



GRI Topic Standard Project for Biodiversity – Exposure draft

Comments to be received by 28 February 2023

This exposure draft of the revised GRI Biodiversity Topic Standard is published for public comment by the [Global Sustainability Standards Board \(GSSB\)](#), the independent standard-setting body of GRI. This exposure draft is intended to replace *GRI 304: Biodiversity 2016*.

Any interested party can submit comments on this draft by 28 February 2023 via [this online questionnaire](#). As required by the [GSSB Due Process Protocol](#), only comments submitted in writing and in English will be considered. Comments will be published on the GRI website and considered a matter of public record. Instructions to submit comments are outlined on the first page of the online questionnaire.

An explanatory memorandum preceding the exposure draft summarizes the objectives of the project and the significant proposals contained within this exposure draft.

This draft is published for comment only and may change before official publication.

For more information, please visit the [GRI Standards webpage](#). For questions regarding the exposure draft or the public comment period, please send an email to biodiversity@globalreporting.org.

This document has been prepared by the GRI Standards Division and is made available to observers at meetings of the Global Sustainability Standards Board (GSSB). It does not represent an official position of the GSSB. Board positions are set out in the GRI Sustainability Reporting Standards. The GSSB is the independent standard setting body of GRI. For more information visit www.globalreporting.org.

1 Explanatory memorandum

2 This explanatory memorandum sets out the objectives for the review of [GRI 304: Biodiversity 2016](#),
3 the significant proposals contained in the exposure draft, and a summary of the GSSB's involvement
4 and views on the development of the draft.

5 Objectives for the project

6 The review of *GRI 304: Biodiversity 2016* aims to represent internationally agreed best practice and
7 align with recent developments and the relevant authoritative intergovernmental instruments in the
8 field of biodiversity.

9 As part of the [GSSB Work Program 2020-2022](#), the Global Sustainability Standards Board (GSSB)
10 identified the review of *GRI 304: Biodiversity 2016* as a priority project for commencement in 2021.
11 Since the GRI disclosures on biodiversity were last revised in 2006, the issue of biodiversity has
12 received significant attention in the global sustainable development agenda.

13 Biodiversity features as a key theme in the United Nations' 2030 Agenda for Sustainable
14 Development. Both governments and private sector organizations are being called upon to realize
15 Sustainable Development Goals (SDG) 14 and 15. SDG 14 is devoted to "conserve and sustainably
16 use the oceans, seas and marine resources". While SDG 15 is devoted to "protect, restore and
17 promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat
18 desertification, and halt and reverse land degradation and halt biodiversity loss".

19 The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)
20 issued the global assessment report on biodiversity and ecosystem services in 2019, highlighting that
21 biodiversity is declining in every region and issues an urgent call to halt and reverse the unsustainable
22 use of nature.

23 At the time of issuance of this exposure draft, parties to the United Nations Convention on Biological
24 Diversity are negotiating the post-2020 global biodiversity framework, which aims to stabilize
25 biodiversity loss by 2030 and fully recover natural ecosystems by 2050. The first draft of the post-
26 2020 global biodiversity framework proposes in its Target 15 that "all businesses (public and private,
27 large, medium and small) assess and report on their dependencies and impacts on biodiversity". The
28 revised GRI Biodiversity Standard could support organizations in meeting reporting obligations
29 resulting from the adoption of this framework.

30 As outlined in the GSSB's [Due Process Protocol](#), a [multi-stakeholder technical committee](#) was
31 established in November 2021 to contribute to the revision of the Biodiversity Standard.

32 For more information on the project, consult the [Project Proposal](#) and the [Terms of Reference](#) of the
33 Technical Committee.

34 Significant proposals

35 An exposure draft for the revised GRI Biodiversity Standard has been developed in line with the
36 project objectives set out above. Notable changes and inclusions in this exposure draft are
37 summarized below:

38 **Facilitate reporting impacts across the supply chain.** Reporting information on supply chains is
39 key as the most significant impacts on biodiversity for many organizations is in their supply chains and
40 not in their own operations. A sole focus on an organization's activities can lead to under-reporting or
41 reporting on impacts that are not the most significant ones. The proposed disclosures require
42 information on the organization's activities and on its suppliers' activities with the most significant
43 impacts on biodiversity. Disclosures also include a recommendation to provide information on the
44 downstream value chain, if available. See Disclosures 304-1 to 304-4.

