



Innovative conservation since 1903



www.fauna-flora.org

**WORKING
WITH
BUSINESS
FOR
CONSERVATION**



WHO WE ARE:

Fauna & Flora International (FFI) protects threatened species and ecosystems worldwide, choosing solutions that are sustainable, based on sound science and take account of human needs. Operating in more than 40 countries worldwide – mainly in the developing world – FFI saves species from extinction and ecosystems from destruction, while improving the livelihoods of local people. Founded in 1903, FFI is the world's longest established international conservation body.

The words and phrases used in conservation can be confusing, so to be clear from the start, here are a few definitions to clarify what we mean by:

BIODIVERSITY

The number, variety and variability of living organisms, including within species (genetic diversity), between species and of ecosystems.

ECOSYSTEM

A dynamic complex of plant, animal and microorganism communities and their non-living environment interacting as a functional unit.

ECOSYSTEM SERVICES

The benefits people obtain from ecosystems. These include:

- provisioning services: the goods and products obtained from ecosystems such as food, freshwater, timber and fibre;
- regulating services: the natural processes that regulate climate and water flow and control floods, disease, wastes and soil erosion;
- cultural services: which provide recreational, aesthetic and spiritual benefits; and
- supporting services: the fundamental processes necessary for the production of all other services such as soil formation, photosynthesis and nutrient cycling.

CONSERVATION

The deliberate management of biological resources to sustain key biodiversity components or maintain the integrity of sites so that they support characteristic types and levels of biodiversity. Conservation includes preservation, maintenance, sustainable utilisation, restoration and enhancement of the natural environment.

WORKING WITH BUSINESS:

FFI works directly with businesses and the influencers of business across a range of sectors to bring about change for the protection of biodiversity in all its forms. We believe that one of the most effective ways to protect biodiversity and ecosystem services is to work closely with the very businesses who have the potential to pose the greatest harm. We choose to work with businesses that are committed to reducing their impacts on the environment and businesses that are positioning themselves as market leaders.

Our work with business has developed by careful design, since it began back in 1997, into a series of strategic business alliances, collaborations and interventions that take an innovative and science-based approach to the protection and management of biodiversity. The endorsement of our work by communities, governments and biodiversity experts is key to our success.

The work is core to FFI's continued success and positioning in the conservation arena. It is continually evolving as we develop additional skills and expertise to respond to emerging issues – allowing us to achieve further conservation gains and to maintain a leadership position within this demanding and changing remit. Ultimately, we are working to create an environment where business has a long-term positive impact on biodiversity conservation.

“OUR GROWING TEAM POSSESSES TECHNICAL EXPERTISE ACROSS A DIVERSE RANGE OF SECTORS AND A DEEP PASSION FOR FINDING INNOVATIVE WAYS TO IMPROVE THE PRIVATE SECTOR'S RELATIONSHIP WITH OUR ENVIRONMENT.

PIPPA HOWARD – DIRECTOR, BUSINESS & BIODIVERSITY PROGRAMME, FAUNA & FLORA INTERNATIONAL



WE WORK BROADLY TO:

STIMULATE BUSINESS ACTION

Through partnership and collaboration we support businesses to manage their dependencies and mitigate their impacts on biodiversity and ecosystems in the landscapes where they operate, and to become local role models who encourage other land users within these landscapes to do the same. With our help, our business partners are working towards achieving best practice standards for biodiversity and ecosystem management across their operations.

INFLUENCE SECTORAL AND CROSS-SECTOR ENGAGEMENT FOR BIODIVERSITY CONSERVATION

It is critical that we understand the contextual biodiversity and ecosystem issues associated with and among various sectors, in addition to those of the individual businesses we are working with. FFI has for many years actively participated in a number of initiatives that are aimed at improving sector-wide performance. Our main objectives when engaging with such initiatives are to:

- promote a proactive approach to biodiversity and ecosystem management that ensures long-term enhancement;
- develop a common understanding of the importance of biodiversity and ecosystems to sustainability – to develop the 'business case' for action;
- provide guidance on the development of sectoral best practice, with an emphasis on the integration of biodiversity and ecosystems into strategic planning; and
- leverage the influence our partnerships have within their sectors to set new standards and expectations with regards to the management of biodiversity and ecosystems.

