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Item 02 – GRI Topic Standard Project for Biodiversity – Final draft

For GSSB approval

Date	30 November 2023
Meeting	14 December 2023
Project	GRI Topic Standard Project for Biodiversity
Description	This document presents the revised GRI Biodiversity Standard, for GSSB approval. A summary of key changes in the Standard compared to the exposure draft is presented in the explanatory note at the beginning of the document. This document reflects the final outcome and consensus of the GRI Biodiversity Technical Committee deliberations. This document is complemented by Item 03 – GRI Topic Standard Project – Draft GSSB basis for conclusions, which summarizes the significant issues raised by respondents during public comment and the GSSB responses to these. **Effective date** As part of this approval, the GSSB is also asked to consider the proposed effective date of 1 January 2026 (see line 118) for *GRI 101: Biodiversity 2024*. This effective date allows for an ample transition period, ensuring sufficient time for organizations to incorporate *GRI 101* in their process and start collecting data relevant to the revised biodiversity disclosures. The effective date also coincides with the effective date of the GRI Sector Standard for Mining, subject to GSSB approval on 14 December 2023.

Explanatory note

This section summarizes the key changes in *GRI 101: Biodiversity 2024* compared to the exposure draft. These changes are recommended by the Technical Committee based on comments from the public comment period. Please note that only key changes are listed in this summary; smaller wording or editorial changes are not included.

Disclosure 101-1 Policies to halt and reverse biodiversity loss

- The term 'science-based approach' has been replaced by 'scientific consensus'. See lines 292-294.

Disclosure 101-2 Management of biodiversity impacts

- Revised requirement 101-2-a-iii to make a distinction between restoration and rehabilitation, and to include the goals of the restoration and rehabilitation, and stakeholder engagement. See lines 360-362.
- Added new requirement 101-2-b on the size of the area under restoration or rehabilitation and the size of the area restored or rehabilitated. See lines 365-368.
- Added a recommendation to report the stage of the restoration and rehabilitation actions. See lines 461-467.
- Added new requirements 101-2-c-i to 101-2-c-iv for reporting additional information on offsets. See lines 369-373.
- Revised requirement 101-2-d on biodiversity management plans to understand which of the operational sites with the most significant impacts on biodiversity have a biodiversity management plan and which ones do not, and why. See lines 374-376.
- Requirement 304-6-d to 'describe how it addresses the negative impacts of the transition to halt and reverse the loss of biodiversity on workers and local communities' has been moved to Disclosure 101-2. It has been replaced by requirement 101-2-f to 'describe how it ensures that the actions taken to manage its impacts on biodiversity avoid and minimize negative impacts and maximize positive impacts for stakeholders'. See lines 379-380.
- Removed the requirement to report contextual information.

Disclosure 101-3 Access and benefit-sharing

This disclosure was exposed for public comment twice. The first exposure resulted in the following changes:

- All requirements were replaced by two new requirements. The first one requires to report the process to ensure compliance with access and benefit-sharing regulations and measures. The second one requires to report actions that are taken in addition to or in absence of regulations and measures. See lines 595-598.

The re-exposure supported the new requirements. It resulted in the following changes:

- Clarified guidance on how the process to ensure compliance with access and benefit-sharing regulations and measures should be reported. See lines 633-641.
- Added guidance to refer to the new agreement under the UN Convention on the Law of the Sea and added an option to report if processes and actions are implemented to ensure access and fair and equitable benefit sharing of marine genetic resources. See lines 623-630.

Disclosure 101-4 Identification of biodiversity impacts

- Added a new disclosure, replacing requirement 304-1-a 'explain how it has determined which of its operational sites and its suppliers' operational sites have the most significant impacts on biodiversity'. The disclosure requires information on how an organization determined which of its sites and which products and services in its supply chain have the most significant impacts on biodiversity. It provides new recommendations for reporting this

disclosure and additional guidance on how to identify the most significant impacts on biodiversity. See lines 660-806.

Disclosure 101-5 Locations with biodiversity impacts

- Removed the requirement to report the coordinates of the organization's operational sites.
- Revised requirement 101-5-b to align with the Taskforce on Nature-related Financial Disclosures (TNFD). 'Ecologically sensitive area' replaces 'area of high biodiversity value'. See lines 813-819.
- Revised requirement 101-5-c to report the organization's activities that take place in each operational site with the most significant impacts on biodiversity, replacing the requirements to describe the organization's activities per operational site and per direct driver of biodiversity loss, which were included in Disclosure 304-2 Direct drivers of biodiversity loss. See line 820.
- Revised requirement 101-5-d to report the products and services in its supply chain with the most significant impacts on biodiversity, replacing the requirements to describe the suppliers' activities per operational site and per direct driver of biodiversity loss, which were included in Disclosure 304-2 Direct drivers of biodiversity loss. See lines 821-823.
- Added reporting options to report the percentage of operational sites in or near ecologically sensitive areas and the proportion of total high-impact commodities sourced respectively, to provide a high-level understanding of the significance of biodiversity across the organization's operations and its supply chain. See lines 867-874 and lines 896-905.

Disclosure 101-6 Direct drivers of biodiversity loss

- Removed the requirement to report Scope 1, Scope 2, and Scope 3 greenhouse gas emissions. Revised the guidance to explain that an organization can report its greenhouse gas emissions using *GRI 305: Emissions 2016*.
- Revised requirement 101-6-a-i to include the cut-off date or reference date and the type of ecosystem after conversion. See lines 912-914.
- Clarified the guidance on cut-off dates and references dates used to report natural ecosystem conversion. See lines 1021-1034.
- Added requirement 101-6-a-ii to report the conversion of intensively used or modified ecosystems. See lines 915-917.
- Revised requirement 101-6-b to report the type and quantity of natural resources exploited in two requirements, separating out the exploitation of wild species from the exploitation of water resources. See lines 918-921.
- Removed the requirement to describe the processes used to monitor the direct drivers of biodiversity loss.

Disclosure 101-7 Changes to the state of biodiversity

- Revised requirement 101-7-a to clarify that ecosystem type and size are to be reported for the base year and ecosystem condition for the base year and the current reporting period. See lines 1123-1127.
- Changed the requirement to report the name and extinction risk of affected or potentially affected species to a reporting option. This can be used for the recommendation to report information on affected or potentially affected species. See lines 1235-1244.
- Removed the requirement to report the condition of ecosystems that are or could be affected by suppliers' activities.
- Clarified in the guidance that it may not always be possible to attribute how much of the change in the state of biodiversity is due to a specific organization but that the information reported helps to understand the organization's impacts on biodiversity and can inform the management of these impacts. See lines 1138-1143.
- Clarified the guidance on how to report baseline information and ecosystem condition. See lines 1164-1167 and lines 1195-1216.

Disclosure 101-8 Ecosystem services

- Revised the disclosure to focus on reporting the ecosystem services that are or could be affected as a result of the organization's most significant impacts, rather than reporting the significant ecosystem services. See lines 1263-1264.
- Removed the requirement to report the ecosystem services and beneficiaries that are or could be affected by suppliers' activities.
- Added a recommendation to describe the approach used to identify the ecosystem services reported and guidance on how to identify ecosystem services. See lines 1304-1305 and lines 1305-1312.

Glossary

- Removed the term 'natural ecosystem conversion' that was proposed in the Biodiversity Standard exposure draft. The term is defined in the guidance instead. See lines 1017-1020.

Appendix

- Added tables to provide additional guidance to Disclosures 101-4, 101-5, and 101-7. See Table 1 and Table 2 in the Appendix.
- Consolidated template tables to present information reported under Disclosures 101-5, 101-6, 101-7, and 101-8. See Table 3 and Table 4 in the Appendix.

Other editorial revisions have been made to the text to improve clarity and consistency with the GRI Style Guide.

GRI 101: Biodiversity 2024

EFFECTIVE DATE: 1 January 2026

TOPIC STANDARD

GRI 101: Biodiversity 2024

TOPIC STANDARD

Effective Date

This Standard is effective for reports or other materials published on or after 1 January 2026.

Responsibility

This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the GRI Standards can be submitted to gssbsecretariat@globalreporting.org for the consideration of the GSSB.

Due Process

This Standard was developed in the public interest and in accordance with the requirements of the GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with regard to authoritative intergovernmental instruments and widely held expectations of organizations relating to social, environmental, and economic responsibilities.

Legal Liability

This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Board of Directors and GSSB encourage the use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Board of Directors, GSSB, nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

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Content

Introduction

GRI 101: Biodiversity 2024 contains disclosures for organizations to report information about their biodiversity-related impacts, and how they manage these impacts.

The Standard is structured as follows:

- Section 1 contains three disclosures, which provide information about how the organization manages its biodiversity-related impacts.
- Section 2 contains five disclosures, which provide information about the organization's biodiversity-related impacts.
- The Glossary contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The Bibliography lists authoritative intergovernmental instruments and additional references used in developing this Standard, as well as resources that the organization can consult.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of biodiversity.

Biodiversity encompasses the variability of organisms living in terrestrial, marine, and aquatic ecosystems, as well as the ecological complexes they form. It comprises the genetic diversity within species, the variety of species in an area, and the distinct features of entire ecosystems. Biodiversity is an essential characteristic of nature, which comprises all living and non-living elements on Earth.

The activities of an organization can exacerbate the direct drivers of biodiversity loss, such as land and sea use change, exploitation of natural resources, climate change, pollution, and the introduction of invasive alien species. Direct drivers have impacts on species and ecosystems while affecting people who rely on ecosystem services for their livelihood.

An organization can have impacts on biodiversity through its activities, the activities of its business relationships, or a combination of both. These impacts can also extend beyond the geographic locations of the organization's activities.

The Kunming-Montreal Global Biodiversity Framework of the Convention on Biological Diversity sets goals and targets to halt and reverse the continued loss of biodiversity. The UN adopted the Sustainable Development Goals (SDG) as part of the 2030 Agenda for Sustainable Development. These goals include key targets for halting biodiversity loss and promoting the sustainable use of natural resources under SDG 14: Life below water and SDG 15: Life on land.

