Biodiversity Mainstreaming in Business - Indicator Needs at Each Step of the Journey

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### Key Questions for Indicator Design/Selection for Biodiversity Mainstreaming in Business

<table>
<thead>
<tr>
<th>Biodiversity Mainstreaming Steps</th>
<th>Key Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Why?</td>
<td>Why biodiversity matters to my business?</td>
</tr>
<tr>
<td>2 What?</td>
<td>What dependencies and impacts on biodiversity my business has?</td>
</tr>
<tr>
<td>3 How much?</td>
<td>How can my business measure its biodiversity dependencies and impacts?</td>
</tr>
<tr>
<td>4 What is material?</td>
<td>How can my business value its biodiversity dependencies and impacts?</td>
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<tr>
<td>5 What decision?</td>
<td>How can my business improve its decision-making about biodiversity?</td>
</tr>
<tr>
<td>6 What strategy?</td>
<td>What strategy can my business design to manage its biodiversity dependencies</td>
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<td></td>
<td>and impacts?</td>
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<tr>
<td>7 What action plan?</td>
<td>What action plan does my business need to effectively manage its biodiversity</td>
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<td></td>
<td>dependencies and impacts?</td>
</tr>
<tr>
<td>8 What disclosure?</td>
<td>How can my business disclose its biodiversity risks and performance?</td>
</tr>
<tr>
<td>9 What governance, monitoring +</td>
<td>How can my business monitor its progress and improve its performance?</td>
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<tr>
<td>improvement?</td>
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</tbody>
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Key Elements to Consider for Indicator Selection / Design

• **Objective(s):** e.g., convince someone or merely communicate information

• **Target audience(s):** internal versus external

• **Business application:** project impact assessment, investment appraisal, comparing options, group reporting / disclosure

• **Organisational focus:** product, service, site, project, group, etc.

• **Value chain boundary:** direct operations, upstream, downstream

• **Biodiversity dimensions:** impacts/dependencies, land cover, taxa, genetic diversity

• **Value perspective:** business vs. society

• **Value types:** qualitative (e.g. IUCN red listing), quantitative (e.g. % share of population/habitat impacted) and monetary (financial valuation versus externality valuation)

• **Materiality analysis**
What Is Your Indicator Showing?
Processes/Performance, Measures or Values?

**Natural capital impact drivers**

**INPUTS**
E.g. Fresh water, land use

**Natural capital dependencies**
E.g. Fresh water, land, flood protection, climate control, waste assimilation

**Production of raw materials**
E.g. Oil extraction

**Processing of raw materials**
E.g. Refining and cracking, polymerization

**Natural capital impact drivers**

**OUTPUTS**
E.g. Non-hazardous waste, air pollution, discharges to water

**Manufacturing**
E.g. Extrusion molding

**Business activities** at a chemical manufacturing plant produce air emissions, which are an impact driver.

**Impact drivers lead to changes in natural capital,** in this case reduced air quality.

**Step 05: Measure impact drivers**

**Step 06: Measure changes in natural capital**

Changes in natural capital result in impacts, in this case health problems.

**Step 07: Value impacts**

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The Importance of the Biodiversity Impact / Dependency Pathway: Impact/Dependency Drivers, Changes in Biodiversity, Values of Impact

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