In addition to the opportunity to influence sector-level policy, these dialogues provide a valuable platform to share our experience and to network with other organisations and companies interested in the continuous improvement of corporate responsibility.





We are involved with:

- **Financial sector initiatives** – We have an advisory role with banks, asset managers and insurance providers, including equator banks, the International Finance Corporation (IFC), the European Bank for Reconstruction and Development (EBRD) and Export Development Canada (EDC).
- **Extractive sector initiatives** – We have been actively engaging with the International Council on Mining & Metals (ICMM) since 2004, the Global Oil and Gas Industry Association for Environmental and Social Issues (IPIECA) since 2002 and the Better Coal Initiative and Dutch Coal Dialogue since 2011.
- **Agricultural sector initiatives** – We are members of the Roundtable on Sustainable Palm Oil (RSPO), the Round Table on Responsible Soy (RTRS), the High Conservation Value (HCV) Resource Network Steering Group and Landscapes for People, Food and Nature.
- **Marine sector initiatives** – FFI has a growing presence and interest in the marine sector and how it interacts with the other sectors we are working with.
- **Cross-sector initiatives** – We have contributed to The Economics of Ecosystem and Biodiversity (TEEB), The Business and Biodiversity Offsets Programme (BBOP), the Global Reporting Initiative (GRI) and the Carbon Disclosure Project.

DEVELOP APPROPRIATE PERFORMANCE INDICATORS

Through our engagement with sectoral and cross-sector initiatives, FFI helps to develop appropriate performance indicators and sector-specific targets. We support the businesses we work with to adhere to the Mitigation Hierarchy and to develop and achieve business-specific key performance indicators such as Net Positive Impact.

The Natural Value Initiative, a collaboration led by FFI, aims to mainstream biodiversity and ecosystem services matters in investment analysis and to increase awareness of dependencies and impacts on natural capital among the investment community. The initiative has developed benchmarking tools for extractive, pharmaceutical, agricultural, and accountancy sectors which highlight risks and opportunities for investors within their portfolios.

DEVELOP AND IMPLEMENT STRONG POLICY COMMITMENTS TO BIODIVERSITY

FFI acts as a sounding board to aid in policy development through the facilitation of workshops, participation in expert advisory groups and brokering of partnerships with key NGOs. We support local and national governments to develop policy and institutional frameworks.

WE WORK WITH BUSINESS LEADERS TO:

1. DEVELOP THEIR BUSINESS CASE

– the impetus for conservation action

It is an exciting time to work *with business for conservation* because there is a growing impetus for action. Public awareness is rising, environmental regulations are tightening and the private sector is beginning to recognise that biodiversity and ecosystems are key to sustaining their business. Real change is starting to take place.

It is our job to help businesses recognise why it makes business sense for them to minimise their impacts on the environment. We support businesses to develop a sound business case for biodiversity and ecosystem management, which often surpasses regulatory requirements, and to integrate this into corporate strategies. We provide input into policy development, target setting and transparent reporting and advise businesses on emerging issues, helping them to broker partnerships with other key players, such as local and national government, communities and NGO partners.

2. EVALUATE RISKS AND OPPORTUNITIES

– providing guidance and tools

We all depend on – and consequently impact – the environment. For businesses, these dependencies and impacts manifest themselves as risks: physical risks such as increased cost and scarcity of resources and disruption of operations; regulatory and legal risks such as restricted access to land and resources, reduced quotas and litigation; market risks such as changing consumer preferences and purchaser requirements; financing risks and reputational risks. Minimisation of risks creates opportunities.

Through the development of tools and guidance, our team supports businesses to identify their biodiversity and ecosystem dependencies and impacts and to evaluate the resulting risks and opportunities. We are technically skilled in conducting global-level risk assessments to identify highly sensitive sites, and experienced in conducting site-level risk assessments in a wide range of contexts.

3. DEVELOP AND IMPLEMENT A STRATEGY FOR MANAGING IDENTIFIED RISKS AND OPPORTUNITIES

Once risks have been identified, we work with businesses to develop strategies to minimise them, leading to mutually beneficial conservation gains and more sustainable land use practices. The Mitigation Hierarchy is applied to prioritise mitigation measures – starting with *avoidance*, and working through *reduction*, *restoration* and *offsetting* (or compensation) only as necessary.