See references [2] and [3] Bibliography.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

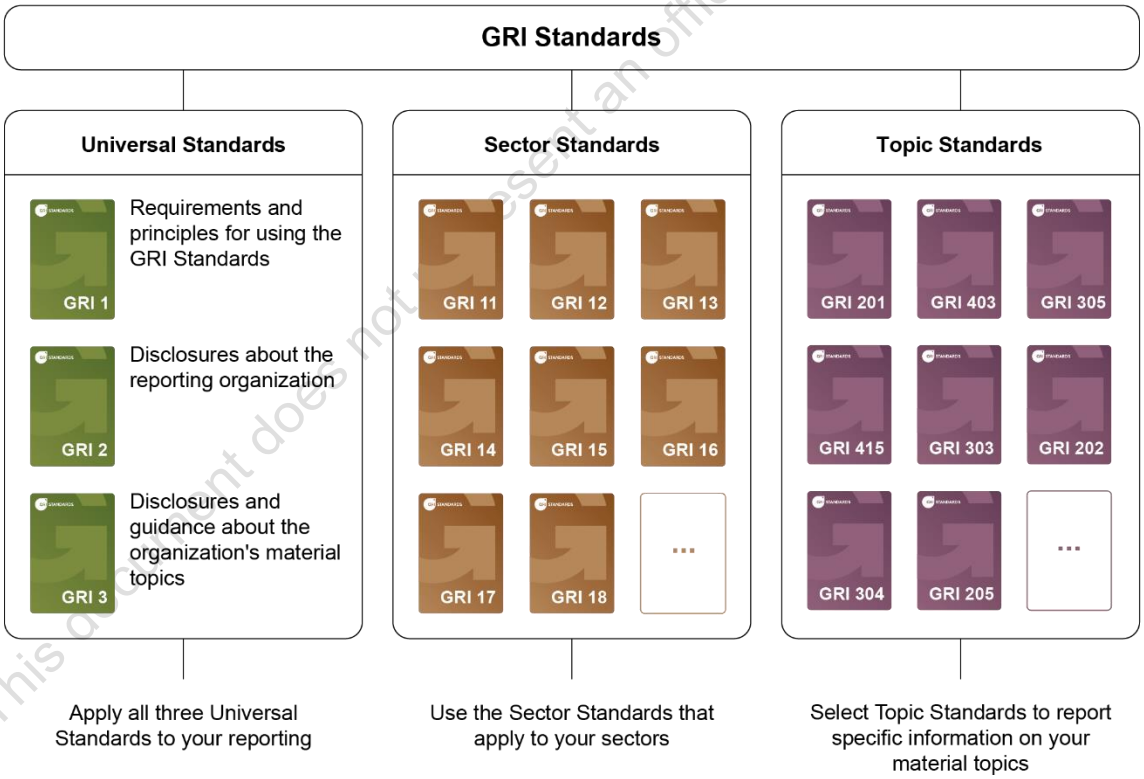
Sector Standards

The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards

The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its biodiversity-related impacts. In addition to this Standard, disclosures that relate to this topic can be found in *GRI 303: Water and Effluents 2018*, *GRI 305: Emissions 2016*, *GRI 306: Effluents and Waste 2016* (Disclosure 306-3 Significant spills), *GRI 411: Rights of Indigenous Peoples 2016*, and *GRI 413: Local Communities 2016*.

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined biodiversity to be a material topic:

- Disclosure 3-3 in *GRI 3: Material Topics 2021*.
- Any disclosures from this Topic Standard that are relevant to the organization's biodiversity-related impacts (Disclosure 101-1 through Disclosure 101-8).

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See Requirement 6 in *GRI 1* for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms

The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word 'should' indicates a recommendation, and the word 'can' indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the Glossary. The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined biodiversity to be a material topic is required to report how it manages the topic using Disclosure 3-3 in *GRI 3: Material Topics 2021*. The organization is also required to report any disclosures from this section (Disclosure 101-1 through Disclosure 101-3) that are relevant to its biodiversity-related impacts.

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

Disclosure 101-1 Policies to halt and reverse biodiversity loss

REQUIREMENTS

The organization shall:

a. describe its policies or commitments to halt and reverse biodiversity loss, and how these are informed by the 2050 Goals and 2030 Targets in the Kunming-Montreal Global Biodiversity Framework;

b. report the extent to which these policies or commitments apply to the organization's activities and to its business relationships;

c. report the goals and targets to halt and reverse biodiversity loss, whether they are informed by scientific consensus, the base year, and the indicators used to evaluate progress.

GUIDANCE

The Convention on Biological Diversity adopted the Kunming-Montreal Global Biodiversity Framework (hereafter the Global Biodiversity Framework). The Global Biodiversity Framework lays out its 2050 vision of a world 'living in harmony with nature' where 'biodiversity is valued, conserved, restored and wisely used, maintaining ecosystem services, sustaining a healthy planet and delivering benefits essential for all people'.

The Global Biodiversity Framework recognizes the need to reduce or reverse the drivers of biodiversity loss. The framework proposes the 2050 Goals, together with the related 2030 Targets. The goals with the related targets are designed to stimulate efforts in three key areas:

- reducing the threats to biodiversity;
- meeting people's needs through sustainable use and benefit-sharing; and
- providing tools and solutions for implementing and integrating practices that conserve and sustainably use biodiversity.

See reference [3] in the Bibliography.

Guidance to 101-1-a

The organization can provide a high-level description of its policies or commitments to halt and reverse biodiversity loss. For example, the organization can describe that it has implemented a policy in line with Target 5 of the Global Biodiversity Framework to source from suppliers that take appropriate measures to prevent exporting species that are alien and invasive to the buying country.

If the policies or commitments to halt and reverse biodiversity loss are not informed by the 2050 Goals and 2030 Targets in the Global Biodiversity Framework, a brief statement of this fact is sufficient to comply with the requirement. The organization can explain if it intends to do so and, if so, by which timeframe.

If the organization has described its policies or commitments to halt and reverse biodiversity loss under Disclosure 2-23 in *GRI 2: General Disclosures 2021* or under 3-3-c in *GRI 3: Material Topics*

2021, it can provide a reference to this information under 101-1-a and does not need to repeat the information.

Guidance to 101-1-b

If the policies or commitments apply to all of the organization's activities and business relationships equally, a brief statement of this fact is sufficient to comply with the requirement.

If the policies or commitments apply to only some of the organization's activities (e.g., they apply only to entities located in certain countries or to certain subsidiaries) or to some of its business relationships (e.g., they apply only to suppliers), then the organization should report to which activities and business relationships the policies or commitments apply. It can also explain why the policies or commitments are limited to these activities and business relationships.

The organization should also explain whether its business relationships are obligated to abide by the policies or commitments, or are encouraged (but not obligated) to do so. When its business relationships are encouraged to abide by the policies or commitments, the organization can describe how it encourages adoption and what incentives or support it provides.

Guidance to 101-1-c

To halt and reverse biodiversity loss, the organization may have goals and targets to achieve net positive impact, no net loss and net gain of biodiversity, or to contribute to nature positive goals. In such a case, the organization should explain how it has defined these concepts and list the sources used to inform its definition.

When reporting on goals and targets, the organization should report how the goals and targets are set. For example, it can use the *Science Based Targets Network (SBTN) Target-Setting Tools and Guidance* [39] or the *SBTN and the Taskforce on Nature-related Financial Disclosures (TNFD) Guidance for corporates on science-based targets for nature* [40].

The organization should report how scientific consensus informed its goals and targets. For example, it can use national biodiversity strategies and action plans developed in the context of the Convention on Biological Diversity, or independent assessments of the ecological status of an area.

The organization should also report the baseline for the goals and targets and the timeline for achieving the goals and targets.

When reporting progress toward the goals and targets and assessing if the progress is satisfactory, the organization can, for example, report that it sourced 60% of deforestation-free products in 2023. It can further report that it is on track to achieve its target of sourcing 100% deforestation-free products by 31 December 2030.

See reference [39] and [40] in the Bibliography.

Disclosure 101-2 Management of biodiversity impacts

REQUIREMENTS

The organization shall:

a. report how it applies the mitigation hierarchy by describing:

i. actions taken to avoid negative impacts on biodiversity;

ii. actions taken to minimize negative impacts on biodiversity that were not avoided;

iii. actions taken to restore and rehabilitate affected ecosystems, including the goals of the restoration and rehabilitation, and how stakeholders are engaged throughout the restoration and rehabilitation actions;

iv. actions taken to offset residual negative impacts on biodiversity;

v. transformative actions taken and additional conservation actions taken;

b. with reference to 101-2-a-iii, report for each operational site with the most significant impacts on biodiversity:

i. the size in hectares of the area under restoration or rehabilitation;

ii. the size in hectares of the area restored or rehabilitated;

c. with reference to 101-2-a-iv, report for each offset:

i. the goals;

ii. the geographic location;

iii. whether and how principles of good offset practices are met;

iv. whether and how the offsets are certified or verified by a third party;

d. list which of its operational sites with the most significant impacts on biodiversity have a biodiversity management plan and explain why the other operational sites do not have a management plan;

e. describe how it enhances synergies and reduces trade-offs between actions taken to manage its biodiversity and climate change impacts;

f. describe how it ensures that the actions taken to manage its impacts on biodiversity avoid and minimize negative impacts and maximize positive impacts for stakeholders.

GUIDANCE

This disclosure provides information on the actions taken by the organization to manage its most significant impacts on biodiversity, including impacts in its supply chain. This disclosure covers the most significant impacts at the operational sites and for the products and services in the supply chain identified under Disclosure 101-4. The organization can manage its negative impacts by managing the contribution to the direct drivers of biodiversity loss reported under Disclosure 101-6 (e.g., avoid pollution or minimize greenhouse gas emissions). The organization should also report actions taken to manage impacts downstream in its value chain.

Organizations are expected to apply the mitigation hierarchy to manage their negative impacts on biodiversity and ecosystem services. The mitigation hierarchy consists of steps, including avoidance, minimization, restoration and rehabilitation, and offset. An organization should prioritize actions to avoid negative impacts and minimize those impacts when avoidance is not possible. Restoration and rehabilitation measures should be implemented when negative impacts cannot be avoided or minimized. After applying all other measures, offsetting measures can also be applied to residual negative impacts to achieve no net loss or net gain. Building on the mitigation hierarchy, the *Science Based Targets Network (SBTN) Initial Guidance for Business* [37] includes an additional step to cover transformative actions, which aim to change the socio-economic systems in which

organizations are embedded. Additional conservation actions can be taken to create a positive impact on biodiversity beyond the management of the organization's negative impacts.

For more information on the mitigation hierarchy, see the *Cross Sector Biodiversity Initiative (CSBI), A cross-sector guide for implementing the Mitigation Hierarchy* [15] and the *International Finance Corporation (IFC), Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources* [25].

This disclosure covers actions taken at an operational site level and at the organizational level (e.g., a ban on sourcing a certain product across the entire organization).

The organization should describe the traceability mechanisms it uses to identify the origin of products and entities in its supply chain. The organization should also describe actions taken to improve traceability. The organization should explain whether it sources products certified by a third party and specify the certification schemes or standards used. Third-party certification can provide information on whether the products sourced adhere to sustainable management practices. The organization should explain how these certification schemes or standards help manage impacts on biodiversity, as they use different criteria related to biodiversity conservation. The organization can also report the percentage of certified products sourced.

The organization should describe how it works with its suppliers to manage their negative impacts on biodiversity, for example, by providing them with financial or technical support to change their practices.

The organization should describe how it works with other organizations and stakeholders to manage cumulative impacts. For example, an organization can describe how it works with other organizations and the local community to reduce their combined water withdrawal to mitigate the negative impact on biodiversity. The organization's activities may facilitate other organizations and stakeholders to cause impacts on biodiversity. In such a case, the organization should describe how it works with other organizations and stakeholders to manage these impacts. For example, consider an organization that has constructed an access road to a new operational site. This access road also becomes a pathway to previously inaccessible areas for individuals engaged in hunting. In this example, the organization can describe how it works with the government to limit the use of this road.

Where applicable, the organization should also describe actions taken to ensure the conservation and sustainable use of marine resources in areas beyond national jurisdictions.

See references [9], [15], [25] and [37] in the Bibliography.

Guidance to 101-2-a-i

Avoidance actions aim to anticipate and prevent negative impacts on biodiversity before actions or decisions leading to such impacts are taken. Impacts can be avoided by finding alternative locations for the activities (e.g., relocating the operational site), changing the timing of the activities (e.g., timing activities when they do not interfere with a species' breeding or migration), or by deciding not to undertake activities when they generate irremediable biodiversity losses (e.g., deciding against expanding the operational site). Organizations are expected to prioritize avoidance as the primary step in the mitigation hierarchy.