45 **Focus on the most significant impacts on biodiversity.** Identifying, measuring, and reporting on all
46 impacts on biodiversity can be challenging for many organizations, especially when taking their supply
47 chains into account. The proposed disclosures focus on reporting information on the most significant
48 impacts on biodiversity, not all impacts. Upcoming biodiversity frameworks, such as the Science

49 Based Targets Network (SBTN) and the Taskforce on Nature-related Financial Disclosures (TNFD),
50 are developing methodologies to assist organizations to identify and prioritize the location of their
51 most significant impacts. See Disclosures 304-1 to 304-5.

52 **Emphasis on providing location-specific information on impacts.** Impacts on biodiversity are
53 site-specific. An understanding of the local context where an organization interacts with biodiversity is
54 necessary to assess its impacts. [Disclosure 304-1](#) requires specific information on the location of
55 operational sites with the most significant impacts on biodiversity. It replaces Disclosure 304-1 in *GRI*
56 *304: Biodiversity 2016*. Disclosures 304-2 to 304-4 require information on impacts for each
57 operational site reported under Disclosure 304-1.

58 **New disclosure to report on the direct drivers of biodiversity loss** (climate change, invasive alien
59 species, land and sea use change, overexploitation of resources, pollution). Although less accurate
60 than direct measurements of changes in the state of biodiversity (i.e., changes to species and
61 ecosystems), information on direct drivers of biodiversity loss helps understand how an organization
62 affects biodiversity. In turn, it informs which actions an organization needs to take to manage its
63 impacts on biodiversity. It replaces requirement 304-2-a in *GRI 304: Biodiversity 2016* (see [Disclosure](#)
64 [304-2](#)).

65 **New disclosure to report on the changes to the state of biodiversity.** Requirements have been
66 included to report the impact of an organization and its suppliers on ecosystems (i.e., the type, size,
67 and condition of ecosystems affected or potentially affected), and the impact of an organization on
68 species (i.e., the name and extinction risk of species affected or potentially affected). It replaces
69 requirement 304-2-b and Disclosure 304-4 in *GRI 304: Biodiversity 2016* (see [Disclosure 304-3](#)).

70 **New requirements on the impacts on people resulting from an organization's impacts on**
71 **biodiversity.** These requirements complement the disclosures in *GRI 411: Rights of Indigenous*
72 *Peoples 2016* and *GRI 413: Local Communities 2016*. Proposed revisions include:

- 73 • reporting if the organization operates in proximity to areas of high biodiversity value that are
74 important to indigenous peoples and local communities (see [Disclosure 304-1](#));
- 75 • reporting the significant ecosystem services and the beneficiaries of these ecosystem
76 services that are or could be affected by the organization or its suppliers (see [Disclosure 304-](#)
77 [4](#));
- 78 • the management of these impacts, including how the organization addresses the negative
79 impacts of the transition to halt and reverse the loss of biodiversity on workers and local
80 communities (see [Disclosure 304-6](#)); and
- 81 • reporting how the organization respects the provisions set out in the Nagoya Protocol to
82 achieve the fair and equitable sharing of benefits arising from utilizing genetic resources and
83 the associated traditional knowledge (see [Disclosure 304-7](#)).

84 **New biodiversity-specific management disclosures.** These additional disclosures are intended to
85 complement [Disclosure 3-3](#) in *GRI 3: Material Topics 2021*. The new disclosures focus on
86 understanding how the organization:

- 87 • applies the mitigation hierarchy to manage its biodiversity-related impacts (see [Disclosure](#)
88 [304-5](#) - this replaces Disclosure 304-3 in *GRI 304: Biodiversity 2016*); and
- 89 • aligns its policies and commitments with the upcoming Convention on Biological Diversity's
90 post-2020 Global Biodiversity Framework and how it implements these policies and
91 commitments (see [Disclosure 304-6](#)).

92 **Revised definitions.** The definition of 'natural ecosystem conversion' is proposed for inclusion in the
93 *GRI Standards Glossary* (see [Glossary](#)). The following definitions are removed from the Glossary, as
94 the terms are no longer used, or have been incorporated in the guidance of the exposure draft:

- 95 • area of high biodiversity value;
- 96 • area protected;
- 97 • area restored;
- 98 • protected area;

- 99
- significant impact on biodiversity.

100 **More extensive guidance throughout the draft.** This includes example templates for presenting the
101 information for Disclosures 304-1 to 304-3 (see [Table 1](#), [Table 2](#), and [Table 3](#)).

102 **GSSB involvement and views on the development of** 103 **this draft**

104 The GSSB appointed two of its members as sponsors for the review of *GRI 304: Biodiversity 2016*.
105 The GSSB sponsors observed the TC process and attended most of their meetings.

