporations that have not made such efforts may be left out of the market.

Major trends surrounding biodiversity and business

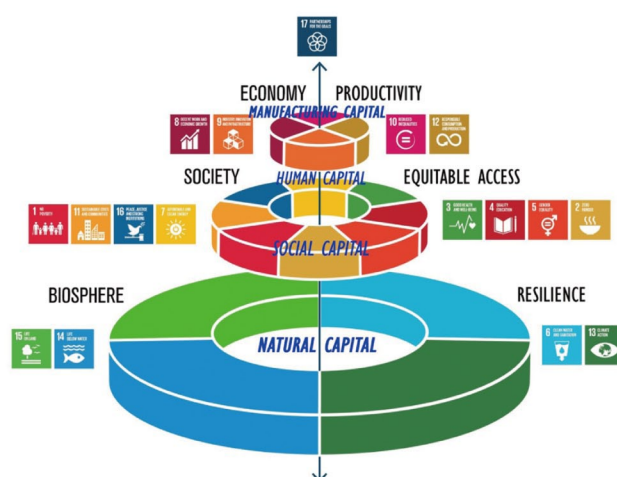
2010 At the COP10, the Aichi Targets were adopted (10 years from 2011 to 2020 is called 'United Nations Decade on Biodiversity').

2015 At United Nations Conference on Sustainable Development: SDGs Agenda for 2030 was adopted (ISO 14001 has revised related to biodiversity international standard).

The idea of 'natural capital' to capture the natural environment as one of the important capital supporting the people's lives and corporate management has rapidly spread.

ESG investment (Environment-Society-Government) which does not appear on the financial statement has expanded.

'Wedding cake' of SDGs



SDGs "wedding cake" illustration presented by Johan Rockström and Pavan Sukhdev. The capitals (written in italic type) added by InterRisk Research & Consulting with their permission.

Source: Material provided from InterRisk Research & Consulting, Inc.

Active involvement in the conservation of biodiversity boosts opportunities to avoid and reduce the risks and increase consumption and investment. Without any activities on conservation of biodiversity, there will be no continuous development for companies.

Risks

Increase in procurement cost of biological resources; destabilization of procurement
Decrease in number of customers due to a deteriorating corporate image
Failing to obtain a loan due to stricter requirements

Opportunities

Securing biological resources for the long term; stabilization of procurement
Cultivation of new customers by improving brand value of the products
Development of new businesses enabled by ESG investments

The object of the Guidelines

The Guidelines aim to promote conservation and sustainable use of biodiversity by encouraging business entities to participate in activities on biodiversity.

The target of the Guidelines

The Guidelines are mainly for business entities among other entities such as citizens, private organizations, local public entities and the government.

We focus on information that will be helpful particularly for those business entities who are planning to engage in conservation and sustainable use of biodiversity for the first time.

Basic idea

1

Expansion of business activities that contribute to avoidance / minimization and conservation of impact on biodiversity

It is important to avoid or minimize the impact of business activities on biodiversity and try to utilize land and natural resources in a sustainable manner, considering the global biodiversity loss resulting from changes in socioeconomic activities.

Also, it is important to focus on the possibility that technologies, products and services created by business activities could contribute to conservation and sustainable use of biodiversity and to promote such initiatives.

2

Preventive measures and adaptive approach based on precautionary principle

In conservation and sustainable use of biodiversity, it is important to take preventive actions, as well as adaptive actions which reflect monitoring results, while making efforts to enhance scientific knowledge.

3

Long-term perspective

Various factors are complicatedly related to the impact on biodiversity and it takes a long time for the influence to become visible. Therefore, it is important to preserve and restore ecosystems etc. from the long-term perspective in the conservation and sustainable use of biodiversity.

It is also recommended that entities which cooperate with business entities (such as local public authorities, researchers, NGOs/NPOs etc.) are refer to and utilize the Guidelines.

Structure of the Guidelines:

Executive Summary

-Outline of the Guidelines

Introduction

-Goals, intended audiences, structure, etc.