The organization should explain if it avoids activities in or near ecologically sensitive areas, such as protected areas and Key Biodiversity Areas. See Disclosure 101-5 and Table 1 in the Appendix for more information on ecologically sensitive areas.

See references [7] and [15] in the Bibliography.

Guidance to 101-2-a-ii

Actions taken to minimize negative impacts on biodiversity aim to reduce the duration, intensity, and extent of impacts that cannot be completely avoided. The organization should explain why the impacts could not be avoided.

Examples of minimization measures include preventing the spread of invasive alien species, designing ecological corridors to minimize ecosystem fragmentation, or locating operational sites to areas that are less sensitive to an organization's activities.

See references [11], [15] and [25] in the Bibliography.

Guidance to 101-2-a-iii

This requirement covers the actions taken to restore or rehabilitate ecosystems that are affected by the organization's activities. Actions taken outside of the area affected by the organization's activities are reported as offsets under 101-2-a-iv or as additional conservation actions under 101-2-a-v. Restoration is the process of assisting the recovery of an ecosystem that has been degraded, damaged, or destroyed. Rehabilitation is the process of stabilizing the terrain, ensuring public safety, enhancing aesthetics, and restoring the land to a purpose deemed useful within the regional context. Actions taken to restore and rehabilitate affected ecosystems aim to return the environment to its original state or to a state where it has a healthy and functioning ecosystem.

The organization should specify if the restoration and rehabilitation actions are implemented while the organization's activities are ongoing or after the activities have ended (e.g., restoration actions taken after the closure of an operational site). The organization should also report the stage of its restoration and rehabilitation actions. Examples of stages of restoration and rehabilitation are as follows:

- planning and design;
- implementation;
- monitoring, documentation, evaluation, and reporting;
- ongoing activities and maintenance.

The UN Decade on Ecosystem Restoration has identified principles that detail best practices for restoring degraded land, freshwater, and marine ecosystems.

The organization should provide information on the species and ecosystems targeted through the restoration and rehabilitation actions. The organization should also explain how these actions support species recovery.

When reporting on the goals of the restoration and rehabilitation, the organization can report to what extent the actions are proportional, viable, and measurable. 'Proportional' means that the area targeted for restoration or rehabilitation is equivalent in size to the area that has been affected. 'Viable' means that no known constraints can hinder the successful implementation of the restoration or rehabilitation in the short, medium, and long term, and the set goals are attainable based on the current ecological assessment results. An example of short, medium and long term restoration and rehabilitation is that the land ownership is not limited in time. 'Measurable' means that objectives have been defined and are regularly monitored.

Stakeholder engagement can include co-design, co-management, co-governance, and regular and inclusive reporting and communication of activities.

Organizations are expected to obtain free, prior, and informed consent (FPIC) before and throughout restoration and rehabilitation activities that could have impacts on land or resources that Indigenous Peoples use or own. Organizations are also expected to seek FPIC when restoration and rehabilitation activities have impacts on land or resources that local communities use or own.

See references [8], [9] and [17] in the Bibliography.

Guidance to 101-2-a-iv

Offsets are management interventions in areas not affected by the organization's activities. These can include the restoration or rehabilitation of degraded ecosystems or actions taken to halt and reverse biodiversity loss.

The organization should report the types of offsets used. Examples of biodiversity offsets include averted loss, restoration, and one-off offsets.

The organization should report the phases that the offset projects are in, for example, design, implementation, or completion. It should also report the delivery deadlines and the conservation goals.

The organization should also report the co-benefits and trade-offs associated with the offsets, and how those trade-offs are managed. Examples of co-benefits include the capture and storage of carbon and social or cultural benefits. An example of a trade-off would be replacing non-native trees

with native trees, while the local community preferred the non-native species for the purpose of firewood.

See reference [55] in the Bibliography.

Guidance to 101-2-a-v

Transformative actions contribute to systemic change inside and outside the organization's value chain to generate positive impacts on biodiversity. They address the drivers of biodiversity loss through technological, economic, institutional, and social factors, emphasizing the importance of underlying values and behavioral changes. Transformative actions can happen before, during, and after other avoidance, minimization, restoration and rehabilitation, and offset actions. Transformative actions include actions taken with third parties (e.g., experts, governments, local communities), and actions that enable other organizations to generate positive impacts on biodiversity.

The organization can describe how it ensures that its business model is compatible with the transition to halt and reverse biodiversity loss or the steps taken to transition to a circular economy. The organization can also describe actions that advance the sustainable use of biodiversity, for example, promoting farming practices that support biodiversity.

Additional conservation actions aim to have a positive impact on biodiversity and should not be used to manage the organization's negative impacts. They include actions taken to conserve or restore biodiversity in collaboration with third parties, such as scientific experts, non-governmental organizations, or local communities. For example, joint research projects, technical and scientific cooperation, capacity-building, training, or knowledge sharing.

See reference [37] in the Bibliography.

Guidance to 101-2-b

Requirement 101-2-b provides information about the size of the area under restoration or rehabilitation and the size of the area restored or rehabilitated for each operational site with the most significant impacts on biodiversity. The operational sites with the most significant impacts are those reported under 101-5-a. This information can be compared to the size of the ecosystem affected by the organization's activities reported under 101-7-a-ii. It can also be compared to the size of the operational site reported under 101-5-a. These comparisons provide insight into how much of the affected area is under restoration and rehabilitation and how much has been restored and rehabilitated.

See references [15] and [25] in the Bibliography.

Guidance to 101-2-c-i

An offset aims to deliver or contribute to no net loss or net gain goals for an operational site, a species, or other biodiversity features. The organization can report the delivered outcomes in the case an offset has been finalized.

The organization should report how the goal to achieve no net loss or net gain is demonstrated and verified. The organization should provide information on the species and ecosystems targeted through the actions to offset its residual negative impacts.

The organization can also report the residual negative impacts of its activities. It can apply a no net loss and loss-gain calculation as described in the *Business and Biodiversity Offset Program (BBOP) Resource Paper: No Net Loss and Loss-Gain Calculations in Biodiversity Offsets* [10].

See references [10], [15] and [55] in the Bibliography.

Guidance to 101-2-c-iii

The organization should explain whether it identifies, designs, and manages offsets according to applicable national legislation or principles of good offset practices, such as the *BBOP Standard on Biodiversity Offsets* [11] or the *International Union for Conservation of Nature (IUCN) Policy on Biodiversity Offsets* [27]. The *Organisation for Economic Cooperation and Development (OECD), Biodiversity Offsets: Effective Design and Implementation* [33] also provides lessons learned and insights on good practices, such as additionality, ecological equivalence, and permanence.

'Additionality' is a property of a biodiversity offset, where the conservation outcomes are demonstrably new and additional and would not have resulted without the offset (e.g., weed control measures required by legislation cannot contribute to an offset). As no two areas are ecologically identical, 'ecological equivalence' means that the biodiversity gains from the offset must be equivalent to the residual impacts. 'Permanence' means that the offsets must provide biodiversity gains that correspond to the duration of the biodiversity loss from the residual impacts.

See references [11], [27] and [33] in the Bibliography.

Guidance to 101-2-d

Requirement 101-2-d provides information about which operational sites with the most significant impacts on biodiversity have a biodiversity management plan. The operational sites with the most significant impacts are those reported under 101-5-a.

A biodiversity management plan describes how the actions to manage biodiversity impacts are implemented within a particular operational site. It includes a monitoring plan, a time schedule, milestones, and targets. The plans to manage biodiversity impacts may be integrated into broader site environmental management plans.

Guidance to 101-2-e

Synergies include actions taken to protect biodiversity that contribute to climate change mitigation or adaptation. Actions can also improve the capacity of species or ecosystems to adapt to unavoidable climate change impacts. For example, planting mangroves can protect biodiversity by increasing the wildlife population and contribute to climate change mitigation and adaptation by capturing and storing carbon and controlling floods.

In contrast, trade-offs include climate change mitigation or adaptation actions that result in biodiversity loss. For example, foresting an area with non-native species may contribute to climate change mitigation and adaptation by absorbing greenhouse gases and controlling erosion. However, it may also result in the loss of biodiversity and ecosystem services that flow from the affected ecosystems.

If the organization does not enhance synergies or reduce trade-offs between actions taken to manage its biodiversity and climate change impacts, a brief statement of this fact is sufficient to comply with the requirement.

Guidance to 101-2-f

Actions taken to manage impacts on biodiversity may lead to negative impacts on stakeholders. For example, when an organization's offset measures form a new protected area restricting the local community from using the area and accessing natural resources.

The organization should report which stakeholders are affected or potentially affected and explain how it identifies, addresses, and monitors the negative and positive impacts on stakeholders. The organization should explain how it engages with stakeholders to identify and avoid negative impacts that are considered unacceptable and cannot be mitigated or compensated for. It should also describe the actions taken to achieve equitable social outcomes. For example, a privately owned protected area invests part of its revenue from tourism in local energy and healthcare projects, but it restricts local communities from utilizing the land for agricultural purposes. The organization should also explain how it engages with stakeholders and describe any conflict resolution or grievance mechanisms it has implemented. For more information on good practice principles to generate positive social outcomes while mitigating biodiversity impacts, see reference [8] in the Bibliography.

Disclosure 101-3 Access and benefit-sharing

REQUIREMENTS

The organization shall:

a. describe the process to ensure compliance with access and benefit-sharing regulations and measures;

b. describe voluntary actions taken to advance access and benefit-sharing that are additional to legal obligations or when there are no regulations and measures.

GUIDANCE

This disclosure provides information on how the organization complies with access and benefit-sharing (ABS) regulations and measures regarding access genetic resources and associated traditional knowledge held by Indigenous Peoples and local communities. These regulations and measures also establish the rules on fair and equitable benefit-sharing arising from the utilization of genetic resources and the associated traditional knowledge. It also provides information on the voluntary actions taken by the organization to advance access and fair and equitable benefit-sharing.

This disclosure is relevant for organizations that use genetic resources to conduct research and development on the genetic or biochemical composition of resources, including through the application of biotechnology. It also applies to organizations that use traditional knowledge associated with genetic resources. These organizations are active in cosmetics, pharmaceuticals, and agriculture, among other sectors.

The fair and equitable sharing of benefits arising from the utilization of genetic resources is one of the objectives of the Convention on Biological Diversity's. The Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (hereafter the Nagoya Protocol) further advances this objective.

The organization can consult the ABS Clearing-House [13] for more information on ABS. The platform intends to provide information on national regulations and measures for accessing genetic resources and associated traditional knowledge. In addition, national focal points might be established to provide information on ABS on the national level.

When countries lack ABS regulations and measures, an organization can still take action to share the benefits arising from its use of genetic resources and associated traditional knowledge fairly and equitably. These actions are referred to as voluntary actions.

The Nagoya Protocol does not cover ABS of genetic resources and associated traditional knowledge found in areas of the sea that are beyond national jurisdiction. Under the UN Convention on the Law of the Sea an agreement has been adopted to conserve and sustain marine biological diversity in areas beyond national jurisdiction. This agreement covers access and benefit-sharing of marine genetic resources, including the digital genetic sequence information of resources located in areas beyond national jurisdiction. If an organization has activities on the sea beyond national jurisdiction, it can report if it implements processes and actions to ensure access and fair and equitable benefit sharing of marine genetic resources.

See references [1], [2], [4] and [13] in the Bibliography.

