

# Business and Ecosystems – a global business perspective

CBD/UNEP 3<sup>rd</sup> Business and 2010 Biodiversity Challenge Conference , 30 Nov-2 Dec 2009, Jakarta, Indonesia



World Business Council for Sustainable Development

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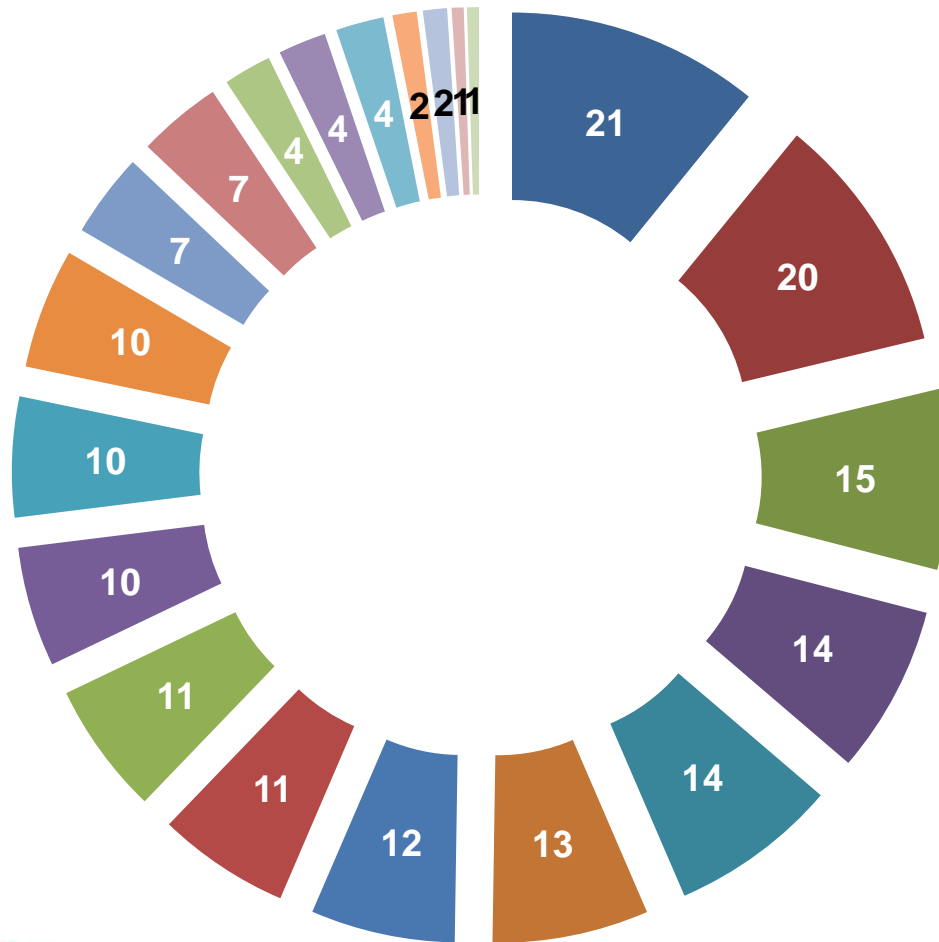
# Agenda

1. WBCSD
  - Mission
  - Business Case for action on Ecosystems
2. Global Biodiversity Agenda
3. “Smart” policies on ecosystems
  - Corporate policy and action
  - Regulatory policy and action
4. CBD COP 10 – business engagement





# Membership by sector



■ Utilities & Power	21
■ Oil & Gas	20
■ Chemicals	15
■ Forestry & Paper Products	14
■ Consumer Goods	14
■ Mining & Metals	13
■ Cement	12
■ IT & Telecoms	11
■ Tires	11
■ Auto	10
■ Services	10
■ Engineering	10
■ Banks & Insurance	7
■ Construction	7
■ Food & Beverage	4
■ Healthcare	4
■ Maritime Transport	4
■ Retail	2
■ Logistics	2
■ Media	1
■ Aviation	1