Part 1 Business activities and biodiversity

-Relationship between business activities and biodiversity, risks and chances which may rise to business entities

Part 2 Basic idea

-Basic idea of the conservation of biodiversity

Part 3 Common activities for all business entities

-Activities commonly required for all business entities

Part 4 Activities of each business

-Activities required depending on different business processes and activities

Reference

-References and basic information related to the Guidelines

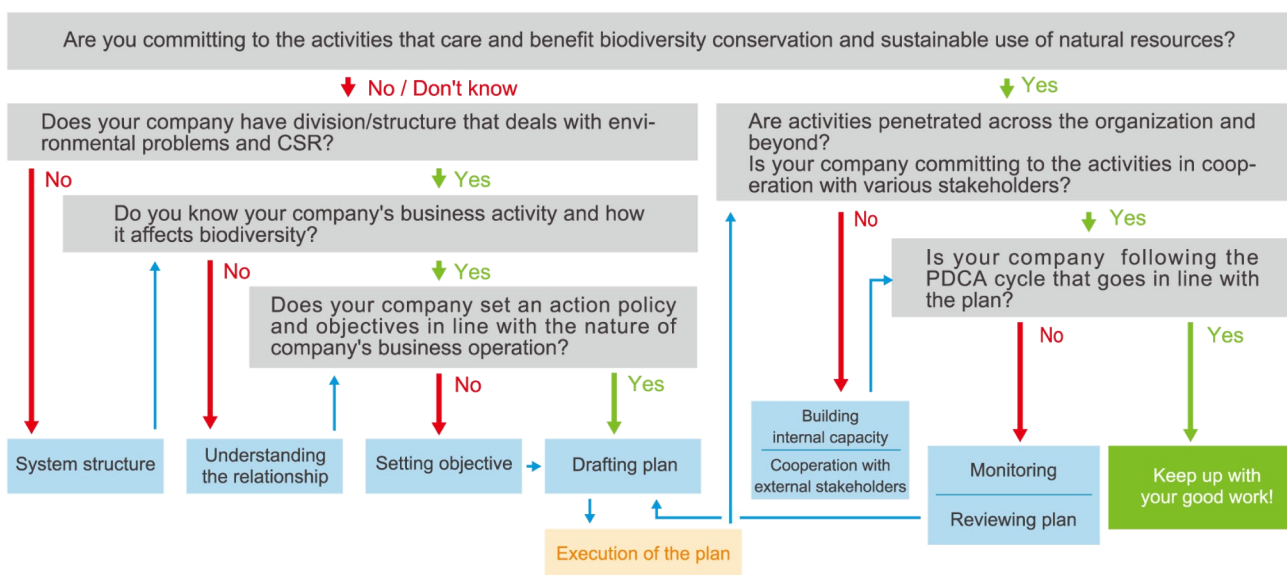
Viewpoints to consider

Activities based on characteristics/ scale of business entities	It is desirable to actively promote activities depending on the scale of influence on biodiversity of each business entities. It is also important to have a viewpoint to explore the possibility that technologies, products and services contribute to conservation of biodiversity.
Considering supply chain and value chain	It is important that business entities at each stage of the supply chain cooperate with each other and have a viewpoint to tackle conservation and sustainable use of biodiversity. It is also important to create added value from the viewpoint of the value chain.
Collaboration with various stakeholders	It is important to seek organic and flexible cooperation with various stakeholders such as NGOs / NPOs with deep understanding of regional issues and expertise.
Integrated approach to the problems	There are cases where measures against global warming and use of recyclable resources or pollution control measures and so on happen to contribute to conservation and sustainable use of biodiversity. It is therefore important to have the viewpoint that an activity may contribute to issues related to different environmental fields.
Setting goals and progress management	Forecasting method is suitable for progress management or setting goals from a short-term perspective, while backcasting is useful for progress management from a long-term perspective.
Social contribution	It is important for business entities to have a viewpoint that they are economic entities pursuing profits while being required to contribute to biodiversity as a member of society. Contribution through donations and volunteer activities is also possible.
Dissemination of information	Since it is expected that conservation of biodiversity will lead to support by consumers and evaluation by investors, it is important to incorporate a mechanism to share the content of activities and monitoring results periodically. It is also important to actively disclose non-financial information such as procurement policy of raw materials.

