



5. Biodiversity

SPOTT indicators: Does the company disclose...

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| 29) Commitment to set aside areas for conservation? | of conservation concern, referencing international or national system of species classification? |
| 30) Evidence of habitat management and/or habitat restoration? | 34) Commitment to no hunting or only sustainable hunting of species? |
| 31) Landscape-level approach? | 35) Commitment not to operate within internationally and nationally designated protected areas? |
| 32) Commitment to biodiversity conservation? | 36) Evidence of species conservation? |
| 33) Commitment to not endanger species | |

Relevant SDGs



Context

As well as its intrinsic value, biodiversity is fundamental to human livelihoods and wellbeing. Biodiverse tropical rainforests provide ecosystem services such as nutrient cycling, water purification and climate regulation, which are crucial on a global scale.²

The conversion of forests to oil palm plantations poses a significant threat to biodiversity [for more details, see the [Deforestation factsheet](#)]. Impacts include the degradation or destruction of habitats, species being threatened, and an increase in human-wildlife conflicts. Research shows that plantations support less biodiversity than primary tropical forest or even timber concessions or plantations.³ According to the IUCN's Red List,⁴ species such as the Sumatran tiger and Bornean and Sumatran orangutan – whose habitats are impacted by palm oil production – are already critically endangered.

The protection and conservation of biodiversity is vital to maintain the livelihoods of local communities that may use forests for food, medicine or social/cultural purposes. Loss of biodiversity can, therefore, have significant impacts on the quality of life of communities.⁵

Given the critical environmental and social impacts associated with biodiversity loss, it is crucial that plantation operators adopt policies that minimize risks to biodiversity and ensure that species can maintain their presence in and around plantations [for more details see [factsheet 6 on HCV, HCS and impact assessments](#)].

Obligations and expectations

The sustainable use of biodiversity is enshrined in the Convention on Biological Diversity (CBD), ratified by 196 states. Additionally, many species are given protection status under national and international laws and regulations, and protected areas are being legally designated to protect habitats and species. An example of a national law implementing the CBD is the Costa Rican Ley N° 7788

Glossary

Biodiversity

The Convention on Biological Diversity¹ defines biodiversity as the 'variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems' (CBD Article 2). Biodiversity is necessary for the maintenance and provision of ecosystem services - the direct and indirect contributions of ecosystems to human wellbeing.

¹Article 2, Use of terms, Convention on Biodiversity, [Accessed 2 October 2017]. Available from: cbd.int/convention/articles/default.shtml?a=cbd-02

²'Glossary of terms', The Economics of Ecosystems and Biodiversity (TEEB), [Accessed 2 October 2017]. Available from: teebweb.org/resources/glossary-of-terms/

³Meijaard, E. and Sheil, D. 2013. Oil Palm Plantations in the Context of Biodiversity Conservation. In Levin, S.A., ed., Encyclopedia of Biodiversity [volume 5]. 600-612. Waltham, MA: Academic Press

⁴Red List, IUCN, [Accessed 2 October 2017] Available from: iucnredlist.org/

⁵Secretariat of the Convention on Biological Diversity. 2010. Linking Biodiversity Conservation and Poverty Alleviation: A State of Knowledge Review. CBD Technical Series No: 55. Montreal: CBD Secretariat. [Accessed August 25, 2017]. Available from: cbd.int/doc/publications/cbd-ts-55-en.pdf 2010

del 30/04/1998 de Biodiversidad (modificada por última vez por la Ley N° 8686 del 21 de noviembre de 2008). The protection of biodiversity is also included in numerous policies of financial institutions and in the sourcing policies of many buyers.

GAR's approach to biodiversity management

"As a palm oil company operating around tropical forests we are keenly aware of our responsibility to decouple palm oil production from deforestation and to maintain the area's rich and varied biodiversity.

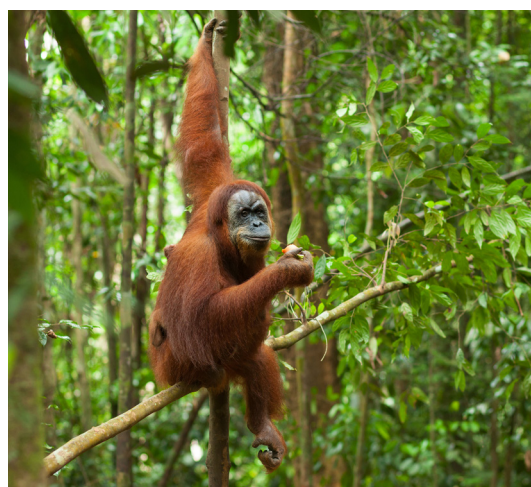
"We have strong commitments to protect HCS forests and HCV areas. But the greatest challenge lies in being able to convince stakeholders like local communities to become involved in the process.