106 The GSSB confirmed its support for the revisions to the GRI Biodiversity Standard when it voted to
107 approve the draft for public exposure at its meeting on 17 November 2022.

108 The recording of the meeting can be accessed on the [GSSB website](#).

109 **Note on reading this document**

110 This document includes generic text used in all GRI Standards. This text is highlighted in grey and
111 cannot be changed – please do not comment on this text.

112 Underlined terms in the draft Standard indicate terms for which definitions have been provided. Most
113 of these terms are already defined in the [GRI Standards Glossary 2021](#) – these definitions are
114 highlighted in grey in the Glossary and cannot be changed. The proposed new definition is not
115 highlighted in grey and is open for review.

116 GRI 304: Biodiversity 202X

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135 Introduction

136 *GRI 304: Biodiversity 202X* contains disclosures for organizations to report information about their
137 biodiversity-related impacts, and how they manage these impacts.

138 The Standard is structured as follows:

- 139 • [Section 1](#) contains seven disclosures, which provide information about the organization's
140 biodiversity-related impacts and how the organization manages these impacts.
- 141 • The [Glossary](#) contains defined terms with a specific meaning when used in the GRI
142 Standards. The terms are underlined in the text of the GRI Standards and linked to the
143 definitions.
- 144 • The [Bibliography](#) lists authoritative intergovernmental instruments and additional references
145 used in developing this Standard.

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

148 Background on the topic

149 This Standard addresses the topic of biodiversity.

150 Biological diversity, referred to as biodiversity, is the variability among living organisms from all
151 sources, including terrestrial, marine, and other aquatic ecosystems and the ecological complexes of
152 which they are a part; this includes diversity within species, between species, and of ecosystems.
153 Biodiversity, therefore, includes three components of diversity: genes, species, and ecosystems.

154 Biodiversity is an essential characteristic of nature, which consists of environmental assets spread
155 across the atmosphere, land, sea, and freshwater. An ecosystem is a dynamic complex of plants,
156 animals, and microorganisms, interacting with each other and their non-living environment.
157 Ecosystems are environmental assets that support the provision of ecosystem services, which are the
158 flows of benefits from ecosystems to people, such as clean water and air.

159 Protecting and enhancing biodiversity ensures genetic diversity, the survival of animal and plant
160 species, and the health of ecosystems. Biodiversity and ecosystem services contribute directly to
161 local livelihoods and are essential for poverty reduction and sustainable development.

162 The post-2020 Biodiversity Framework of the UN Convention on Biological Diversity will set goals and
163 targets to halt and reverse biodiversity loss and achieve its vision of living in harmony with nature by
164 2050. The Sustainable Development Goals, adopted by the UN as part of the 2030 Agenda for
165 Sustainable Development, also include key targets related to halting biodiversity loss and promoting
166 the sustainable use of natural resources under Goal 14: Life below water and Goal 15: Life on land.

167 An organization can have impacts on biodiversity through its activities, the activities of suppliers and
168 entities downstream of the value chain, or a combination of those. These impacts can extend beyond
169 the geographic locations where the activities of the organization, suppliers, and downstream entities
170 are. Biodiversity-related impacts can also have social and economic consequences, including for
171 indigenous peoples and local communities.

172 See references [1], [2], and [5] in the [Bibliography](#).

173 System of GRI Standards

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

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

181 **Universal Standards: GRI 1, GRI 2 and GRI 3**

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

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

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

191 **Sector Standards**

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

195 **Topic Standards**

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

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



200 Using this Standard

201 This Standard can be used by any organization – regardless of size, type, sector, geographic location,
202 or reporting experience – to report information about its biodiversity-related impacts. In addition to this
203 Standard, disclosures that relate to this topic can be found in [GRI 303: Water and Effluents 2018](#), [GRI](#)
204 [305: Emissions 2016](#), [GRI 306: Waste 2020](#), [GRI 411: Rights of Indigenous Peoples 2016](#), and [GRI](#)
205 [413: Local Communities 2016](#).

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

- 208 • [Disclosure 3-3 in GRI 3: Material Topics 2021](#);
- 209 • Any disclosures from this Topic Standard that are relevant to the organization's biodiversity-
210 related impacts (Disclosure 304-1 through Disclosure 304-7).

