

Protection of biodiversity: Companies need to take action as scores remain quite limited



On the International Day for Biological Diversity, Vigeo Eiris publishes the list of its 18 Top Performing companies on the criteria “Commitment to prevent risks of endangering biodiversity”

Vigeo Eiris rates 1,257 entities on their commitment to integrate protection of Biodiversity into their sustainability risk management and their corporate social responsibility strategy and operation. The **overall score appears quite limited** (30.8/100) with a clear difference in term of countries, sector and size of the rated organisations.

The player that gets the highest average score is **‘Local authorities’** (sector mainly composed of European cities and regions - with 60.8/100 on scale of 0 to 100). The second most publicly committed to protection of Biodiversity appears to be the **‘Forest Products & Paper’** (55.2/100). The rationale of such overperformance comes from the strong scrutiny and allegation of civil society against the firms of this sector.

Even if it is also exposed to high pressures and expectations from its stakeholders, the **‘Mining & Metals’** sector stands overall at limited level of commitment, getting a score of 38.5/ 100. The three weakest sectors in terms of mitigation of biodiversity risks are **‘Oil Equipment & Services’** (17.3/100), **Industrial Goods & Services’** (20/100) and **‘Heavy construction’** (23.5/100).

Concerning regional distribution, European companies get on average the highest score, although limited (37.6/100), followed by Emerging countries (30.2/100), North America (27.9/100) and Asia Pacific (25.9/100).

Among the 1257 entities rated, 43.5% do not publish any commitment to biodiversity protection. On the other hand, 16.4% disclose highly pertinent policies. In terms of measures set up to implement such policies, 62.7% of companies have no measure disclosed at all or have carried out measures considered as non-efficient. On the other hand, 14.5 % have implemented highly efficient measures.

Fouad Benseddik, Head of Methods, declares: “Protection of biodiversity is a crucial component of business fiduciary duty, requested by several authoritative international norms and recommendations: it’s the business interest to commit and account on this important risk driver”.

Vigeo Eiris’ 18 best performers in terms of biodiversity (in decreasing order)

CRH	Building Materials	Ireland
Stora Enso	Forest Products & Paper	Finland
Empresas CMPC	Forest Products & Paper	Chile
UPM-Kymmene	Forest Products & Paper	Finland
Svenska Cellulosa	Forest Products & Paper	Sweden
Ville de Paris	Local authorities	France
Canfor	Forest Products & Paper	Canada
Nevsun Resources	Mining & Metals	Canada
Sappi	Forest Products & Paper	South Africa
Fibria	Forest Products & Paper	Brazil
Groupe Casino	Supermarkets	France
Cascades	Forest Products & Paper	Canada
Smurfit Kappa Group	Forest Products & Paper	Ireland
Gecina	Financial Services - Real Estate	France
GPT Group	Financial Services - Real Estate	Australia
Great Portland Estates	Financial Services - Real Estate	United Kingdom
Hammerson	Financial Services - Real Estate	United Kingdom
Saarland	Local authorities	Germany

Among those companies, some **best practices** can be identified.

Stora Enso cooperates with Fauna & Flora International to examine the impacts of tree plantations on vegetation, insects, bird species diversity and bird population numbers over a seven-year monitoring period. In Finland, the company has adopted nationwide a new harvesting planning procedure that has been developed in cooperation with various authorities and stakeholders to safeguard endangered forest species. The procedure involves the use of geographical database that includes the occurrences of 501 endangered species.

Gecina has built a biodiversity dashboard containing the calculation for the BAF indicator (biotope area factor). An action plan has been defined, along with steering tools, such as biodiversity analyses with professional partners.

Monoprix (**Groupe Casino**) advocates for Responsible fishing and has taken measures such as gradually stopping the sale of the most endangered deep-sea species and it has also stopped selling other endangered species such as North-East Atlantic dogfish, eel, elver and white grouper.