Our collaborators are supported to advance their biodiversity strategies both at site level and business-wide. This involves establishing the current situation (baselines) and developing action plans to address biodiversity and ecosystem risks and sensitivities. Progress is carefully monitored and evaluated and we strive to ensure that urgent needs are prioritised. Whenever possible, business-wide biodiversity and ecosystem commitments such as Net Positive Impact are encouraged.

Periodically it is necessary that we challenge businesses on their level and speed of progress. In instances where businesses do not remain committed collaborators, FFI will redirect efforts, endeavouring to achieve the greatest possible conservation gains overall.

“FFI HAS INVALUABLE EXPERIENCE IN THE OIL AND GAS SECTOR AND UNDERSTANDS THE DIFFICULTIES COMPANIES FACE WHEN TRYING TO ADDRESS THE RISKS AND OPPORTUNITIES ASSOCIATED WITH BIODIVERSITY AND ECOSYSTEM SERVICES (BES). FFI HAVE BEEN INVOLVED IN REVIEWING OUR STANDARDS AND CORPORATE GUIDES, ASSESSING OUR MARKET POSITION, AND RUNNING WORKSHOPS ACROSS THE COMPANY TO BETTER UNDERSTAND THE INTERNAL VIEWS ON BIODIVERSITY AND ECOSYSTEM MANAGEMENT. FFI HAS CONSISTENTLY PROVIDED PRAGMATIC SOLUTIONS AND INVALUABLE SUPPORT, INSIGHT AND CLARITY ON BES ISSUES WHICH IS ENABLING BP TO REVIEW AND ACT UPON THEIR RECOMMENDATIONS.

MARK JOHNSTON

– GROUP ECOLOGY EXPERT, BP PLC.



SNAPSHOTS OF THE DIVERSITY OF OUR ENGAGEMENT

FFI is actively working through joint initiatives and business partnerships in a variety of ecosystems, political environments and legal frameworks globally. The map insert at the end of this brochure shows the places where FFI is currently engaging with business.

Here we highlight a selection of our initiatives to demonstrate the diversity of our engagement with business:

CONSERVATION IN THE OIL PALM SECTOR

FFI has been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2007 and is a representative of the High Conservation Value (HCV) Resource Network Steering Group. In Indonesia, FFI is investigating the potential for carbon credit revenue to sustainably protect high conservation value areas in oil palm dominated landscapes. This important work involves engagement with oil palm estates, local communities and local government.

In Liberia, FFI have provided technical and organisational support for the creation and running of the Liberian National Initiative for Sustainable Oil Palm. This included coordination of the production of a Liberian National Interpretation of the Global High Conservation Value Toolkit.

ENGAGEMENT WITH THE WORLD BANK

The World Bank Group has acknowledged FFI's leadership role in extractive sector environmental management, biodiversity risk assessment and biodiversity offset design, management and implementation.

Our engagement with the World Bank and IFC, through a series of discussions, presentations and event participation, has helped to advance thinking about how the application of the Mitigation Hierarchy and the use of biodiversity offsets to mitigate residual project-related impacts can help to achieve conservation outcomes across landscapes in alignment with existing national conservation priorities.

PARTNERING WITH MINING GIANTS

FFI has been working in partnership with Rio Tinto for over 15 years. A leader within the extractive sector, Rio Tinto made a Group-wide commitment in 2004 to have a Net Positive Impact on biodiversity by closure of its operations.

Rio Tinto recognises that FFI has the demonstrated policy and technical expertise to contribute to resolving biodiversity and conservation challenges faced by the Group and that our global reach reflects their geographical spread.

Through the partnership, FFI is harnessing Rio Tinto's commitment to Net Positive Impact to develop innovative and cross-cutting approaches to biodiversity conservation, applicable to the corporate sector, which aim to minimise ecological impacts of project and operational activities and bring more natural areas under improved conservation management.