Guidance to 101-3-a

Where ABS regulations and measures apply, the organization should describe:

- how it allocates responsibility to ensure compliance with ABS regulations and measures across different levels within the organization;
- how the organization identifies which provider countries have access and benefit-sharing regulations and measures;
- how it integrates ABS regulations and measures into organizational strategies, operational policies, and operational procedures; and
- what training the organization provides on implementing the ABS regulations and measures.

When the organization has identified significant instances of non-compliance with laws and regulations related to ABS, these are reported under Disclosure 2-27 in *GRI 2: General Disclosures 2021*.

Guidance to 101-3-b

Examples of voluntary actions include joint research projects, training, or knowledge sharing related to using genetic resources or associated traditional knowledge in research and innovation. The ABS Clearing-House [13] includes examples of good practices, codes of conduct, guidelines, and standards. The *United Nations (UN), Nagoya Protocol* [4] lists examples of monetary and non-monetary benefits, which can inform the organization's voluntary actions.

The organization can report how engagement with stakeholders, particularly Indigenous Peoples and local communities, has informed its voluntary actions.

If the organization has not taken any voluntary actions to advance access and fair and equitable benefit-sharing, a brief statement of this fact is sufficient to comply with the requirement.

See references [4] and [13] in the Bibliography.

2. Topic disclosures

An organization reporting in accordance with the GRI Standards is required to report any disclosures from this section (Disclosure 101-4 through Disclosure 101-8) that are relevant to its biodiversity-related impacts.

Disclosure 101-4 Identification of biodiversity impacts

REQUIREMENTS

The organization shall:

a. explain how it has determined which of its operational sites and which products and services in its supply chain have the most significant actual and potential impacts on biodiversity.

GUIDANCE

This disclosure enables the organization to explain how it has determined which of its operational sites and which products and services in its supply chain have the most significant actual and potential impacts on biodiversity. It covers products and services from suppliers throughout the organization's supply chain, including from suppliers beyond the first tier. This provides an understanding of where in the supply chain, potentially many tiers removed from the organization, the most significant impacts on biodiversity are. The organization can additionally report the information for entities downstream in its value chain.

The activities undertaken by the organization in its operational sites can have impacts on biodiversity. Operational sites include sites owned, leased, or managed by the organization and locations where it conducts its activities. Examples are a mining site owned by an organization or a fishing ground where an organization operates. Operational sites also include those for which future operations have been announced but not yet started, as well as those no longer active. Examples are a mining site owned by an organization or a fishing ground where an organization operates. Operational sites include subsurface infrastructures under the land or seabed surface, such as underground mining tunnels, cables, and pipelines.

The organization may also be involved with negative impacts on biodiversity as a result of its business relationships with suppliers. Suppliers are entities upstream from the organization, which provide products or services used to develop the organization's own products or services. The activities undertaken by the suppliers to develop their products or services can have impacts on biodiversity. Suppliers that provide products to the organization can provide raw materials, semi-manufactured goods, or final products.

Guidance to 101-4-a

The organization should describe the methods used and the assumptions made to determine which of its operational sites and which products and services in its supply chain have the most significant actual and potential impacts on biodiversity. See Box 1 for more information on how to identify the most significant impacts on biodiversity.

It is up to the organization to set the threshold to determine which operational sites and which products and services in its supply chain have the most significant impacts on biodiversity. For example, the organization can determine that all of its operational sites have the most significant impacts on biodiversity, except for its headquarters. An organization that sources many products or services can determine to prioritize the products or services in its supply chain that are likely to have the most significant impacts on biodiversity and of which it sources a high volume or on which it spends a large amount.

The organization should describe any limitations or exclusions, for example, whether it has excluded certain parts of its supply chain when identifying the impacts.

The organization should describe the sources and the evidence it has used to identify the impacts. It should also explain whether and how it engages with stakeholders to identify impacts on biodiversity.

The organization should explain which information draws on primary, secondary, or modeled data. When reporting secondary or modeled data, the organization should report which datasets it has used and if it plans to improve the accuracy of data.

Box 1. Most significant impacts on biodiversity

Locating where impacts are most likely to be present and significant

Scoping

The organization should identify impacts on biodiversity across its operational sites, and products and services in its supply chain. In some cases, the organization might be unable to identify actual and potential negative impacts across all its operational sites, and products and services in its supply chain. This could be, for example, because the organization has diverse or multiple global operations or because its supply chain comprises many entities. In such cases, the organization may carry out an initial assessment or scoping exercise to identify general areas across its operational sites and products and services in its supply chain (e.g., product lines, suppliers located in specific geographic locations) where negative impacts are most likely to be present and significant.

Once the organization has conducted the initial assessment or scoping exercise, it can identify and assess actual and potential negative impacts for these general areas.

Activities undertaken by organizations lead to direct drivers of biodiversity loss (hereafter direct drivers). These direct drivers can in turn lead to impacts on biodiversity and related ecosystem services. To identify which activities in its operations and supply chain are likely to have the most significant impacts on biodiversity, the organization can use the following:

- The ENCORE tool and the SBTN Materiality Screening Tool[1] provide ratings of materiality for direct drivers associated with different activities.
- The SBTN High Impact Commodity List[2] shows the direct drivers commonly associated with the production of the high-impact commodities on the list.

The organization can also prioritize products that are or contain threatened species listed in the IUCN Red List of Threatened Species or species listed in the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) Appendices[3].

Geographic location

Activities that occur in different geographic locations can have different impacts on biodiversity, depending on factors such as the sensitivity of the local ecosystem, the presence of threatened species, or people's reliance on a natural resource. Information on the location of the organization's operational sites, and its suppliers' activities and their proximity to ecologically sensitive areas, helps understand where these activities could be particularly harmful to biodiversity.

The organization should assess which of its operational sites are in or near ecologically sensitive areas. If the organization has information about the location of its suppliers, it can also assess which of those suppliers are in or near ecologically sensitive areas. See Disclosure 101-5 and Table 1 in the Appendix for more information on ecologically sensitive areas.

The organization can refer to the Scoping and Locate phase of the *Taskforce on Nature-related Financial Disclosures (TNFD) Guidance on the identification and assessment of nature-related*

[1] The scores generated by the SBTN Materiality Screening Tool are calculated using the ENCORE impact materiality database. The scores reflect a high-level understanding of impacts at a global or non-spatially explicit level and are expressed as a sectoral average or typical impact profile of an organization in the given sector.

[2] SBTN defines high-impact commodities as raw and value-added materials used in economic activities that are known to have material links to the key drivers of biodiversity loss, resource depletion, and ecosystem degradation.

[3] Species+ contains information on all species that are listed in the CITES Appendices [52].

issues: The LEAP approach [41] for more guidance on locating where impacts are most likely to be present and significant.

Identification of the most significant impacts

To identify and assess the significance of its impacts on biodiversity, the organization should identify and measure the direct drivers associated with the activities in its operations and its supply chain, as well as identify and measure the changes to the state of biodiversity. It can also identify changes in the provision of ecosystem services.

If no primary data is available, the organization can estimate the direct drivers and changes to the state of biodiversity. The indicators in Disclosure 101-6 can be used to measure the direct drivers (e.g., the size of the natural ecosystem converted, or the quantity of the pollutants generated). See Disclosures 101-7 for more information on changes to the state of biodiversity.

To determine which of the impacts are most significant, the organization should assess the severity and likelihood of the impacts. The severity of a negative impact is determined by the following characteristics:

- Scale: how grave the impact is.
- Scope: how widespread the impact is, for example, the number of species affected or the extent of ecosystem damage.
- Irremediable character: how hard it is to counteract or make good the resulting harm.

Any of the three characteristics (scale, scope, and irremediable character) can make an impact severe.

The contribution to the direct drivers, the proximity to ecologically sensitive areas, and the changes to the state of biodiversity can make the severity and likelihood of an impact on biodiversity greater. For example, when an operational site or supplier is in or near an ecologically sensitive area, it can increase the likelihood of an impact on biodiversity. When an operational site or supplier is in or near an ecosystem close to a tipping point, or where threatened species are present, it can increase the severity of an impact on biodiversity, for example, because the impact would result in irremediable harm.

See section 1 in *GRI 3: Material Topics 2021* for more guidance on assessing the significance of impacts. For more guidance on how to identify biodiversity impacts, the organization can use the following sources:

- Aligning accounting approaches for nature (Align) Recommendations and implementation guidance;
- Natural Capital Protocol from the Natural Capital Coalition;
- Science Based Targets Network (SBTN) Technical Guidance: Step 1: Assess;
- The Evaluate phase of the TNFD LEAP approach.

Methodologies

Where possible, the organization should use primary data to identify its operational sites and products and services in its supply chain with the most significant impacts on biodiversity (e.g., using data collected through field or supplier surveys or derived from satellite imagery).

The organization can use secondary or modeled data when primary data is unavailable (e.g., data layers on ecosystem extent and condition, life cycle impact assessments). For example, the organization can use secondary data to identify and measure changes to the state of biodiversity. In such a case, geospatial data layers can be overlaid with geographic location data to reflect the size and condition of ecosystems or identify species that may be present at specific sites. For example, the WWF Biodiversity Risk Filter[4] [57] provides information on the ecosystem condition in different locations and the direct drivers most likely to be present and significant for an organization's or its suppliers' activities.

[4] The WWF Biodiversity Risk Filter includes over 50 global datasets on biodiversity, which provide information on a sector's potential contributions to direct drivers of biodiversity loss, proximity to ecologically sensitive areas, and the state of biodiversity (species and ecosystems).

Secondary data may be appropriate to gain initial information about an organization's impacts on biodiversity across its operational sites and products and services in its supply chain. Once the operational sites and products and services in its supply chain with the most significant impacts have been identified, the organization may collect primary data for those operational sites and products and services in its supply chain.

The organization should use precise locations to assess the proximity to ecologically sensitive areas and to assess the changes to the state of biodiversity.

For products and services in its supply chain, the organization can use sourcing regions or countries if it does not know the precise locations of its suppliers. The organization can also use life cycle assessment tools, pressure or impact assessment tools, and global trade datasets to make assumptions about likely locations, which are usually countries associated with its supply chain (e.g., the soy used in its products is likely to come from the United States, Brazil, or Argentina).

The organization can use the data it has collected on the direct drivers, the proximity to ecologically sensitive areas, and the changes to the state of biodiversity to identify its impacts on biodiversity for reporting the information required under Disclosures 101-5 to 101-8.

See references [14], [20], [26], [32], [35], [36], [38], [41], [48], [49], [51] and [57] in the Bibliography.

Disclosure 101-5 Locations with biodiversity impacts

REQUIREMENTS

The organization shall:

a. report the location and size in hectares of its operational sites with the most significant impacts on biodiversity;

b. for each operational site reported under 101-5-a, report whether it is in or near an ecologically sensitive area, the distance to these areas, and whether these are:

i. areas of biodiversity importance;

ii. areas of high ecosystem integrity;

iii. areas of rapid decline in ecosystem integrity;

iv. areas of high physical water risks;

v. areas important for the delivery of ecosystem service benefits to stakeholders;

c. report the activities that take place in each operational site reported under 101-5-a;

d. report the products and services in its supply chain with the most significant impacts on biodiversity and the countries or jurisdictions where the activities associated with these products and services take place.

GUIDANCE

This disclosure provides information about the locations of the organization's operational sites with the most significant impacts on biodiversity. It also provides information on the location of the activities associated with the products and services in its supply chain with the most significant impacts on biodiversity. The operational sites and products and services with the most significant impacts on biodiversity are identified under Disclosure 101-4. These operational sites and products and services are the focus of Disclosure 101-2 and Disclosures 101-5 to 101-8 of this Standard.