211 See [Requirements 4 and 5 in GRI 1: Foundation 2021](#).

212 Reasons for omission are permitted for these disclosures.

213 If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g.,
214 because the required information is confidential or subject to legal prohibitions), the organization is
215 required to specify the disclosure or the requirement it cannot comply with, and provide a reason for
216 omission together with an explanation in the GRI content index. See [Requirement 6 in GRI 1:](#)
217 [Foundation 2021](#) for more information on reasons for omission.

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

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

228 **Requirements, guidance and defined terms**

229 The following apply throughout this Standard:

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

232 Requirements may be accompanied by guidance.

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

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

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

238 Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the
239 [Glossary](#). The organization is required to apply the definitions in the Glossary.

240 **Topic disclosures**

241 **Disclosure 304-1 Location of operational sites with** 242 **the most significant impacts**

243 **REQUIREMENTS**

244 **The organization shall:**

- 245 a. **explain how it has determined which of its operational sites and its suppliers' operational**
246 **sites have the most significant impacts on biodiversity;**
- 247 b. **report the geographic location (name and coordinates) and size in hectares of its**
248 **operational sites with the most significant impacts on biodiversity;**
- 249 c. **report the geographic location (name and country or jurisdiction) of its suppliers'**
250 **operational sites with the most significant impacts on biodiversity;**
- 251 d. **if the sites reported under 304-1-b are in, near, or contain portions of an area of high**
252 **biodiversity value, report the name of and distance to these areas and whether these areas**
253 **are:**
- 254 i. **legally protected areas;**
- 255 ii. **internationally recognized areas;**
- 256 iii. **other areas of high biodiversity value that are important to indigenous peoples and**
257 **local communities;**
- 258 iv. **other areas of importance for biodiversity.**

259 **GUIDANCE**

260 This disclosure provides information about the operational sites of the organization and its suppliers
261 that cause or contribute to the most significant actual and potential impacts on biodiversity. It covers
262 suppliers throughout the organization's supply chain, including those beyond the first tier.

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

265 This disclosure does not cover all operational sites that have an impact on biodiversity, only those
266 with the most significant impacts. These operational sites are the focus of Disclosures 304-1 to 304-5
267 of this Standard.

268 For example, an organization may identify that its most significant impacts on biodiversity are related
269 to sourcing certain products used to develop its own products and services. In this case, the
270 organization can report the disclosures in this Standard for the sourced products and explain this
271 under 304-1-a.

272 For an example of how to present information on requirements in Disclosure 304-1, see [Table 1](#).

273 **Guidance to 304-1-a**

274 Requirement 304-1-a enables the organization to explain how it has determined which of its
275 operational sites and its suppliers' operational sites have the most significant impacts on biodiversity.

276 Operational sites cover the areas where activities occur in air, land, and water. They include land,
277 freshwater, or marine areas owned, leased, or managed by the organization or its suppliers, as well
278 as areas where the organization or its suppliers can conduct their activities. Examples are a mining
279 site owned by an organization, an offshore renewable energy site leased by an organization, a fishing
280 ground where an organization's supplier operates, or a transport route used for airfreight. Operational
281 sites include subsurface infrastructures under the land or seabed surface, such as underground
282 mining tunnels, cables, and pipelines.

283 The organization should start by identifying all of its operational sites and its suppliers' operational
284 sites before determining which of those sites have the most significant impacts on biodiversity. In
285 some cases, the organization might be unable to identify all operational sites. This could be, for
286 example, because the organization has diverse or multiple global operations or because its supply
287 chain comprises many entities. In such cases, the organization may carry out an initial assessment or
288 scoping exercise to identify general areas (e.g., product lines, suppliers located in specific geographic
289 locations) where impacts on biodiversity are most likely to be present and significant. Once the
290 organization has conducted the initial assessment or scoping exercise, it can identify the operational
291 sites for these general areas and then identify and assess actual and potential impacts on biodiversity
292 for these operational sites. See [section 1 in GRI 3: Material Topics 2021](#) for more information on how
293 to do an initial assessment or scoping exercise.

294 To assess which sites cause or contribute to the most significant impacts on biodiversity, the
295 organization should consider the extent to which its activities and its suppliers' activities lead or could
296 lead to climate change, the introduction of invasive alien species, land and sea use change,
297 overexploitation of resources, and pollution (direct drivers of biodiversity loss).

298 The organization should also consider the area that is or could be affected by its activities and its
299 suppliers' activities. The area that is or could be affected, also known as area of influence, is not
300 limited to the area within an operational site but can extend beyond it. The organization should report
301 the range it has selected to determine the area that is or could be affected and explain why this range
302 was selected. For example, an organization's activities lead to water pollution 50 kilometers from the
303 source. Therefore, the organization selects a range of 50 kilometers to determine the area that could
304 be affected by the pollution.