CRH adapts its operations schedule to minimise disturbance to wildlife. Examples of measures include suspending blasting during nesting periods and excluding specific areas from quarrying to preserve valuable habitats, leaving sand piles undisturbed when sand martens are nesting. CRH has also developed projects for the creation of new habitats for relocation of disturbed species. Examples of measures include providing structures suitable for nesting of bats, birds, bees and other species.

Finally, within about 4800 companies rated by Vigeo Eiris, 169 (part of 22 sectors) are affected by a total of 251 biodiversity-related controversies, among which 127 are considered as severe ones. Most severe controversies affect companies like British Petroleum, ENI, Royal Dutch Shell, BHP Billiton, Vale, Tokyo Electric Power, Halliburton, Transocean and Kinross Gold.

An example of a critical severity controversy is the one affecting both **BHP Billiton** and **Vale**, with the rupture of the Samarco iron ore dams (a joint venture between both companies) in southern Brazil on the 5th of November 2015, flooding the local community of Bento Rodrigues and releasing industrial waste on several hundred kilometres. The accident has caused a huge damage to villages, fauna, flora and water supply along more than 400 kilometres of river, spanning two states and spilling out to the Atlantic Ocean. According to specialists, the complete recover of the area can take up to 100 years.

The mudslide that reached the Atlantic has a potentially devastating impact on the fishing communities along the coast of the state of Espírito Santo. The official admits that many species of fish and plants are dying due to the contaminated mixture. Marilene Ramos, president of Ibama, the federal environmental agency, said “We have thousands of hectares of protected areas destroyed and the total extinction of all the biodiversity along this stretch of the river.” The biodiversity of the river is completely lost, several species including endemic ones must be extinct.

Under the June 2018 settlement with the Brazilian government, BHP and Vale will pay USD 5.3 billion to settle civil claim. Additional civil claims of USD 41 billion remained pending.

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Appendices:

Vigeo Eiris evaluates the company's commitment to prevent risks of endangering biodiversity.

Principles of Action under review:

- A. Identify the impacts of business operations on biodiversity, and establish evaluation systems to assess the health of impacted ecosystems
- B. Avoid or reduce the exploitation of sensitive ecosystems
- C. When there has been exploitation, rehabilitate the ecosystem

Reference texts:

Name of reference text	Name of institution (ex: ILO, UN, etc.)	Date of publication	Date of update (optional)
UN Convention on Biological Diversity, 31 I.L.M. 818	UN	1992	
Cartagena Protocol on Biosafety to the Convention on Biological Diversity – “Biosafety Protocol”	UN	2000	
Agenda 21, Chapter 15, “Conservation of Biological Diversity	UN	1992	
Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)	UNEP	1973	
Convention on Wetlands (RAMSAR)	IUCN	1971	
International Tropical Timber Agreement	International Tropical Timber Organization (UN)	1983	1994 2006
IUCN Protected Areas, which classifies 6 categories of protected areas: CATEGORY I - Strict Nature Reserve/Wilderness Area, CATEGORY II - National Park; CATEGORY III - Natural Monument; CATEGORY IV - Habitat/Species Management Area; CATEGORY V – Protected Landscape/Seascape/Area; CATEGORY VI – Protected Area with sustainable use of natural resources	IUCN	1994	
World Heritage Convention	UNESCO	1972	

Man and the Biosphere Programme	UNESCO	1971	
Bonn Convention on the Conservation of Migratory Species of Wild Animals	UNEP	1979	
Bern Convention on the Conservation of European Wildlife and Natural Habitats	Council of Europe	1979	
EU "Nature Directives"			
EU Directive 2009/147/EEC of the European Parliament and the Council on the conservation of wild birds (codified version of Directive 79/409/EEC as amended) – The "Birds Directive"	European Union	1979	2009
EU Directive 92/43/EEC on the conservation of natural habitats and wild fauna and flora (amended by Council Directive 97/62/EC) – The "Habitats Directive"	European Union	1992	1997