# Regional Network – 60 partners





# Mission and Objectives

- Business platform for sustainable development
- Support the business license to operate, innovate and grow in a world increasingly shaped by sustainable development issues
  - ✓ **Business Leadership** - making the business case and providing the business voice
  - ✓ **Policy Development** – advocating for frameworks that maximize business contribution
  - ✓ **Best Practice** – demonstrating and sharing
  - ✓ **Global Outreach** – contributing to developing nations and nations in transition



# What is different about a sustainable company?

- **Perspective and time horizon**

- ✓ Global & local, short & long term, inter-generational, anticipate change

- **Stakeholders**

- ✓ More than shareholders, employees and customers
- ✓ Includes suppliers, communities, civil society groups including NGO's

- **Impacts**

- ✓ Direct & indirect, operations + value chain....including ecosystems

- **Governance and management**

- ✓ More than legal minimum
- ✓ Leadership, partnerships, transparency, set targets, report progress

**Sustainable development = core value, business strategy and market differentiator**



# The business case for action on ecosystems

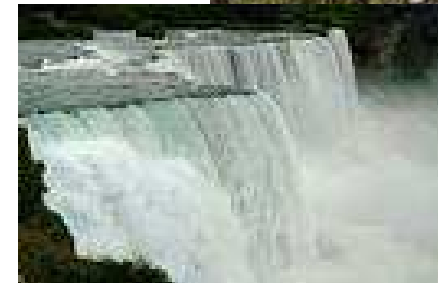
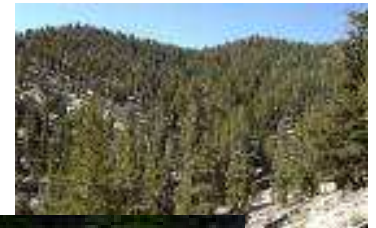
Businesses impact on ecosystems and ecosystem services



Ecosystem change creates business **risks** and **opportunities**



Businesses rely and depend on ecosystems and ecosystem services





# The business case for ecosystems

- **Ecological balance** is one of the three pillars of Sustainable Development
- All businesses **depend** and **impact** on ecosystems and their services – either as part of their core operations or through their value chain
- Ecosystem degradation can undermine the business license to operate by posing significant **risks** to companies, their suppliers, customers and investors
- Ecosystem management & sustainable use of ecosystem services can create new business **opportunities** and **markets**



# What does it mean for business?

- Changes in the quality and quantity of ecosystem service inputs will effect a company's operations
  - e.g., water, fiber, food, flood regulation
- Policy and regulatory responses can impact a company's license to operate
  - e.g., GHG emissions, water rights/management standards
- Public opinion and NGO action around conservation can impact a company's reputation, brand and image
  - e.g., boycotts & campaigns
- Seeking external finance is often requires a company to provide biodiversity or ecosystem impact assessments
  - e.g. Equator Principles and IFC standard 6
- New markets for sustainable goods & services are emerging
  - e.g. certified paper, eco-efficient technologies



# WBCSD action on ecosystems

## **Partnerships and Co-operations on ecosystems**

- Millennium Ecosystem Assessment started our work in 2005
- IUCN MoU since 2004
- Joint tool development with WRI
- The Forests Dialogue; Water Footprint Network; CBD/UNEP Business & Biodiversity platforms; ISO footprint processes
- Awareness raising with member companies

## **Corporate Ecosystem Review (ESR) Guide**

- Decision support tool developed with WRI and member company road testers (released March 2008)
- Access business impacts and dependence on ecosystem services
- Help managers proactively develop strategies to manage business risks and opportunities arising from ecosystem change



# WBCSD action on ecosystems

## **Ecosystem Valuation Initiative (EVI) – *NEW PROGRAM***

- Building the business case for corporate ecosystem valuation
- Guide to corporate ecosystem valuation under development with IUCN, WRI, PwC and ERM and 20 member company “road testers”
- Accounting for ecosystem degradation and the benefits provided by ecosystem services to inform & improving corporate level decision making – this will be out major TEEB input
- Core team member/chapter editor of TEEB report for business (D3) and member companies are contributors and reviewers