305 The organization should also consider the biodiversity value of the area that is or could be affected by
306 its activities and its suppliers' activities. The significance of an impact can depend on the context in
307 which the impact takes place. For example, an impact on biodiversity can be more significant when it
308 takes place in an area of high biodiversity value compared to an area without high biodiversity value.

309 The assessment of which sites cause or contribute to the most significant impacts on biodiversity can
310 be based on direct measurements or estimates. For example, to determine the extent to which its
311 suppliers' activities lead or could lead to overexploitation of water resources, the organization can use
312 direct measurements (e.g., volume of water withdrawal measured by its suppliers) or estimates (e.g.,
313 average sector data about water withdrawal).

314 To determine which negative impacts are more likely to be significant and the location of operational
315 sites where those impacts occur, the organization can use the following:

- 316 • Natural Capital Finance Alliance's ENCORE (Exploring Natural Capital Opportunities, Risks
317 and Exposure) with global data to assess impacts on species and ecosystems, such as STAR
318 (Species Threat Abatement and Restoration Metric) or the Ecosystem Integrity Index.
- 319 • Guidance from the Taskforce on Nature-related Financial Disclosures (TNFD).
- 320 • Forthcoming guidance from the Science Based Targets Network (SBTN) and WWF Risk
321 Biodiversity Filter.

322 The organization should report the methodologies, assumptions, and estimates used to identify which
323 of its operational sites and suppliers' operational sites have the most significant impacts on
324 biodiversity.

325 The organization is required to describe the process it has followed to determine its material topics
326 under [Disclosure 3-1 in GRI 3: Material Topics 2021](#). The information reported under 304-1-a
327 complements the information reported under Disclosure 3-1.

328 See references [25] and [27] in the [Bibliography](#).

329 **Guidance to 304-1-b**

330 The organization is not required to provide the geographic location of all its operational sites, only the
331 geographic location of those that have or could have the most significant impacts on biodiversity.

332 The organization is required to provide the coordinates when reporting the geographic location of its
333 operational sites. Where possible, the organization should also report polygon outlines or maps. A

334 polygon is a geographic feature defined by a series of grid references, points, or vertices connected to
335 form an enclosed shape.

336 It may not be possible to provide the coordinates for the operational sites of transport and fishing
337 activities. In these cases, for transport activities, the organization should report the coordinates of the
338 locations of departure and arrival and the transport routes. For fishing activities, the organization
339 should report FAO major fishing areas and subareas.

340 Operational sites include those where future operations have been announced and those no longer
341 active.

342 See reference [15] in the [Bibliography](#).

343 **Guidance to 304-1-c**

344 The organization is not required to provide the geographic location of all operational sites of its
345 suppliers, only the geographic location of those that have or could have the most significant impacts
346 on biodiversity.

347 The organization is required to provide the country or jurisdiction when reporting the geographic
348 location of its suppliers' operational sites (e.g., a manufacturing site or a plantation). Where possible,
349 the organization should also report the location within the country or jurisdiction (e.g., state, city,
350 Exclusive Economic Zone) or a precise location, such as the coordinates, polygon outlines, or maps
351 of its suppliers' operations. For transport activities, the organization should report departure and
352 arrival locations and transport routes. For fishing activities, the organization should report FAO major
353 fishing areas and subareas.

354 For each product with significant impacts on biodiversity, the organization should report the
355 percentage of sourced volume for which origins are unknown. This information provides an
356 understanding of the proportion of sourced volume for which biodiversity-related impacts are unknown
357 to the organization.

358 See reference [15] in the [Bibliography](#).

359 **Guidance to 304-1-d**

360 This requirement covers the operational sites of the organization. The organization should also report
361 this information for its suppliers' operational sites under 304-1-b, if available.

362 The organization is required to report the distance only in cases where the sites are near an area of
363 high biodiversity value. An operational site is near an area of high biodiversity value when the area
364 falls within the range that was selected to determine the area that is or could be affected by the
365 organization's activities. It does not need to report the distance if a site is in or contains portions of
366 areas of high biodiversity value.

367 The organization should report the size of the high biodiversity value area within its operational sites.
368 The organization can provide polygon outlines or maps to report if its operational sites in 304-1-a are
369 in, near, or contain portions of areas of high biodiversity value.