"We are now trying to make forest conservation a practical reality by entering into protection-production partnerships with the local communities. Through intensive engagement, we are securing agreements with local communities to set aside identified conservation areas as communal forests. Concurrently, we work with them to create "Alternative Livelihoods" like organic farming on spare communal land. This helps reduce the possibility of encroachment into conservation areas and the need to open up sensitive eco-systems like peat lands for agriculture."

**Shuling Lim, Head of Sustainability Communications
GOLDEN AGRI-RESOURCES**

Challenges

- A landscape approach is not simple to define, and companies need to clarify their own definition and approaches, which may lead to inconsistency and confusion for stakeholders.
- Identifying and monitoring species of conservation concern requires time and resources.
- Restoration efforts require effective planning, management and monitoring which require significant resources and expertise.
- The current focus on deforestation associated with the palm oil industry may shift attention away from other forms of habitat degradation.
- Set-aside conservation areas are often only preserved and may not be actively managed or improved to support biodiversity.
- Some species merely pass through plantations. Specific policies are required to address how companies deal with these species.



Best practice for the conservation of biodiversity

There are several steps that a palm oil company should follow to implement best practice:

- Companies should refer to an internationally recognized system of species classification, such as the IUCN Red List, and commit to not impact populations of threatened species (e.g. Critically Endangered (CR), Endangered (EN) or Vulnerable (VU)) (IFC PS6 lists CR and EN), and adhere to a mitigation hierarchy.
- World Heritage sites, Ramsar wetlands, and nationally designated protected areas should be protected and systematically avoided by oil palm plantation development.



- Companies should actively monitor and manage set aside conservation areas to avoid degradation and to help increase biodiversity, for example, using the outputs of the Spatial Monitoring and Reporting Tool (SMART) monitoring indicators.
- Companies should commit to sustainable hunting practices, to stop poaching and trafficking of wild-caught species. Such a commitment should be implemented in cooperation with law enforcement agencies and NGOs.
- Human-wildlife conflict should be prevented as much as possible, for example by conserving and creating wildlife corridors.
- Engagement with local communities and suppliers on biodiversity conservation can support the identification of priority areas and help with biodiversity protection throughout the supply chain.
- Adopting Integrated Pest Management (IPM) practices helps conserve biodiversity by reducing chemical usage and natural species provide valuable services (e.g. pollination, natural enemies for pests).
- Companies are encouraged to partner with research institutions to help better understand levels of biodiversity of oil palm plantations and how to effectively undertake restoration and management actions to help increase biodiversity.

Recommended resources

- Petrenko, C. et al. 2016. Ecological Impacts of Palm Oil Expansion in Indonesia. ICCT White Paper. Available from: theicct.org/sites/default/files/publications/Indonesia-palm-oil-expansion_ICCT_july2016.pdf

Other SPOTT indicator framework factsheets in the series

This document is part of a series of factsheets in the publication: *From disclosure to engagement: A guide to the SPOTT indicator framework for assessing palm oil producers and traders*. Below is a full list of the factsheets:

- Factsheet 1: Sustainability policy and leadership
- Factsheet 2: Landbank and maps
- Factsheet 3: Traceability
- Factsheet 4: Deforestation
- Factsheet 5: Biodiversity
- Factsheet 6: HCV, HCS and impact assessment
- Factsheet 7: Peat
- Factsheet 8: Fire
- Factsheet 9: Greenhouse gas emissions
- Factsheet 10: Water
- Factsheet 11: Chemical and pest management
- Factsheet 12: Community and land rights
- Factsheet 13: Labour rights
- Factsheet 14: Palm oil certification
- Factsheet 15: Smallholder support
- Factsheet 16: Supplier selection
- Factsheet 17: Governance and grievances

About SPOTT

SPOTT is an online platform promoting transparency and accountability to drive implementation of environmental and social best practice for the sustainable production and trade of global commodities. SPOTT assessments score some of the largest palm oil producers and traders on the public availability of corporate information relating to environmental, social and governance (ESG) issues.

Reframed as the **Sustainability Policy Transparency Toolkit** in 2017, SPOTT now supports transparency for other industries that pose some of the greatest risks to the environment, with SPOTT assessments of timber, pulp and paper companies launched in November 2017.

For more information, visit [SPOTT.org](https://spott.org) or contact SPOTT@ZSL.org.

About ZSL

Founded in 1826, the **Zoological Society of London (ZSL)** is an international scientific, conservation and educational charity whose mission is to promote and achieve the worldwide conservation of animals and their habitats.

Our mission is realised through our groundbreaking science, our active conservation projects in more than 50 countries and our two Zoos, ZSL London Zoo and ZSL Whipsnade Zoo.

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