## **Convention on Biological Diversity (CBD)- *NEW FOCUS***

- Responding to COP decisions to increase business involvement
- Advocacy on policy frameworks that leverage the role of business and market forces as solution providers on ecosystems
- Hosting with IUCN, Nippon Keidanren & CBD an International Business and Ecosystems Day at COP 10, Nagoya Japan, Tuesday 26<sup>th</sup> October 2010



## 2. Global Biodiversity Agenda is changing....because of...

- **Government/Intergovernmental/IGO actions**
  - ✓ UNFCCC and the international negotiation on forest carbon sequestration and REDD plus proposal
  - ✓ The Economy of Ecosystems & Biodiversity (TEBB) initiative quantifying the costs of policy inaction and biodiversity loss
  - ✓ European Biodiversity 2010 target
  - ✓ Green Economy and Green Development Mechanism processes
  - ✓ Green procurement policies and practices – timber and paper
  - ✓ Green investment screens and requirements – WB & IFC
  - ✓ World Water Week (March) – fresh water....THE critical ecosystem services under threat
  - ✓ CBD preparations for COP 10 and 2010 International Year of Biodiversity



## 2. Global Biodiversity Agenda is changing....because of...

- Non-governmental actions
  - ✓ Green procurement policies and practices
  - ✓ Green investment screens and requirements e.g. Equator Principles
  - ✓ NGO assessment and reporting processes
    - One Planet World (WWF)
    - Vision 2050 (WBCSD)
  - ✓ Foot printing concept
    - Ecosystems
    - Carbon
    - Water
    - Forests
  - ✓ Sector strategies e.g. ICMM

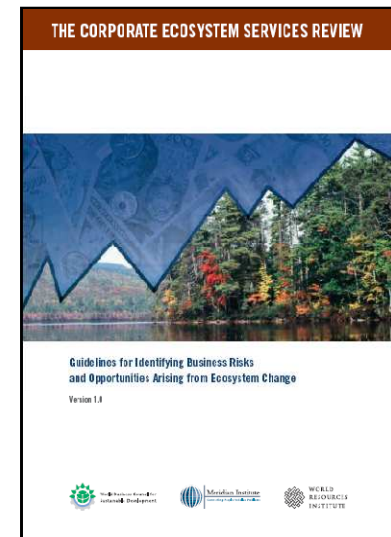


### 3. “Smart” policies on ecosystem – so what can companies do?

1. Proactively measure, manage and mitigate risks and impacts
2. Undertake *corporate ecosystem valuation* to explicitly account for ecosystem benefits and loss to inform and improve business decision making
3. Innovate and lead the development of:
  - ✓ Markets for ecosystem services
  - ✓ Eco-efficient goods, services & technologies
4. Support “smart” ecosystem policies and regulations that reverses degradation and “levels the playing field” for all
5. Encourage suppliers & purchasers to adopt best practices
6. Enter into creative partnerships with municipalities and governments, NGOs, scientific community, to tackle site specific issues



WBCSD decision support tools help incorporate externalities into core management decisions