370 If none of the organization's operational sites reported under 304-1-b are in, near, or contain portions
371 of an area of high biodiversity value, a brief statement of this fact is sufficient to comply with the
372 requirement.

373 **Guidance to 304-1-d-i**

374 Legally protected areas are designated by governments to achieve specific conservation objectives.
375 Legally protected areas are established as part of the national protected areas system, or to fulfil a
376 commitment to a regional or international convention or agreement which the government has signed.
377 Such areas include terrestrial, freshwater, and marine protected areas.

378 To identify these legally protected areas, the organization can consult the World Database on
379 Protected Areas, included in the [Integrated Biodiversity Assessment Tool \(IBAT\)](#).

380 **Guidance to 304-1-d-ii**

381 Internationally recognized areas consist of:

- 382 • Key Biodiversity Areas;

- 383 • UNESCO Man and the Biosphere Reserves;
384 • UNESCO Natural World Heritage Sites; and
385 • wetlands designated under the Ramsar Convention on Wetlands of International Importance
386 (Ramsar sites).

387 To identify these internationally recognized areas, the organization can consult the World Database of
388 Key Biodiversity Areas and the World Database on Protected Areas (including UNESCO Man and the
389 Biosphere Reserves, UNESCO Natural World Heritage Sites, and Ramsar sites), included in the
390 [Integrated Biodiversity Assessment Tool \(IBAT\)](#).

391 When reporting the Key Biodiversity Areas, the organization can specify for each area whether it is an
392 Alliance for Zero Extinction (AZE) site.

393 See references [16], [17], [18], [19], and [22] in the [Bibliography](#).

394 **Guidance to 304-1-d-iii**

395 Biological diversity underpins the provision of ecosystem services essential for local livelihoods,
396 cultural diversity, and social well-being. Therefore, an organization's impacts on biodiversity can lead
397 to impacts on the ecosystem services that indigenous peoples and local communities depend on for
398 their livelihoods. Examples of areas of importance to indigenous peoples and local communities
399 include Indigenous Peoples' and Community Conserved Territories and Areas (ICCA), areas under
400 customary management by indigenous peoples and local communities or subject to customary
401 harvest, and areas identified through the organization's environmental and social impact
402 assessments. ICCAs can be identified using the [ICCA Registry](#) and are defined as 'natural and/or
403 modified ecosystems containing significant biodiversity values, ecological services and cultural
404 values, voluntarily conserved by indigenous peoples and local communities, both sedentary and
405 mobile, through customary laws or other effective means'.

406 See references [4] and [7] in the [Bibliography](#).

407 **Guidance to 304-1-d-iv**

408 Other areas of importance include those recognized for their biodiversity value at the site or regional
409 level not reported under 304-1d-i to 304-1-d-iii. Examples of such areas include biodiversity hotspots,
410 critical habitats¹, High Carbon Stock (HCS) and High Conservation Value (HCV) sites, Other Effective
411 area-based Conservation Measures (OECMs), and wildlife corridors.

412 See reference [18] in the [Bibliography](#).

¹ *International Finance Corporation Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources* (2012) defines critical habitats as 'areas with high biodiversity value, including (i) habitat of significant importance to Critically Endangered and/or Endangered species; (ii) habitat of significant importance to endemic and/or restricted-range species; (iii) habitat supporting globally significant concentrations of migratory species and/or congregatory species; (iv) highly threatened and/or unique ecosystems; and/or (v) areas associated with key evolutionary processes.'

Disclosure 304-2 Direct drivers of biodiversity loss

REQUIREMENTS

The organization shall:

- a. report its Scope 1, Scope 2, and Scope 3 greenhouse gas emissions using *GRI 305: Emissions 2016*;
- b. for each site reported under 304-1-b and 304-1-c where invasive alien species are a direct driver of biodiversity loss, describe the activities that are responsible for the introduction of invasive alien species;
- c. for each site reported under 304-1-b and 304-1-c where land and sea use change is a direct driver of biodiversity loss:
 - i. describe the activities responsible for land and sea use change;
 - ii. report the size in hectares and the type of natural ecosystem converted since the cut-off date or reference date;
- d. for each site reported under 304-1-b and 304-1-c where overexploitation of resources is a direct driver of biodiversity loss:
 - i. describe the activities responsible for the overexploitation of resources;
 - ii. report the type and quantity of resources used and the species extinction risk, where applicable;
- e. for each site reported under 304-1-b and 304-1-c where pollution is a direct driver of biodiversity loss:
 - i. describe the activities responsible for pollution;
 - ii. report the type and quantity of pollutants generated;
- f. describe the processes used to monitor the direct drivers of biodiversity loss throughout its activities and supply chain;
- g. report contextual information necessary to understand how the data has been compiled, such as any standards, methodologies, and assumptions used.

