## Understanding Supply Chain Biodiversity Footprints: Frameworks and Regulations

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# By Tara Garraty, Biodiversity Specialist and Sustainability Scientist, Tunley Environmental

#### www.tunley-environmental.com

A sustainable business model is being supported by companies, and regulatory compliance is just one reason why it is becoming more and more important for them to understand their impacts on biodiversity and carbon emissions. One of the essential components of this understanding is assessing the **Supply Chain Biodiversity Footprint (SCBF)**. This article is divided into two parts, the first will explore frameworks and regulations that guide biodiversity assessment and solutions for businesses, as well as the impact of biodiversity loss. A follow-up article will explore how SCBF helps organisations and what mitigation strategies can be implemented to achieve nature-positive goals.

#### Introduction to International Frameworks and Regulations

To navigate the complexities of biodiversity and sustainability, businesses must be aware of various international frameworks and regulations. Key among these are:

- **Convention on Biological Diversity (CBD)**: This <u>global agreement</u> addresses all aspects of biodiversity, aiming to promote sustainable development. It sets out three main objectives: the conservation of biological diversity, the sustainable use of its components and the fair and equitable sharing of benefits arising from genetic resources.
- Aichi Biodiversity Targets: These are 20 global targets under the CBD framework, aimed at halting biodiversity loss and ensuring sustainable and equitable use of natural resources by 2020. Although these targets have now lapsed, they laid the groundwork for future biodiversity goals.
- Global Reporting Initiative (GRI) Standards:
  - **GRI 101**: This is the <u>foundation standard</u> that provides the core principles and framework for sustainability reporting. Starting January 2024, GRI 101 will be mandatory, underscoring the importance of sustainability in corporate reporting.
  - **GRI 304**: This specific standard offers guidelines for biodiversity reporting, helping organisations disclose their impacts on biodiversity and their efforts to mitigate these impacts. It covers aspects such as habitats protected or

restored, and significant impacts on biodiversity in areas of high biodiversity value.

- **Nature Positive Goals**: These goals aim to halt and reverse the loss of nature by 2030, ensuring that by the end of the decade, nature is in a better state than it is today. This involves protecting and restoring ecosystems, reducing pollution, and promoting sustainable use of resources.
- Science Based Targets for Nature: These targets provide a framework for companies to set measurable, science-based goals that contribute positively to nature. They align business strategies with planetary boundaries, ensuring that economic activities do not compromise ecological health.

This <u>article</u> goes into further details on how your organisation can embrace nature positivity and science-based targets for your biodiversity strategy.

- **UK Biodiversity Action Plan (BAP)**: A <u>strategy</u> for protecting and conserving the UK's biodiversity. It includes specific action plans for different species and habitats to ensure their protection and restoration.
- European Union Biodiversity Strategy for 2030: A <u>comprehensive plan</u> to protect nature and reverse the degradation of ecosystems across Europe. It aims to restore biodiversity in the EU for the benefit of people, the climate and the planet.

# What is Biodiversity Loss and What is Causing It?

Biodiversity loss refers to the decline in the number and variety of species in a given area. This loss is a critical concern because biodiversity underpins ecosystem services that are essential to human survival and well-being. The primary causes of biodiversity loss include:

- Habitat Destruction and Fragmentation: The conversion of natural habitats into urban areas, agriculture and industrial sites is the leading cause of biodiversity loss. This destruction not only eliminates the homes of countless species but also fragments ecosystems, making it difficult for species to migrate, find mates and access resources. The **Global Forest Resources Assessment** by FAO indicates that approximately 10 million hectares of forest were lost each year between 2015 and 2020 due to deforestation.
- **Overexploitation of Species**: This occurs when species are harvested at a rate faster than they can replenish, leading to population declines and, in extreme cases, extinction. Examples include overfishing, hunting, and logging. According to the **Living Planet Report** by WWF, global wildlife populations have declined by an average of 68% since 1970 due to overexploitation and habitat loss.

- **Pollution and Contamination**: Chemical pollutants, plastic waste and other contaminants degrade habitats and poison wildlife. For example, agricultural runoff containing pesticides and fertilizers can lead to water pollution, harming aquatic ecosystems and causing phenomena like algal blooms and dead zones. **UNEP** reports that around 80% of the world's wastewater is discharged into the environment without adequate treatment.
- Human-Induced Climate Change: Driven by activities like burning fossil fuels, deforestation, and industrial processes, climate change is altering temperature and precipitation patterns, affecting species' habitats and food sources. This can lead to shifts in species distributions, changes in breeding seasons, and increased vulnerability to diseases. The IPCC notes that approximately 20-30% of plant and animal species are at risk of extinction if global temperatures rise by more than 1.5-2 degrees Celsius above pre-industrial levels.
- **Invasive Species**: Non-native species introduced into new environments can outcompete, prey on, or bring diseases to native species, leading to significant ecological disruptions. The **Global Invasive Species Database** identifies thousands of invasive species that have caused harm to ecosystems worldwide.

## The Bottom Line

Understanding the frameworks and regulations that guide biodiversity assessment is crucial for businesses aiming to foster sustainability in their habitat. From global agreements like the Convention on Biological Diversity to specific standards like the GRI and regional strategies such as the European Union Biodiversity Strategy for 2030, these guidelines help companies navigate their environmental impact. As the first part of our exploration concludes, acknowledging and mitigating biodiversity loss is a multifaceted challenge requiring comprehensive strategies. Stay tuned for our next article, where we will explore how SCBF can assist organisations in achieving nature-positive goals.

Find out more about SCBF and how we can help you navigate it <u>here</u>.