Common activities for all business entities

"Common activities for all business entities" are the management issues which are commonly required for all business entities. The Guidelines provide key messages, ideas, practical tips and example cases. Let's refer to the relevant page and make use of the information provided for your future activities.

Review flow of common activities for all business entities

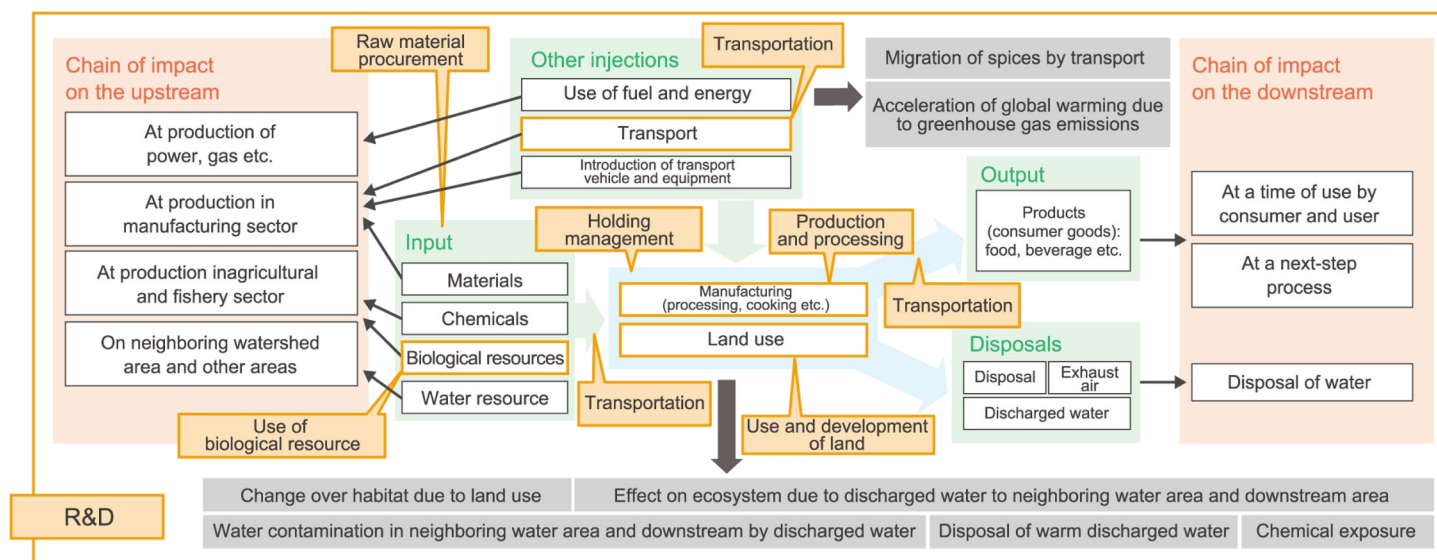


Plan	System structure	Appoint a personnel in charge to put all the that information inside and outside the company together and build a system Example: Establish a biodiversity subcommittee within the department responsible for CSR
	Understanding the relationship between business activities and biodiversity	Grasp the relevance between business activities and biodiversity and consider priority actions Example: Understanding the impact of business by utilizing Business & Biodiversity Interrelationship Map
	Setting objectives	Set targets and directions based on national policies and relevance between business activities and biodiversity. Example: Setting targets which consider international goals (Aichi target, SDGs etc.)
	Drafting plan	Organize concrete practical content as a plan to achieve the target Example: Setting quantitative target for each year planned with long-term goals in mind
Do	Execution of the plan (activities of each business)	
	Building internal capacity	Capacity building within the organization, such as human resource development, raising awareness of employees and management Example: Environmental e-learning, employee training utilizing experience-oriented training
	Collaboration/communication with external stakeholders	Communicate with entities such as NGOs, local residents and experts, reflect various opinions in the plan Example: Citizen participation type outdoor event in cooperation with consumers
Check Action	Monitoring	Periodic monitoring to grasp the progress status of the plan and evaluate the achievement level Example: Understanding the impact of business activities using ecological footprint
	Reviewing plan	Review the plan, taking issues identified in the monitoring survey into consideration Example: Adaptive management using PDCA cycle

Activities of each business

"Activities of each business" are those activities which are required depending on the business process and activity of each business entities. This part of the Guidelines provide key messages, ideas and examples of activities expected from business entities. The business flow and necessary activities are displayed by industries. Let's check what you need in your company with reference to the Guidelines.