WORKING WITH THE GOVERNMENT IN NAMIBIA

FFI recognises the need for landscape-level approaches to biodiversity conservation and ecosystem service preservation. In Namibia, the Ministry of Environment and Tourism commissioned FFI to lead a collaborative Landscape Level Assessment of the Central Namib Desert. This approach used and analysed evidence and spatial data to transparently assess the relative importance of different areas and land uses (predominantly uranium mining, tourism and agriculture) within the region and their contribution towards conservation objectives.

Collectively, the outputs from this approach have acted as a decision support tool used to guide land use planning and to help decision makers understand the relative importance of biodiversity and ecological processes across the landscape.

INFLUENCING FINANCIAL MARKETS IN THE SEAFOOD SECTOR

The Sustainable Seafood Finance Project is a collaborative initiative implemented in part by the Natural Value Initiative. It aims to develop an instrument that will enable investors and banks to assess, communicate and improve the sustainability performance of their seafood investments and credit lending to seafood businesses.

Its objectives are to stimulate improved sustainability performance in the international seafood sector as well as the CSR performance of financial institutions; ultimately working towards a sustainable seafood sector and long-term financial viability of the sector.

VALUING BIODIVERSITY AND ECOSYSTEM SERVICES

FFI's extensive experience with the development of forest carbon projects has identified several key issues relating to the valuation of biodiversity and ecosystem services including: land tenure, permanence (whether solutions are lasting), leakage (the shifting of pressures elsewhere), equitable benefit sharing and broader social and cultural implications. The improvement of understanding and development of mechanisms to produce clear and communicable measures of ecosystem values is essential to ensuring agricultural landscapes are managed sustainably.

As part of the British American Tobacco Biodiversity Partnership, this project explores the risks and opportunities associated with ecosystem valuation approaches in complex agricultural landscapes by piloting different approaches at sites across the regions in which FFI operates.

INTEGRATING BIODIVERSITY AND ECOSYSTEM SERVICES INTO GLOBAL BUSINESS OPERATIONS

FFI and Eni, through its Exploration and Production division (E&P), have been working together since 2003 to develop a distinctive approach for timely and effective management of biodiversity and ecosystem services within E&P's onshore and offshore operations worldwide. The collaboration was built on guiding principles that include the common reference framework of the Energy and Biodiversity Initiative guidelines, an open-minded dialogue that benefits from different values and expertise, a constructive attitude favouring practical solutions, and mutual trust and transparency. Since then, biodiversity and ecosystem services considerations have been systematically integrated into Eni E&P global operations, existing and new.



BENEFITS FOR ALL:

BENEFITS TO BIODIVERSITY AND ECOSYSTEMS:

Conservation gains are achieved by:

- Increasing awareness of biodiversity and ecosystems at decision-making level and developing the business case for action.
- Increasing the capacity of stakeholders to deliver conservation outcomes.
- Identifying and focussing on high risk and sensitive sites with all partnerships.
- Implementing the Mitigation Hierarchy to avoid, minimise, restore and offset negative impacts on biodiversity and ecosystems.
- Developing business-wide commitments to strive for No Net Loss and Net Positive Impact to biodiversity and ecosystems whenever possible and applicable.
- Implementing landscape-level cross-sectoral interventions and sustainable landscape planning through strategic collaborations.
- Monitoring performance and measuring progress.
- Ensuring that corporate biodiversity policies, programmes and commitments are appropriate and that businesses are held accountable to implementing them.
- Ensuring the sustainability of conservation outcomes through the development of enabling legal and institutional frameworks.

BENEFITS TO BUSINESS:

- **Knowledge:** ability to detect, monitor and manage biodiversity and ecosystem impacts.
- **Preparedness:** capacity to avoid and minimise risks and effectively restore ecological function.
- **Efficiency:** ability to anticipate emerging regulatory requirements.
- **Competitive advantage:** market differentiator to access sensitive areas.
- **Recognition:** as sectoral leaders by the finance sector and other key stakeholders.
- **Reputational enhancement:** benefitting shareholder confidence, NGO and community relationships and reducing reputational risks.
- **Influence:** directive positions with partners and as sectoral leaders.