GUIDANCE

This disclosure provides an understanding of the activities responsible for the direct drivers of biodiversity loss. It covers the activities of the organization and its suppliers on the sites reported under Disclosure 304-1. If the information is available, the organization should additionally describe the activities of downstream entities that are responsible for the direct drivers of biodiversity loss.

Through its activities, an organization can use natural resources as an input to 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, cause, contribute, or are directly linked to negative impacts on biodiversity.

Sometimes referred to as 'pressures' or 'impact drivers', direct drivers of biodiversity loss unequivocally influence biodiversity and ecosystem processes. Direct drivers of biodiversity loss can be natural and anthropogenic (i.e., caused by human activities).

The direct drivers of biodiversity loss considered in this disclosure reflect those identified through the IPBES global assessment, including climate change, invasive alien species, land and sea use change, overexploitation of resources, and pollution. These direct drivers can also lead to the fragmentation and degradation of ecosystems, which threaten biodiversity. The organization can use the [IUCN Threat Classification Scheme](#) to identify the direct drivers of biodiversity loss responsible for its most significant impacts.

Information on the activities responsible for the direct drivers of biodiversity loss should inform decisions on how the mitigation hierarchy could be applied to manage biodiversity-related impacts. See [Disclosure 304-5](#) for more information on the mitigation hierarchy. The organization's actions to

460 mitigate direct drivers of biodiversity loss and actions resulting in biodiversity gains (e.g., when the
461 organization implements restoration) are reported under 304-5-a.

462 Under 304-2-b, 304-2-c-i, 304-2-d-i, and 304-2-e-i, the organization is required to describe the
463 activities responsible for the introduction of invasive alien species, land and sea use change,
464 overexploitation of resources, and pollution.

465 These requirements include activities of the organization and its suppliers that lead or could lead to
466 cumulative impacts (e.g., the organization's water withdrawal, combined with the water withdrawal of
467 another organization, has a significant impact on biodiversity).

468 They also include activities of third parties that result from the presence of an organization's activities
469 or its suppliers' activities and that lead or could lead to significant impacts on biodiversity. For
470 example, people moving to the area where a new project site will open (e.g., migrants cut down a
471 forest to make space for their houses and crops) or people using new transport routes associated with
472 the development of a new project site (e.g., people hunt for bushmeat in areas that were not
473 accessible before). It is required to describe the activities of third parties that are responsible for these
474 direct drivers of biodiversity loss. It is not required to report the information under 304-2-c-ii, 304-2-d-
475 ii, and 304-2-e-ii resulting from the activities of third parties.

476 For invasive alien species, land and sea use change, overexploitation of resources, and pollution, the
477 organization needs to report the information only for the direct drivers of biodiversity loss relevant to
478 the operational sites reported under 304-1-b and 304-1-c. These direct drivers of biodiversity loss can
479 vary by operational site. For example, in site A, the drivers of biodiversity loss are invasive alien
480 species and pollution, and in site B, the driver of biodiversity loss is land and sea use change. In this
481 case, the organization only needs to report the information on invasive alien species and pollution for
482 site A, and on land and sea use change for site B.

483 If the location reported under 304-1-c is a country, jurisdiction, or location within the country or
484 jurisdiction, the organization can use secondary or modeled data to report information on the direct
485 drivers of biodiversity loss and explain this under 304-2-g.

486 If the precise location of its suppliers' operational sites is known (i.e., coordinates, maps, or polygon
487 outlines), the organization should use primary data to report information on the direct drivers of
488 biodiversity loss and explain this under 304-2-g.

489 For an example of how to present information on requirements in Disclosure 304-2, see [Table 2](#).

490 See references [10], [21], [28], and [30] in the [Bibliography](#).

491 **Guidance to 304-2-a**

492 Climate change alters the distribution, functioning, and interactions of species, reducing the capacity
493 of ecosystems to adapt. Climate change leads to changes in temperatures and weather patterns that,
494 in turn, affect species' habitats, food supply, migration patterns, and breeding seasons, among others.
495 Sea level rise and ocean acidification also negatively affect marine organisms.

496 The greenhouse gas emissions emitted on a particular operational site do not lead to biodiversity loss
497 in the direct vicinity of this site, but they contribute to the global change in climate that drives
498 biodiversity loss. Therefore, an organization's greenhouse gas emissions, together with greenhouse
499 gas emissions from other organizations, contribute to climate change as a direct driver of biodiversity
500 loss.