If available, the organization can additionally report the information for entities downstream in its value chain with the most significant impacts on biodiversity.

For an example of how to present information on requirements in Disclosure 101-5, see Tables 3 and 4 in the Appendix.

Guidance to 101-5-a

The organization should use polygon outlines or maps to report on the location of its operational sites with the most significant impacts on biodiversity. A polygon is a geographic feature defined by a series of grid references, points, or vertices connected to form an enclosed shape. If available, the organization can also report the names and coordinates of its operational sites.

Providing the coordinates for the operational sites of transport and fishing activities may not be possible. In these cases, the organization can report departure and arrival locations and transport routes for transport activities. For fishing activities, it can report FAO major fishing areas and subareas.

See reference [18] in the Bibliography.

Guidance to 101-5-b

The Taskforce on Nature-related Financial Disclosures (TNFD) defines ecologically sensitive areas as areas of biodiversity importance, areas of high ecosystem integrity, areas of rapid decline in ecosystem integrity, areas of high physical water risks, and areas important for the delivery of ecosystem service benefits to stakeholders.

The organization can consult the criteria listed in Table 1 in the Appendix to identify ecologically sensitive areas. An area is ecologically sensitive when it meets one or more criteria.

For more guidance and examples of tools to identify ecologically sensitive areas, see the *TNFD Guidance on the identification and assessment of nature-related issues: The LEAP approach* [41], pages 57-63.

An operational site is in an ecologically sensitive area when it is completely or partially located in the ecologically sensitive area. An operational site is near an ecologically sensitive area when the ecologically sensitive area falls within the area affected or potentially affected (sometimes referred to as the area of influence) or within the radius set by the organization. The organization can use a radius if it cannot identify the area affected or potentially affected by its activities. If the organization uses a radius, it should explain this and report the distance of the radius used.

The organization is required to report the distance only in cases where the operational site is near an ecologically sensitive area.

The organization should report the size in hectares of the ecologically sensitive areas within its operational sites.

The organization can also report polygon outlines, or maps of the ecologically sensitive areas and overlay them with the polygon outlines or maps of its operational sites.

The organization can also report the percentage of operational sites in or near ecologically sensitive areas. This information provides a high-level understanding of the significance of biodiversity across the organization's operations.

The percentage of operational sites in or near ecologically sensitive areas is calculated using the following formula:

$$\frac{\text{Number of operational sites in or near ecologically sensitive areas}}{\text{Total number of operational sites}} \times 100$$

See references [18] and [41] in the Bibliography.

Guidance to 101-5-b-i

The organization should specify whether the areas of biodiversity importance are:

- protected through legal or other effective means;
- scientifically recognized for their importance to biodiversity;
- important for species;
- important for ecosystems; or
- important for ecological connectivity.

See Table 1 in the Appendix for more information on areas of biodiversity importance.

Bibliography**Guidance to 101-5-d**

Where possible, the organization should also report the location within the country or jurisdiction (e.g., state, city, Exclusive Economic Zone) or a precise location, such as polygon outlines or maps. The organization can report departure and arrival locations and transport routes for transport activities. For fishing activities, it can report FAO major fishing areas and subareas.

For each product and service with the most significant impacts on biodiversity, the organization should describe the level of traceability in place, for example, whether the product or service can be traced to the national, regional, or local level, or a specific point of origin (e.g., farms). The organization can also report the volume sourced or the amount spent on each product and service.

If available, the organization should also report the information on ecologically sensitive areas required by 101-5-b for the products and services in its supply chain with the most significant impacts on biodiversity.

If the products in its supply chain are or contain high-impact commodities[5], the organization can report the quantity of each high-impact commodity sourced (e.g., tons of avocado) and the proportion of total high-impact commodities sourced. This information provides a high-level understanding of the significance of biodiversity across products in the organization's supply chain. The organization can use the SBTN High Impact Commodity List to identify whether it sources products that are or contain high-impact commodities.

The proportion of total high-impact commodities sourced is calculated using the following formula:

$$\frac{\text{Quantity of high-impact commodity sourced}}{\text{Quantity of total high-impact commodities sourced}}$$

See references [18] and [35] in the Bibliography.

[5] SBTN defines high-impact commodities as raw and value-added materials used in economic activities that are known to have material links to the key drivers of biodiversity loss, resource depletion, and ecosystem degradation.

Disclosure 101-6 Direct drivers of biodiversity loss

REQUIREMENTS

The organization shall:

a. for each operational site reported under 101-5-a where its activities lead to land and sea use change, report:

i. the size in hectares of natural ecosystem converted since a cut-off or reference date, the cut-off date or reference date, and the type of ecosystem before and after conversion;

ii. the size in hectares of land and sea converted from one intensively used or modified ecosystem to another during the reporting period, and the type of ecosystem before and after conversion;

b. for each operational site reported under 101-5-a where its activities lead to the exploitation of natural resources, report:

i. for each wild species harvested, the quantity, the type, and extinction risk;

ii. water withdrawal and water consumption in megaliters;

c. for each operational site reported under 101-5-a where its activities lead to pollution, report the quantity and the type of each pollutant generated;

d. for each operational site reported under 101-5-a where its activities lead to the introduction of invasive alien species, describe how invasive alien species are or may be introduced;

e. for each product and service in its supply chain reported under 101-5-d, report the information required under 101-6-a, 101-6-b, 101-6-c, and 101-6-d, with a breakdown by country or jurisdiction;

f. report contextual information necessary to understand how the data has been compiled, including standards, methodologies, and assumptions used.

GUIDANCE

This disclosure provides an understanding of the direct drivers of biodiversity loss (hereafter the direct drivers) leading to the most significant impacts. The organization should additionally report the information on the direct drivers for its downstream value chain.

According to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), direct drivers are the drivers that 'unequivocally influence biodiversity and ecosystem processes'. Direct drivers are sometimes referred to as 'pressures' or 'impact drivers'. The IPBES global assessment has identified land and sea use change and the exploitation of natural resources as the main direct drivers, followed by climate change, pollution, and the introduction of invasive alien species. These direct drivers can also lead to the fragmentation and degradation of ecosystems. See Box 2 for more information on direct drivers of biodiversity loss.

Information on the direct drivers informs decisions on prioritizing actions to manage biodiversity-related impacts by applying the mitigation hierarchy. See Disclosure 101-2 for more information on the mitigation hierarchy. The organization's actions to mitigate direct drivers are reported under Disclosure 101-2.

Through its activities, an organization can use natural resources for its production processes (e.g., sand used in a construction project) or produce non-product outputs (e.g., pollutants or greenhouse gas emissions). These activities, responsible for the direct drivers of biodiversity loss, can have negative impacts on biodiversity.

The organization needs to report only the information for the direct drivers relevant to its activities and its supply chain. Direct drivers can vary by location. For example, in addition to operational site A, the same organization has activities in another operational site (site B) responsible for exploiting

natural resources. In this case, the organization must report the information on exploiting natural resources for site B (not site A).

For an example of how to present information on requirements in Disclosure 101-6, see Tables 3 and 4 in the Appendix.

See references [32], [43] and [45] in the Bibliography.

Box 2. Direct drivers of biodiversity loss

Land and sea use change

Land and sea use change refers to how humans use and manage land and seascapes, which may lead to a change in land and sea cover. These are changes to terrestrial and aquatic ecosystems, including freshwater and marine ecosystems. Examples of changes in the use of freshwater ecosystems are the construction of a hydropower dam in a river or the drainage of a wetland for urban settlements. Land and sea use change results from the conversion of natural, intensively used, or other modified ecosystems into another ecosystem.

Exploitation of natural resources

The exploitation of natural resources encompasses the harvest of wild organisms (animal, fungi, and plant species) and the exploitation of water.

The exploitation of wild species can lead to their extinction. Some of the most exploited species include marine fish, invertebrates, and trees. Various species are hunted for bushmeat and harvested for use in the medicinal or pet trade. Unsustainable water use can lead to loss, fragmentation, and degradation of species habitats, reduce the availability of food and water for species, as well as disrupt the functioning of ecosystems.

Climate change

Climate change is a direct driver as it alters species' distribution, functioning, and interactions, reducing ecosystems' capacity to adapt. Climate change leads to changes in temperatures and weather patterns that, in turn, can affect species (e.g., by reducing habitats and food supply, and altering migration patterns and breeding seasons). Sea level rise and ocean acidification also negatively affect marine organisms.

The greenhouse gas (GHG) emissions from a particular operational site may not lead to biodiversity loss in the direct vicinity of the site but contribute to climate change that drives biodiversity loss. Therefore, an organization's GHG emissions and those from other organizations contribute to climate change as a global direct driver of biodiversity loss.

This disclosure does not require information on climate change. An organization's GHG emissions can be reported under Disclosures 305-1, 305-2, and 305-3 in *GRI 305: Emissions 2016*.

Pollution

Air, water, and soil pollutants include substances (e.g., heavy metals, pesticides, solid waste) and other pollutants such as heat, light, noise, or vibrations.

Emission of pollutants can affect ecosystems and species. The toxicity and persistence of some pollutants can affect species' health (e.g., with immune, reproductive, neurotoxic, or carcinogenic effects). Pesticides and insecticides lead to the decline of pollinators and other species. Waste not properly disposed of can lead to leaks of hazardous substances into the environment, while plastic litter accumulates in soil and affects marine species through entanglement and ingestion. Light and noise can disrupt wildlife species' breeding or migration behavior, resulting in a population decline.

Invasive alien species

Invasive alien species are animals, plants, and other organisms that are introduced, accidentally or deliberately by humans, to an area outside of their natural geographical range and cause negative impacts on local biodiversity. Invasive alien species negatively affect biodiversity as they often lack predators in their new environment, allowing them to spread, become established and abundant. They can carry diseases, outcompete or prey on native species, alter food chains, and change ecosystems by, for example, altering soil composition or creating habitats that are vulnerable to wildfires. These impacts can lead to the extinction of species.

Guidance to 101-6-a

The organization should report which ecosystem classification it uses to identify the types of ecosystems converted. The organization can report ecosystem types using the biomes or ecosystem functional groups in the IUCN Global Ecosystem Typology.[6] Alternatively, the organization can report according to another global classification, national classification, or register. If the organization cannot use ecosystem classifications, it can utilize land use classifications (e.g., Globio land use categories).

See reference [28] in the Bibliography.

Guidance to 101-6-a-i

The Accountability Framework initiative defines natural ecosystem as an ecosystem that substantially resembles – in terms of species composition, structure, and ecological function – one that is or would be found in a given area without major human impacts. It includes human-managed ecosystems where much of the natural species composition, structure, and ecological function are present. Natural ecosystem conversion is the human-induced change of a natural ecosystem to another use or profound change in an ecosystem's species composition, structure, or function. It can include severe degradation or introducing management practices that lead to substantial and sustained change in the ecosystem's former species composition, structure, or function.

Natural ecosystem conversion is measured from a cut-off date[7] associated with an organization's policy related to natural ecosystem conversion (e.g., deforestation-free policy). If the organization does not have such policy in place, it should select a reference date to measure natural ecosystem conversion. For instance, if 2015 has been set as a cut-off date or reference date, the organization reports the size of the ecosystem converted from 2015 until the reporting period. Common cut-off dates apply to organizations operating in the same or similar context. They support the monitoring, verification and management of natural ecosystem conversion, including in supply chains. Cut-off dates can, therefore, be selected based on sector-wide or regional cut-off dates (e.g., the 2008 cut-off date from the Brazil Soy Moratorium) or those specified in certification programs (e.g., Forest Stewardship Council), legislation (e.g., EU regulation on deforestation-free products), or voluntary initiatives (e.g., Science Based Targets for Nature). Cut-off dates may differ between commodities and regions. More guidance can be found in the *Accountability Framework initiative Operational Guidance on Cutoff Dates* [5].