The Greenhouse Gas Protocol Initiative

*The foundation for sound and sustainable climate strategies*



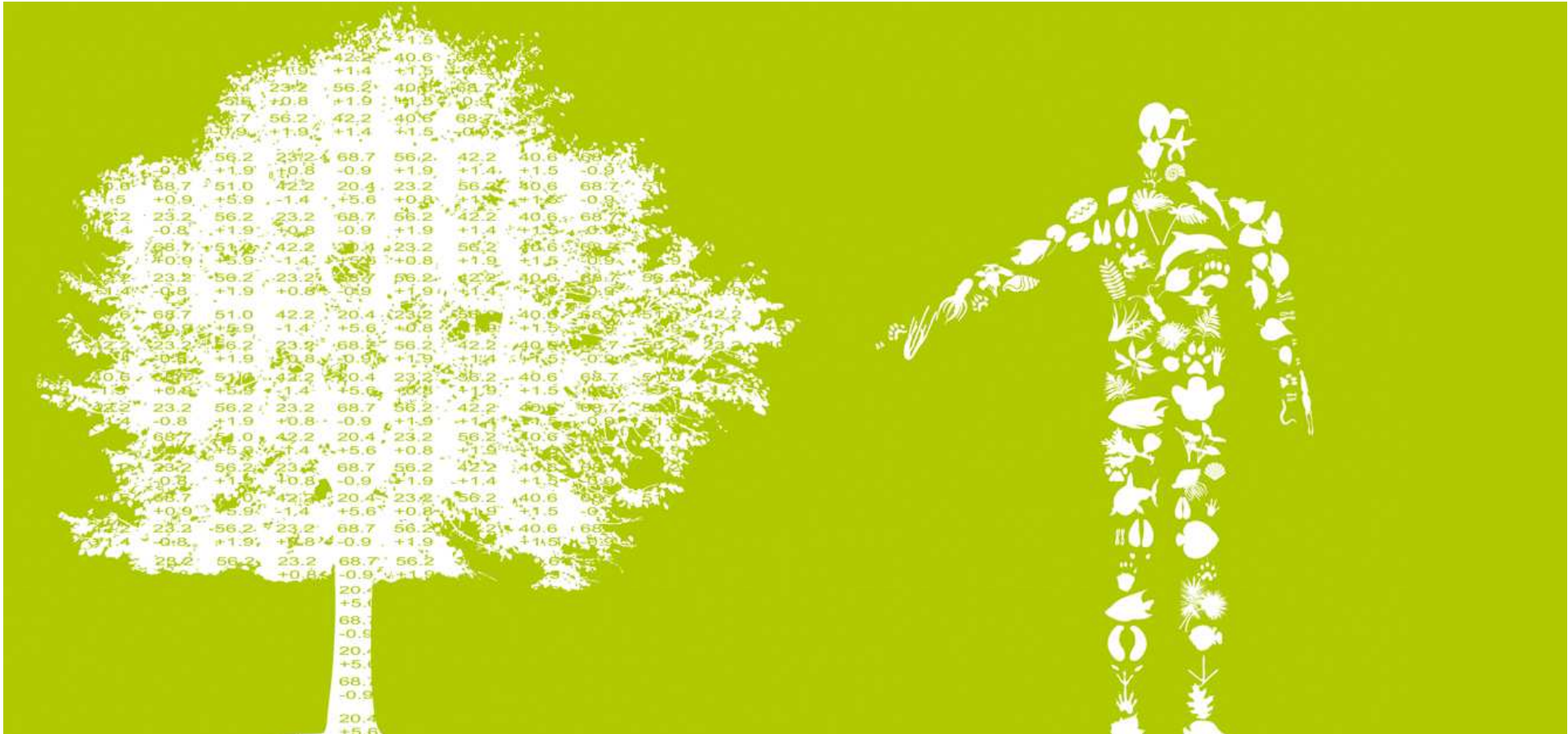
# “Smart” ecosystem management policies and regulations

- Setting realistic targets
- Focused on solutions
- Being predictive and long term
- Establishing a level playing field
- Sending clear price signals
- Securing property rights
- Support innovation
- Ecosystems based & “linked up”
  - ✓ Global, Regional (trans boundary), national, local
  - ✓ Beyond Environment Ministries/Agencies
- Leverage market forces and business capacity as a solution provider – e.g. certification, cap & trade, markets/payments for ecosystem services, off-sets



## CBD COP 10 business engagement – WBCSD, IUCN & Nippon Keidanren

- An “International Business and Ecosystems Day” embedded into the formal COP 10 agenda (26 October, 2010)
  - ✓ Additional to traditional side events, Expos, CEO & Minister roundtables etc
  - ✓ Building on the Kobe Dialogue and Jakarta B & B Challenge
- Participants - Governments, Business, IGO, NGO’s
- Objectives:
  - ✓ Enhance business involvement in CBD
  - ✓ Information exchange on successful business actions and effective policy frameworks
  - ✓ Focus scale up strategies – standards, regulations, markets
- The Jakarta Conference should launch an effective business engagement process building up to COP 10



# Thank you

For more information: [www.wbcasd.org](http://www.wbcasd.org)

Some WBCSD publication here



World Business Council for  
Sustainable Development