

# Addressing biodiversity in the Environmental Footprint pilots

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Technical Helpdesk

Mark Goedkoop, PRé

With inputs from Carsten Wachholz (EEB); Martha Stevenson (WWF-US); Emmanuelle Neyroumande (WWF-Int)

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## 1 Problem

The current selection of impact categories used in the PEF does not express impacts on biodiversity, while this is a generally considered key issue in many policy areas including EU policies. Alternative methods, like these used in ReCiPe, Lime and Impact World do aim to calculate impacts on Biodiversity, but they lack the granularity needed to understand the relationship between the way production systems like forests are managed and the impacts on biodiversity.

Many companies in the food and agriculture sector and some in other sectors too, have addressed this problem by defining Key Performance Indicators (KPI) with regarding to the sustainable sourcing of agricultural and other products. With the current definition of the PEF methodology; these efforts are not rewarded in any meaningful way. At the same time civil society organizations like WWF as well as EEB have expressed their concern that the PEF results cannot be taken seriously if biodiversity impacts are not much better expressed in the method.

## 2 Scope

The problem has been raised by WWF in the intermediate paper pilot, as it generally believes that biodiversity has been recognized by the industry and the NGO community as a clear hotspot, and that already many efforts are done to address this through better forest management. The intermediate paper pilot has however found that according to the EF methodology this hotspot does not appear in the preliminary screening calculations.

The problem described here is also relevant for other pilots sourcing materials from nature, in which potential impacts on biodiversity are expected (like palm oil, soy, fish, meat, leather, minerals, fossil fuels, etc). It is however difficult to determine upfront the relevance of biodiversity impacts of each pilot.

## 3 Solution proposed for the use of the additional information option to address biodiversity.

The following solution has been discussed and accepted as principle in the Technical Advisory board on May 10<sup>th</sup> :

1. Each pilot shall make an assessment about the relevance to report biodiversity impacts caused by the sector and its supply chain on land based, fresh and marine water ecosystems, which should be considered as an environmental hotspot. This assessment shall be done independent of the results of the LCIA methodology. The sector shall describe this and document with sufficient evidence if it finds that it does not cause significant impacts on biodiversity.
2. Each pilot that has determined that there are significant impacts, shall describe how that impact shall be assessed and reported for each study based on the PEFCR. The findings shall be reported under additional information.

While the pilots are free to determine the way they will assess and report, the following suggestions are offered:

1. As a suggestion, we propose to express the (avoided) impact on biodiversity as the percentage of material that comes from ecosystems that have been managed to maintain or enhance conditions for biodiversity, as demonstrated by regular monitoring and reporting of biodiversity levels and

gains or losses (e.g. less than 15% loss of species richness due to disturbance, but the pilots can set their own level provided this is well justified).

2. We suggest to also report the percentage of such materials for which no chain of custody or traceability information can be found
3. The assessment should refer to materials that end up in the final products, but also to materials that have been used during the production process; for instance charcoal that is used in steel production processes, or soy that is used to feed cows that produce dairy etc. The focus should be on the major hotspots only; there is no need to assess small impacts that probably occur all over the value chain for any product.
4. Certification systems can be used as a proxy if the pilot determines which certification schemes provide sufficient evidence about their performance in assuring biodiversity maintenance, by describing the criteria they have used. A useful overview of standards can be found on <http://www.standardsmap.org/>

How the additional information will be used in the communication vehicles, can at this stage not be determined, and is outside the scope of this document.