The organization should explain why it has determined the cut-off or reference dates as appropriate.

See reference [5] and [56] in the Bibliography.

Guidance to 101-6-a-ii

Intensively used and other modified ecosystems are ecosystems where human activity has substantially modified an area's primary ecological functions and species composition to ecosystems dominated by agriculture, urban, and other industrial activities. Intensively used ecosystems are those covered by the biomes intensive land-use systems (T7) in the IUCN Global Ecosystem Typology. Other modified ecosystems include anthropogenic subterranean freshwaters (SF2), artificial freshwaters (F3), anthropogenic marine systems (M4), and anthropogenic shorelines (MT3).

See reference [28] in the Bibliography.

[6] Other ecosystem classifications are aligned with the IUCN Global Ecosystem Typology. These include the SEEA Ecosystem Type Reference Classification [42] and the TNFD list of environmental assets [46].

[7] The Accountability Framework Initiative defines cut-off date as the date after which natural ecosystem conversion, which may include deforestation, renders a given area or production unit non-compliant with no-conversion or no-deforestation commitments. A reference date is defined as the date from which natural ecosystem conversion associated with a given area or supply chain is measured or managed.

Guidance to 101-6-b-i

Harvesting wild species involves gathering, catching, or hunting wild organisms (animal, fungi, and plant species) by the organization, including those incidentally taken.

The organization can report if the species are listed in one of the CITES Appendices. It can also report if the species are harvested from ecologically sensitive areas (e.g., from a Key Biodiversity Area, which aims to protect or conserve the harvested species).

To report on the extinction risk of a species, the organization can use information from the IUCN Red List of Threatened Species.

See references [14] and [26] in the Bibliography.

Guidance to 101-6-b-ii

The organization should use information reported under Disclosures 303-3 Water withdrawal and 303-5 Water consumption in *GRI 303: Water and Effluents 2018*[8] to report water withdrawal and water consumption for each operational site.

Guidance to 101-6-c

The organization is only required to report the type and quantity of pollutants that lead or could lead to the most significant impacts on biodiversity.

To report on air pollution, the organization should use, where relevant, information reported under Disclosure 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions in *GRI 305: Emissions 2016* for:

- NO_x;
- SO_x;
- Persistent organic pollutants (POP);
- Volatile organic compounds (VOCs);
- Hazardous air pollutants (HAP);
- Particulate matter (PM);
- Other standard categories of air emissions from relevant regulations.

To report on water and soil pollution, the organization should use, where relevant, information reported under:

- Disclosure 303-4 Water discharge in *GRI 303: Water and Effluents 2018* to have information on priority substances of concern that may cause water pollution (e.g., those leading to eutrophication).
- Disclosure 306-3 Significant spills in *GRI 306: Effluents and Waste 2016*.

For heat, light, noise, or vibration pollution, the organization should report instances that do not comply with legal requirements for permitted pollution levels.

Guidance to 101-6-d

Non-invasive alien species are not required to be reported under 101-6-d.

Invasive alien species can be introduced accidentally (e.g., transport, discharge of ballast waters) or on purpose (e.g., for pest control, horticulture, pets, zoological gardens, and aquaria). The organization should report the species that are or may be introduced. For example, an organization

[8] The disclosures in *GRI 303: Water and Effluents 2018*, *GRI 305: Emissions 2016*, and *GRI 306: Effluents and Waste 2016* (Disclosure 306-3 Significant spills) do not require information to be reported by operational site; they require aggregate information. The organization can refer to the original data sources used to compile the information for these disclosures to obtain the data by operational site.

imports ornamental plants to new areas, which may threaten local biodiversity. A maritime shipping organization may introduce shellfish, crustaceans, and other species to new areas through contaminated ballast water or encrusted organisms on ships. It can also inadvertently introduce other species, such as insects and rodents, through the transport of goods.

National regulations define which species are considered invasive alien species in a particular country. The Global Invasive Species Database and Global Register of Introduced and Invasive Species also provide information on invasive alien species.

The organization can also describe how those species affect or may affect surrounding species and ecosystems.

Guidance to 101-6-e

It may not be feasible for the organization to obtain primary data on direct drivers from suppliers. In such a case, the organization can estimate the direct drivers using multi-regional input-output models and lifecycle impact assessments in combination with data on the volume or amount spent on products and services. Multi-regional input-output models can provide estimates of the environmental inputs (e.g., water use) and outputs (e.g., air emissions) associated with the products and services in its supply chain. See *Aligning accounting approaches for nature (Align) Measuring and valuing biodiversity across supply chains* [48] for more information on the methodologies and data to measure direct drivers in supply chains.

If the organization cannot report the size of the natural ecosystem converted for the products in its supply chain, it can report, for each product, the percentage of sourced volume determined to be deforestation- or conversion-free and describe the assessment methods used. For example, out of 100 tons of soy sourced, an organization has determined that 90% is deforestation-free. Assessment methods can include monitoring, certification, sourcing from low-risk jurisdictions with no or negligible recent conversion, or sourcing from verified suppliers. To be deemed conversion- or deforestation-free, products must be assessed as not causing or contributing to natural ecosystem conversion, including deforestation, after an appropriate cut-off date.

See reference [48] in the Bibliography.

Guidance to 101-6-f

The organization should use primary data to report information on the direct drivers where possible. When primary data is unavailable, the organization can use secondary or modeled data (e.g., lifecycle impact assessments). However, such data are less accurate and may not reflect the effectiveness of actions to manage the organization's impacts.

The organization should explain which information draws on primary, secondary, or modeled data, as well as any limitations of methodologies and data used. When reporting secondary or modeled data, the organization should report which datasets it used and if it plans to improve the accuracy of data.

Disclosure 101-7 Changes to the state of biodiversity

REQUIREMENTS

The organization shall:

a. for each operational site reported under 101-5-a, report the following information on affected or potentially affected ecosystems:

i. the ecosystem type for the base year;

ii. the ecosystem size in hectares for the base year;

iii. the ecosystem condition for the base year and the current reporting period;

b. report contextual information necessary to understand how the data has been compiled, including standards, methodologies, and assumptions used.

GUIDANCE

This disclosure provides information about the changes in the condition of the ecosystem affected or potentially affected by the organization.

The state of biodiversity is the holistic quality of the components of biodiversity (genes, species, and ecosystems), and is a function of the condition and size of its component. This disclosure focuses on the condition and size of affected ecosystems. By reporting this information for the base year and the current reporting period, the organization provides information about the ecosystem's overall health over time.

Changes in the state of biodiversity may reflect the cumulative impacts of the organization's activities and the activities of others, such as governments, local communities, or other organizations. It is not always possible to determine how much of the change in the state of biodiversity is due to the activities of the organization or others. However, the information reported under this disclosure, together with Disclosure 101-6, helps to understand the organization's actual and potential impacts on biodiversity and can inform the management of these impacts.

The organization should report information on changes to the state of biodiversity for each product and service reported under 101-5-d by country or jurisdiction. It should also report this information for its downstream value chain.

The organization can organize the information on the state of biodiversity into structured biodiversity accounts. Biodiversity accounts enable more accurate monitoring of gains and losses of biodiversity over time. A core component of biodiversity accounts is the compilation of an asset inventory for each ecosystem type so that gains in one type do not compensate for losses in another. They are also useful in tracking progress against targets to halt and reverse biodiversity loss. See the *Endangered Wildlife Trust Biological Diversity Protocol* [16] for more information on biodiversity accounts.

For an example of how to present information on requirements in Disclosure 101-7, see Table 3 in the Appendix.

See references [16] and [46] in the Bibliography.

Guidance to 101-7-a

When reporting information on the affected or potentially affected ecosystems, the organization should consider all ecosystem types in the area that is or could be affected by its activities, including beyond its operational sites, if relevant. The state of the overall ecosystem, which extends beyond the areas affected by the organization, is not required for reporting. For example, an organization that owns a soy plantation in the Amazon is required to report information on the type, size, and condition of the affected part of the ecosystem rather than reporting on the entire Amazon region.

The base year is when the organization collects baseline information on the ecosystem type, size, and condition. The base year may be the start of an organization's activities, the date from which it

owned, leased, or managed a particular site, or when it committed to halt and reverse biodiversity loss.

Baseline information can be collected through environmental impact assessments, which provide information on the condition of and trends in biodiversity in a particular area before an organization's activities start. For more information on best practices to conduct baseline studies, see references [23] and [25] in the Bibliography.

The organization should report the base year. It should report how it has determined the base year and baseline information under 101-7-b.

The size and condition of an affected ecosystem can be combined into one unit: condition-adjusted area. This is the size of the ecosystem adjusted for its condition, and the unit (e.g., equivalent hectares) represents the residual condition within that area. The organization can also report impacts on affected ecosystems using condition-adjusted hectares. See *Align Measuring Ecosystem Condition – A primer for business* [50] and the *Endangered Wildlife Trust Biological Diversity Protocol* [16] for more information on condition-adjusted areas.

See references [16], [23], [25] and [50] in the Bibliography.

Guidance to 101-7-a-i

The organization should report which ecosystem classification it uses to identify the types of ecosystems. The organization can report ecosystem types using the biomes or ecosystem functional groups in the IUCN Global Ecosystem Typology.[9] Alternatively, the organization can report according to another global classification, national classification, or register. If the organization cannot use ecosystem classifications, it can use land use classifications (e.g., Globio land use categories) instead.

See reference [28] in the Bibliography.

Guidance to 101-7-a-ii

Ecosystem size, also referred to as ecosystem extent, is the area coverage of the ecosystem that is affected or potentially affected by the organization's activities. This is a fixed area over which the condition of the ecosystem is measured over time.

See reference [51] in the Bibliography.

Guidance to 101-7-a-iii

Ecosystem condition is the quality of an ecosystem measured by its living and non-living characteristics against a reference condition[10]. Living and non-living characteristics include:

- the ecosystem's composition, function, and structure;
- the landscape characteristics (e.g., connectivity); and
- the physical and chemical state characteristics (e.g., soil structure and soil nutrient levels).

Ecosystem condition can also provide information on the ecosystem's capacity to supply ecosystem services now and in the future.

The activities of the organizations may degrade the condition of affected ecosystems through the direct drivers of biodiversity loss. For example, the emission of pollutants, partial deforestation, or water withdrawal in an area with water stress, may affect the ecosystem's structure, composition, or function. If land and sea use change is the primary direct driver of biodiversity loss, the activities of an organization lead to the conversion of an ecosystem into a different type of ecosystem. In this case, the conversion of the ecosystem results in a complete reduction in ecosystem condition.

Methods to measure ecosystem condition should reflect the relevant characteristics of the ecosystem. The organization can use methods that directly measure characteristics or estimate

[9] Other ecosystem classifications are aligned with the IUCN Global Ecosystem Typology. These include the SEEA Ecosystem Type Reference Classification and the TNFD list of environmental assets.