■ Example for business and activities by industry: Manufacturing (food and beverage)



Raw material procurement	Procurement of biodiversity-conscious raw materials at each stage of the supply chain Example: Formulation and operation of supplier's guidelines and raw material guidelines
Use of biological resources	Use of biological resources such as forest resources, fishery resources, agricultural products etc. under the consideration of its sustainability Example: Farm management pursuant to the certification system to ensure sustainability of resources
Production and processing	Consideration of biodiversity at the production and processing stage Example: Sustainable use of water resources through watershed forest management
Investment and financing	Promote investment and financing concerning conservation of biodiversity and reduction of impact by business entities Example: ESG Loan Fund; Operation of environmental rating loan with evaluation of natural capital
Sales	Sale of products and services which take the impact on biodiversity into consideration Example: Increase in handling volume of certified products considering biodiversity; appropriate explanation at stores
Research and development	Development of production methods, products and services to reduce the impact on biodiversity Example: Development of environmental analysis software leading to conservation of biodiversity
Transportation	Consideration of biodiversity at the time of transportation, such as logistics of products Example: Measures on ballast water; saving transport materials
Land use and development	Avoid, reduce and compensate for direct impacts such as reduction and division of habitat by land development Example: Biodiversity offset in voluntary environmental assessment
Holding management	Creation of habitat for living things in corporate holding areas Example: Proper management of plant green spaces, acquisition of environmental certification (ABINC etc.)

Some business entities have already taken actions.

Examples of award-winning systems to support activities on biodiversity

The Japan Awards for Biodiversity

"The Japan Awards for Biodiversity" is sponsored by AEON Environmental Foundation, a partnership cooperation with The UN Secretariat of the Convention on Biological Diversity (Headquarters in Canada). This award honors organizations, companies and individuals in Japan for outstanding efforts to conserve biodiversity and to contribute to sustainability. It is held every other year in turn with the "MIDORI Prize for Biodiversity (International Prize)"



Contest for Corporate Activities on Biodiversity

Contest for Corporate Activities on Biodiversity is sponsored by the contest executive committee secretariat (the National Land Afforestation Promotion Organization, Aroma Environment Association of Japan, National Water and Green Planet Conservation Organization and Global Environment Action commendation system organized by the Behavioral Meeting (GEA)). This contest aims to honor companies in Japan for their outstanding practical activities for conservation and sustainable use of biodiversity and to promote further expansion of such activities.



Case : The third "Ikimono Nigiwai" Contest

SAVE JAPAN Project:

Let's protect Japan's rare species and natural environment together!

Sompo Japan Nipponkoa Insurance Inc. has been developing the "SAVE JAPAN Project" nationwide to preserve rare species, cooperating with local environmental groups, NPO support centers, and Japan NPO center. The project offers biodiversity conservation activities around the country with citizen participation. It is operated by donations which are funded with the cost-saving benefits, Sompo Japan Nipponkoa's auto insurance customers select "web-based insurance clauses" option. From 2011 to 2016, the project held 647 activities and participants reached 32,175 people. The project offers a variety of activities unique to the regions throughout the country, such as tree planting activities in the Shirakami-Sanchi Mountain Range in Akita prefecture and a nature observation workshop in the Nakatsu Tidal Flat in Oita prefecture.



Guidelines for Private Sector Engagement in Biodiversity

2nd edition (December 2017)

You can download the guidelines from the following link: http://www.biodic.go.jp/biodiversity/private_participation/guideline/BDGL2_en.pdf



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FOR ALL THE LIFE ON EARTH

Biodiversity