BENEFITS TO FFI:

- **Conservation outcomes:** ultimately our mission is to conserve threatened species and ecosystems worldwide, and our work with business brings tangible conservation benefits.
- **Knowledge:** collaborations afford time and flexibility to gain experience and practical knowledge in diverse environments, and to develop and trial innovative approaches to biodiversity assessment.
- **Influence:** established international reputation and alliances with sectoral and cross-sectoral initiatives, NGOs, consultants, governments and businesses.
- **Recognition:** as a leading NGO with a long history of successful private sector biodiversity and ecosystem engagement.
- **Reputation:** widely recognised for our capacity to facilitate and contribute to sectoral and cross-sectoral collaboration and to engage with key players in the private sector.

“FFI BRINGS VALUE TO OUR BUSINESS THROUGH THEIR DEEP TECHNICAL KNOWLEDGE ON BIODIVERSITY ISSUES. THEIR ABILITY TO RAPIDLY INNOVATE AND ADAPT THEIR APPROACH TO OUR BUSINESS NEEDS HAS RESULTED IN MORE EFFECTIVE IDENTIFICATION AND MANAGEMENT OF BIODIVERSITY RISKS.

SAMANTHA HOE-RICHARDSON – HEAD OF SUSTAINABLE DEVELOPMENT AND ENERGY, ANGLO AMERICAN



ACHIEVEMENTS:



Marin Hardison/FFI



AMONG A BROAD RANGE OF ACCOMPLISHMENTS WE HAVE:

- contributed to the development of a five year strategy for the Global Oil and Gas Industry Association for Environmental and Social Issues (IPIECA), which reaches members of this sector including 35 leading oil and gas companies;
- supported the development of the International Council on Mining & Metal's (ICMM) approaches to responsible mining, touching 18 of the world's mega-mining companies;
- convened finance and investment sector analysts for the delivery of the Natural Value Initiative's Tread Lightly Report at two events in Washington and London - this report benchmarked 30 extractive sector companies, exposing their dependencies and impacts on biodiversity and ecosystem services. The NVI's Ecosystem Services Benchmark earned a finalist position for the biodiversity category of the Guardian Sustainable Business Awards 2012.
- worked with collaborators to deliver the first IFC performance Standard 6 disclosure reports on the massive Mongolian copper project at Oyu Tolgoi, which covers 25,000 km²;
- delivered workshops to the World Bank, IFC and UNEP FI on the value of biodiversity offsetting and the implementation of the Mitigation Hierarchy – the knock-on influences and reach of this work cannot be underestimated;
- delivered a Landscape Level Assessment to the Government of Namibia, providing rationale and a decision support tool for the sustainable development of land uses, including the extractive sector, across 4.5 million hectares;
- developed, through the British American Tobacco (BAT) Biodiversity Partnership, the Biodiversity Risk and Opportunity Assessment tool which has now been applied by all of BAT's own leaf sourcing operations with the direct support of FFI in selected locations. The tool has been made publically available to encourage other companies to take a similar approach.

GOING FORWARD...

FFI BELIEVES THAT BUSINESSES HAVE A CRUCIAL ROLE TO PLAY IN SECURING OUR PLANET'S RICH LANDSCAPES AND WILDLIFE. WE WILL CONTINUE TO ENCOURAGE THE PRIVATE SECTOR TO ENGAGE WITH BIODIVERSITY AND ECOSYSTEM CONSERVATION, AND WILL USE OUR SKILLS, KNOWLEDGE AND PASSION TO HELP US DO SO.

WE ARE ENCOURAGED BY THE PROGRESS MADE BY OUR EFFORTS SO FAR AND SEEK TO PUSH FOR DEEPER INTEGRATION OF BIODIVERSITY INTO BUSINESS MODELS.



“FFI’S CONSIDERABLE INTERNATIONAL PRESENCE AND THEIR EXPERIENCE OF WORKING IN PARTNERSHIP WITH MANY LEADING BUSINESSES HAVE REALLY HELPED THEM TO PROVIDE RELEVANT AND INSIGHTFUL CONTRIBUTIONS TO THE BRITISH AMERICAN TOBACCO BIODIVERSITY PARTNERSHIP; THIS IS ESPECIALLY IMPORTANT WHEN THE BUSINESS NEEDS TO BUY INTO NEW WAYS OF DOING THINGS.

JIM KIRKE – LEAF SUSTAINABILITY MANAGER, BRITISH AMERICAN TOBACCO

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