[10] A reference condition is used to calibrate the measurement of ecosystem condition over time. It differs from a baseline, which is the condition of the ecosystem for the base year. See *Align Measuring Ecosystem Condition – A primer for business* [50] for more information on reference condition.

ecosystem conditions based on direct drivers. These methods can be specific to certain types of ecosystems (e.g., types of wetlands or forests) or applicable to different ecosystem types (i.e., applicable across terrestrial, freshwater, or marine realms). See Table 2 in the Appendix for examples of methods to measure or estimate ecosystem condition. See *Align Measuring Ecosystem Condition – A primer for business* [50] and *Taskforce on Nature-related Financial Disclosures (TNFD) Guidance on the identification and assessment of nature-related issues: The LEAP approach* [41] for more information on how to measure ecosystem condition.

If the organization monitors the condition of affected or potentially affected ecosystems at a frequency different from its sustainability reporting frequency, it should report the most recent information and does not need additional measurement to meet the requirement.

See references [41], [46], [50] and [51] in the Bibliography.

Guidance to 101-7-b

The organization should use primary data to report on direct drivers where possible (e.g., data collected through field surveys, eDNA, or derived from satellite imagery).

When primary data is unavailable, the organization can use secondary or modeled data (e.g., data layers on ecosystem extent and condition, life cycle impact assessments). Modeled data are issued from models that quantify how the different direct drivers affect the state of biodiversity. These models use globally collected data, and the results are applied locally to estimate how the organization's activities can lead to ecosystem changes. They include geospatial data layers that can be used to identify changes in the size and condition of ecosystems, such as the level of habitat fragmentation and connectivity, or identify species that may be present at specific sites.

The organization should explain which information draws on primary, secondary, or modeled data, as well as any limitations of methodologies and data used. When reporting secondary or modeled data, the organization should report which datasets it has used and if it plans to improve the accuracy of data.

Guidance to 101-7

The organization should additionally report information on affected or potentially affected species for the operational sites reported under 101-5-a. The organization can report the species, its extinction risk, and population size for the baseline and current reporting period.

The extinction risk measures the threat status of a species and how an organization's activities may affect the threat status. The global, regional, and national IUCN Red Lists can be used to determine the species extinction risk (i.e., Critically Endangered, Endangered, Vulnerable, Near Threatened, and Least Concern). Change in the available species habitat can potentially be used as a proxy to measure impact on local or global extinction risk, noting that other factors can drive extinction risk (e.g., hunting, climate change).

Population size measures the number of individuals of a species within an area. It can be measured by the number of mature individuals or the number of breeding pairs. When the population size is unavailable, trends in relative population abundance or in species area of habitat can be used as a proxy.

The organization can report information for the following species:

- Species whose local or overall populations have or could be changed significantly.
- Species that are legally protected by local, national, or international laws and conventions (e.g., species listed in one of the CITES Appendices).
- Species that are recognized as a priority species at the local, national, or international level (e.g., species listed as threatened on the international IUCN Red List or species that trigger a Key Biodiversity Area designation).
- Species that have a critical role in the ecosystem (e.g., keystone species).
- Species that have a significant cultural or economic role for stakeholders (e.g., hunting, harvesting, pollination).

See references [26] and [51] in the Bibliography.

Disclosure 101-8 Ecosystem services

REQUIREMENTS

The organization shall:

a. for each operational site reported under 101-5-a, list the ecosystem services and beneficiaries affected or potentially affected by the organization's activities;

b. explain how the ecosystem services and beneficiaries are or could be affected by the organizations' activities.

GUIDANCE

Ecosystem services occur through an ecosystem's normal functioning and can fall into one or more of the following categories:

- provisioning services;
- regulating and maintenance services; and
- cultural services.

Provisioning services contribute to benefits extracted or harvested from ecosystems. Examples are timber in a forest, freshwater from a river, and subsistence hunting. Regulating and maintenance services result from the ability of ecosystems to regulate biological processes and influence climate, hydrological, and biochemical cycles, thereby maintaining environmental conditions beneficial to people. An example is the role of forests in preventing soil erosion. Cultural services are the non-material benefits people (beneficiaries) obtain from ecosystems through spiritual enrichment, cognitive development, reflection, recreation, and aesthetic experiences. Examples are the recreational value of a forest and the cultural importance of a heritage landscape for a local community.

Biodiversity plays an important role in maintaining the quality, quantity, and resilience of ecosystem service flows, and it provides ecosystem services that beneficiaries rely upon now and into the future. The diversity of genes, species, and ecosystems provides a greater range of ecosystem service and higher overall quantity, quality, and resilience of ecosystem services and improves the capacity of ecosystems to function effectively. A change in the state of biodiversity can lead to changes in ecosystem services. This, in turn, can have an impact on the beneficiaries of these ecosystem services. For example, a decline in the number of bees caused by the organization's activities can lead to decreased pollination services. If the crops are not properly pollinated by the bees, the quality and quantity of the crops produced may be affected, reducing the available food for the local community that grows the crops.

This disclosure gives insight into the ecosystem services and beneficiaries affected or potentially affected by the organization's activities. The organization should also list the ecosystem services and beneficiaries affected or potentially affected by its suppliers' activities for each country or jurisdiction reported under 101-5-d and those affected by the activities of its downstream entities.

For an example of how to present information on requirements in Disclosure 101-8, see Table 3 in the Appendix.

See references [31] and [46] in the Bibliography.

Guidance to 101-8-a

Beneficiaries can include Indigenous Peoples, local communities, and other organizations. The reporting organization can also be one of the beneficiaries. The organization can report the number of beneficiaries when disclosing information for this requirement (e.g., 50 farmers located in the area).

The organization should describe the approach used to identify the ecosystem services reported under 101-8-a. The organization can explain if it engages with stakeholders to identify the ecosystem services and beneficiaries affected. It can also use the following methodologies and tools to identify ecosystem services:

- the ENCORE tool;

- the Natural Capital Protocol from the Natural Capital Coalition;
- the Taskforce on Nature related Financial Disclosures (TNFD) LEAP approach, which draws on the UN SEEA Ecosystem Accounting;
- the World Resources Institute (WRI) Corporate Ecosystem Services Review.

See references [20], [32], [41], [46] and [56] in the Bibliography.

Guidance to 101-8-b

The organization's activities may lead to an increase or decrease in the quality and quantity of ecosystem services. For example, the organization can explain that cutting trees in the forest has decreased food provisioning services, which has a negative impact on the local community that needs to find an alternative food source. In another example, the organization can explain that switching to agroforestry has resulted in an increase in soil erosion control services, which has a positive impact on the local community that will face fewer risks from flooding.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete *GRI Standards Glossary*. All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

base year

historical datum (such as year) against which a measurement is tracked over time

baseline

starting point used for comparisons

Note: In the context of energy and emissions reporting, the baseline is the projected energy consumption or emissions in the absence of any reduction activity.

business partner

entity with which the organization has some form of direct and formal engagement for the purpose of meeting its business objectives

Source: Shift and Mazars LLP, *UN Guiding Principles Reporting Framework*, 2015; modified

Examples: affiliates, business-to-business customers, clients, first-tier suppliers, franchisees, joint venture partners, investee companies in which the organization has a shareholding position

Note: Business partners do not include subsidiaries and affiliates that the organization controls.

business relationships

relationships that the organization has with business partners, with entities in its value chain including those beyond the first tier, and with any other entities directly linked to its operations, products, or services

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: Examples of other entities directly linked to the organization's operations, products, or services are a non-governmental organization with which the organization delivers support to a local community or state security forces that protect the organization's facilities.

catchment

area of land from which all surface runoff and subsurface water flows through a sequence of streams, rivers, aquifers, and lakes into the sea or another outlet at a single river mouth, estuary, or delta

Source: Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014; modified

Note: Catchments include associated groundwater areas and might include portions of waterbodies (such as lakes or rivers). In different parts of the world, catchments are also referred to as 'watersheds' or 'basins' (or sub-basins).

child

person under the age of 15 years, or under the age of completion of compulsory schooling, whichever is higher

Note 1: Exceptions can occur in certain countries where economies and educational facilities are insufficiently developed, and a minimum age of 14 years applies. These countries of exception are specified by the International Labour Organization (ILO) in response to a special application by the country concerned and in consultation with representative organizations of employers and workers.

Note 2: The ILO *Minimum Age Convention,* 1973, (No. 138), refers to both child labor and young workers.

effluent

treated or untreated wastewater that is discharged

Source: Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014

employee

individual who is in an employment relationship with the organization according to national law or practice

greenhouse gas (GHG)

gas that contributes to the greenhouse effect by absorbing infrared radiation

grievance

perceived injustice evoking an individual's or a group's sense of entitlement, which may be based on law, contract, explicit or implicit promises, customary practice, or general notions of fairness of aggrieved communities

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011

grievance mechanism

routinized process through which grievances can be raised and remedy can be sought

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to Disclosure 2-25 in *GRI 2: General Disclosures 2021* for more information on 'grievance mechanism'.

groundwater

water that is being held in, and that can be recovered from, an underground formation

Source: International Organization for Standardization. ISO 14046:2014. *Environmental management — Water footprint — Principles, requirements and guidelines*. Geneva: ISO, 2014; modified

human rights

rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: See Guidance to 2-23-b-i in *GRI 2: General Disclosures 2021* for more information on 'human rights'.

impact

effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

Note 2: See section 2.1 in *GRI 1: Foundation 2021* for more information on 'impact'.

Indigenous Peoples

Indigenous Peoples are generally identified as:

- tribal peoples in independent countries whose social, cultural and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations;
- peoples in independent countries who are regarded as Indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions.

Source: International Labour Organization (ILO), *Indigenous and Tribal Peoples Convention*,1989 (No. 169)

local community

individuals or groups of individuals living or working in areas that are affected or that could be affected by the organization's activities

Note: The local community can range from those living adjacent to the organization's operations to those living at a distance.

material topics

topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights

Note: See section 2.2 in *GRI 1: Foundation 2021* and section 1 in *GRI 3: Material Topics 2021* for more information on 'material topics'.

remedy / remediation

means to counteract or make good a negative impact or provision of remedy

Source: United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Examples: apologies, financial or non-financial compensation, prevention of harm through injunctions or guarantees of non-repetition, punitive sanctions (whether criminal or administrative, such as fines), restitution, restoration, rehabilitation

reporting period

specific time period covered by the reported information

Examples: fiscal year, calendar year

seawater

water in a sea or in an ocean

Source: International Organization for Standardization. ISO 14046:2014. *Environmental management — Water footprint — Principles, requirements and guidelines*. Geneva: ISO, 2014; modified

severity (of an impact)

The severity of an actual or potential negative impact is determined by its scale (i.e., how grave the impact is), scope (i.e., how widespread the impact is), and irremediable character (how hard it is to counteract or make good the resulting harm).

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified

United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012; modified

Note: See section 1 in *GRI 3: Material Topics 2021* for more information on 'severity'.

stakeholder

individual or group that has an interest that is affected or could be affected by the organization's activities

Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018; modified

Examples: business partners, civil society organizations, consumers, customers, employees and other workers, governments, local communities, non-governmental organizations, shareholders and other investors, suppliers, trade unions, vulnerable groups

Note: See section 2.4 in *GRI 1: Foundation 2021* for more information on 'stakeholder'.

supplier

entity upstream from the organization (i.e., in the organization's supply chain), which provides a product or service that is used in the development of the organization's own products or services

Examples: brokers, consultants, contractors, distributors, franchisees, home workers, independent contractors, licensees, manufacturers, primary producers, sub-contractors, wholesalers

Note: A supplier can have a direct business relationship with the organization (often referred to as a first-tier supplier) or an indirect business relationship.

supply chain

range of activities carried out by entities upstream from the organization, which provide products or services that are used in the development of the organization's own products or services

surface water

water that occurs naturally on the Earth's surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, and streams

Source: CDP, *CDP Water Security Reporting Guidance*, 2018; modified

sustainable development / sustainability

development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

third-party water

municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organizations involved in the provision, transport, treatment, disposal, or use of water and effluent

value chain

range of activities carried out by the organization, and by entities upstream and downstream from the organization, to bring the organization's products or services from their conception to their end use

Note 1: Entities upstream from the organization (e.g., suppliers) provide products or services that are used in the development of the organization's own products or services. Entities downstream from the organization (e.g., distributors, customers) receive products or services from the organization.

Note 2: The value chain includes the supply chain.

vulnerable group

group of individuals with a specific condition or characteristic (e.g., economic, physical, political, social) that could experience negative impacts as a result of the organization's activities more severely than the general population

Examples: children and youth; elderly persons; ex-combatants; HIV/AIDS-affected households; human rights defenders; indigenous peoples; internally displaced persons; migrant workers and their families; national or ethnic, religious and linguistic minorities; persons who might be discriminated against based on their sexual orientation, gender identity, gender expression, or sex characteristics

(e.g., lesbian, gay, bisexual, transgender, intersex); persons with disabilities; refugees or returning refugees; women

Note: Vulnerabilities and impacts can differ by gender.

waste

anything that the holder discards, intends to discard, or is required to discard

Source: United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989

Note 1: Waste can be defined according to the national legislation at the point of generation.

Note 2: A holder can be the reporting organization, an entity in the organization's value chain upstream or downstream (e.g., supplier or consumer), or a waste management organization, among others.

water consumption

sum of all water that has been withdrawn and incorporated into products, used in the production of crops or generated as waste, has evaporated, transpired, or been consumed by humans or livestock, or is polluted to the point of being unusable by other users, and is therefore not released back to surface water, groundwater, seawater, or a third party over the course of the reporting period

Source: CDP, *CDP Water Security Reporting Guidance*, 2018; modified

Note: Water consumption includes water that has been stored during the reporting period for use or discharge in a subsequent reporting period.

water stress

ability, or lack thereof, to meet the human and ecological demand for water

Source: CEO Water Mandate, *Corporate Water Disclosure Guidelines*, 2014

Note 1: Water stress can refer to the availability, quality, or accessibility of water.

Note 2: Water stress is based on subjective elements and is assessed differently depending on societal values, such as the suitability of water for drinking or the requirements to be afforded to ecosystems.

Note 3: Water stress in an area may be measured at catchment level at a minimum.

water withdrawal

sum of all water drawn from surface water, groundwater, seawater, or a third party for any use over the course of the reporting period

worker

person that performs work for the organization

Examples: employees, agency workers, apprentices, contractors, home workers, interns, self-employed persons, sub-contractors, volunteers, and persons working for organizations other than the reporting organization, such as for suppliers

Note: In the GRI Standards, in some cases, it is specified whether a particular subset of workers is required to be used.

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Appendix

Table 1. Criteria for identifying ecologically sensitive areas

Area	Criteria*
Biodiversity importance	**Areas protected through legal or other effective means** Geographically defined areas that are designated or regulated and managed to achieve specific conservation objectives. They include: • Protected areas [53]** (terrestrial, freshwater, and marine) according to local, national, regional, or international conventions and agreements. • Areas conserved through other effective area-based conservation measures (OECMs) [54]. Examples of protected areas and OECMs are Natural and mixed World Heritage sites [45], Wetlands designated under the Ramsar Convention on Wetlands of International Importance [34], and areas protected under regional seas agreements.
	Areas scientifically recognized for their importance to biodiversity • Key Biodiversity Areas (KBAs) [29]** – sites significantly contributing to global biodiversity in terrestrial, freshwater, and marine ecosystems. KBAs include Alliance for Zero Extinction sites, Important Bird and Biodiversity Areas, and Important Plant Areas. • Ecologically or Biologically Significant Marine Areas (EBSAs) [14] – special areas in the ocean supporting the healthy functioning of oceans and the many services they provide. • Important Marine Mammal Areas [30].
	Areas important for species Areas important for species include areas with: • threatened species [26]** (critically endangered, endangered, and vulnerable at global, national, or regional levels); • congregatory species; • migratory species; • range-restricted species; • endemic species.
	Areas important for ecosystems Areas important for ecosystems contain ecosystems that are rare or very localized, highly threatened, important for ecosystem connectivity, or associated with key evolutionary processes. For example, coastal upwellings and seamounts.
	Areas important for ecological connectivity Areas important for ecological connectivity include important ecological corridors, areas and routes important for seasonal migratory patterns, and

	areas that provide adaptive space for species to spread across a landscape in the face of changing environmental conditions.
High ecosystem integrity	Areas of high ecosystem integrity, both on a global scale and in comparison to the surrounding landscape, contain significant opportunities for preserving environmental assets and sustaining local and global ecosystem services.
Rapid decline in integrity	Areas of rapid decline in integrity are areas with declining resilience of ecosystem service provision, and that are potentially at risk of ecological tipping points. This could include areas that have declined to a low state of integrity.
Ecosystem service delivery importance	Examples of areas important for the delivery of ecosystem service benefits to stakeholders, including Indigenous Peoples and local communities, include: • areas in which healthy ecosystems and biodiversity support local livelihoods; • areas that have been traditionally owned, occupied, or otherwise used or acquired by Indigenous Peoples and local communities; • areas of biocultural importance to Indigenous Peoples and local communities; • areas in which healthy ecosystems and biodiversity support recreational and cultural services. Examples of areas of importance to Indigenous Peoples and local communities are: • Indigenous Peoples and Community Conserved Territories and Areas (ICCAs) [47]; • areas under customary management by Indigenous Peoples and local communities or subject to customary harvest; • FAO Globally Important Agricultural Heritage Systems [19] are agroecosystems inhabited by communities that have intricate relationships with their territory.
Water physical risk	Areas of known high physical water risk are areas with limited water availability, flooding, poor quality of water, and marine areas with high levels of land-based pollution.

* Criteria for identifying ecologically sensitive areas are defined by the *TNFD Guidance on the identification and assessment of nature-related issues: The LEAP approach* [41]. The WWF Biodiversity Risk Filter can be used to identify ecologically sensitive areas. The TNFD provides guidance on additional datasets than can be used to identify these areas.

** The World Database on Protected Areas, the World Database of Key Biodiversity Areas, and the IUCN Red List of Threatened Species can be accessed through the Integrated Biodiversity Assessment Tool (IBAT) [26] for identifying protected areas, KBAs, and areas with threatened species respectively.

Table 2. Methods to measure or estimate ecosystem condition

Methods	Ecosystem type-specific methods	Methods applicable to different types of ecosystems
Direct measurement of ecosystem condition	Live coral cover Forest canopy density Water quality maintenance	Measured Mean Species Abundance Species diversity Primary productivity of an ecosystem
Estimation of ecosystem condition	Forest Landscape Integrity Index	Ecosystem Integrity Index Mean Species Abundance Potentially Disappeared Fraction

Source: *Align Measuring ecosystem condition – a primer for business* [50].

Table 3. Example template for presenting information related to an organization's operational sites for Disclosures 101-5, 101-6, 101-7, and 101-8

Table 3 offers an example of how to present information related to an organization's operational sites for Disclosures 101-5, 101-6, 101-7, and 101-8. The organization can amend the table according to its practices by reporting additional information.

					Site 1	Site N
Operational sites (101-5-a, 101-5-c)				**Location***		
				Size (Ha)		
				Activities		
Ecologically sensitive areas in or near the operational sites (101-5-b)				**Whether the site is in or near an ecologically sensitive area**		
				Distance**		
				Type***		
Direct drivers of biodiversity loss******	**Land and sea use change**	**Natural ecosystem conversion (101-6-a-i)**		**Size of ecosystem converted (Ha)**		
				Cut-off date or base year		
				Ecosystem type before conversion		
				Ecosystem type after conversion		
		Conversion from one intensively used or modified ecosystem to another (101-6-a-ii)		**Size of ecosystem converted (Ha)**		
				Ecosystem type before conversion		
				Ecosystem type after conversion		
	Exploitation of natural resources	**Wild species (101-6-b-i)**	**Wild species 1 [insert type]**	**Quantity******		
				Species extinction risk		
			Wild species 2 [insert type]	**Quantity**		
				Species extinction risk		
		Water (101-6-b-ii)		**Water withdrawal (ML)**		
				Water consumption (ML)		
	Pollution (101-6-c)	**Pollutant 1 [insert type]**		**Quantity******		
		Pollutant 2 [insert type]		**Quantity**		

	Invasive alien species (101-6-d)	**How invasive alien species are or may have been introduced**			
State of biodiversity	**Ecosystem 1 [insert type] (101-7-a-i)**	**Ecosystem size (Ha) (101-7-a-ii)**			
		Ecosystem condition (101-7-a-iii)	**Base year**		
			Reporting period		
	Ecosystem 2 [insert type] (101-7-a-i)	**Ecosystem size (Ha) (101-7-a-ii)**			
		Ecosystem condition (101-7-a-iii)	**Base year**		
			Reporting period		
Ecosystem services	**Ecosystem services (101-8-a)**				
	Beneficiaries (101-8-a)				

* If the organization uses polygon outlines or maps to report on the location of its operational sites, it can include a reference to the polygon outlines or maps in the 'Location' row.

** The organization is required to report the distance only in cases where the ecologically sensitive areas are near its operational sites.

*** The types of ecologically sensitive areas are: areas of biodiversity importance, areas of high ecosystem integrity, and areas important for delivering ecosystem service benefits to stakeholders.

**** The organization needs to report the information only for the direct drivers of biodiversity loss relevant to its activities.

***** The organization should specify the unit of measurement used.

Table 4. Example template for presenting information related to an organization's supply chain for Disclosures 101-5 and 101-6

Table 4 offers an example of how to present information related to an organization's supply chain for Disclosures 101-5 and 101-6. The organization can amend the table according to its practices by reporting additional information.

Products (101-5-d)	**Products and services**				Product 1 [insert name]		Service 1 [insert name]	
	Countries or jurisdictions				Country or jurisdiction 1 [insert name]	Country or jurisdiction N [insert name]	Country or jurisdiction 1 [insert name]	Country or jurisdiction N [insert name]
Direct drivers of biodiversity loss* (101-6-e)	**Land and sea use change**	**Natural ecosystem conversion**		**Size of ecosystem converted (Ha)**				
				Cut-off date or base year				
				Ecosystem type before conversion				
				Ecosystem type after conversion				
		Conversion from one intensively used or modified ecosystem to another		**Size of ecosystem converted (Ha)**				
				Ecosystem type before conversion				
				Ecosystem type after conversion				
	Exploitation of natural resources	**Wild species**	**Wild species 1 [insert type]**	**Quantity****				
				Species extinction risk				
			Wild species 2 [insert type]	**Quantity**				
				Species extinction risk				
		Water		**Water withdrawal (ML)**				
				Water consumption (ML)				

	Pollution	**Pollutant 1 [insert type]**	**Quantity****				
		Pollutant 2 [insert type]	**Quantity**				
	Invasive alien species	**How invasive alien species are or may have been introduced**					

* The organization needs to report the information only for the direct drivers of biodiversity loss relevant to its supply chain.

** The organization should specify the unit of measurement used.