501 If the organization has reported its greenhouse gas emissions under Disclosures 305-1, 305-2, and
502 305-3 in [GRI 305: Emissions 2016](#), it can provide a reference to this information under 304-2-a and
503 does not need to repeat the information.

504 **Guidance to 304-2-b**

505 Invasive alien species are animals, fungi and plants that are introduced, accidentally or deliberately,
506 to an area outside of their natural geographical range and cause serious negative impacts on local
507 biodiversity. Invasive alien species negatively affect biodiversity as they often lack predators in their
508 new environment, allowing them to spread and become more abundant. They can carry diseases,
509 outcompete or prey on native species, alter food chains, and change ecosystems by, for example,
510 altering soil composition or creating habitats that are vulnerable to wildfires. These impacts can lead
511 to local or global extinctions of species.

512 This disclosure does not cover the introduction of non-invasive alien species.

513 Activities responsible for introducing invasive alien species include those that have or could have
514 introduced such species, such as transport and discharge of ballast waters. The organization should
515 report the type of species when describing the activities responsible for introducing invasive alien
516 species. For example, an organization transports ornamental plants to new areas, thereby introducing
517 an invasive alien insect species.

518 See reference [20] in the [Bibliography](#).

519 **Guidance to 304-2-c**

520 Land and sea use change refers to a change in the use or management of land and seascapes by
521 humans, which may lead to a change in land cover. In this disclosure, natural ecosystem conversion
522 is used to report land and sea use change.

523 The organization should also report the information required under 304-2-c-i and 304-2-c-ii for
524 modified ecosystems that are converted by its activities or the activities of its suppliers. Modified
525 ecosystems are areas that may contain a large proportion of plant and/or animal species of non-
526 native origin, and/or where human activity has substantially modified an area's primary ecological
527 functions and species composition. For example, an organization may acquire land occupied by
528 agroforestry practices and convert it to urban settlements.

529 See reference [18] in the [Bibliography](#).

530 **Guidance to 304-2-c-ii**

531 The organization should report which ecosystem classification it uses to identify the types of
532 ecosystems. The organization can report ecosystem types using the biomes or ecosystem functional
533 groups in the [IUCN Global Ecosystem Typology](#). Alternatively, the organization can report according
534 to a national classification or register. The organization can also report the type of ecosystem after
535 conversion.

536 Ecosystem size refers to the size of the ecosystems within the operational sites, reported under 304-
537 1-b and 304-1-c, which have been converted.

538 The Accountability Framework defines a cut-off date as 'the date after which deforestation or
539 conversion renders a given area or production unit non-compliant with no-deforestation or no-
540 conversion commitments, respectively'. Cut-off dates may differ between commodities (e.g., palm oil,
541 rubber, and soy) and regions. Appropriate cut-off dates can be selected based on sector-wide or
542 regional cut-off dates or those specified in certification programs and legislation, or based on the
543 availability of monitoring data. More guidance on identifying appropriate cut-off dates can be found in
544 [Accountability Framework Operational Guidance on Cut-off Dates](#).

545 The organization should report the selected cut-off or reference dates and explain why it has
546 determined them as appropriate.

547 If the organization cannot report the size of the natural ecosystem converted in its supply chain, it can
548 report the percentage of volume sourced from suppliers determined to be conversion- or
549 deforestation-free by product and describe the assessment methods used. Deforestation is a form of
550 natural ecosystem conversion. Assessment methods can include monitoring, certification, sourcing
551 from low-risk jurisdictions with no or negligible recent conversion, or sourcing from verified suppliers.
552 To be deemed conversion- or deforestation-free, products must be assessed as not causing or
553 contributing to natural ecosystem conversion, including deforestation, after an appropriate cut-off
554 date.

555 See references [7] and [23] in the [Bibliography](#).

556 **Guidance to 304-2-d**

557 Overexploitation of natural resources is associated with increased extraction rates of natural
558 resources beyond sustainable levels. Resources that an organization may overexploit include wild
559 animal and plant species and other natural resources such as water. The organization is only required
560 to report on the resources that lead to its most significant impacts on biodiversity.

561 **Guidance to 304-2-d-ii**

562 The quantity of wild animal and plant species includes those harvested, sourced, and incidentally
563 taken.

564 To report on the extinction risk of a species, the organization can use information from the IUCN Red
565 List of Threatened Species. The organization can also report whether the wild animal or plant species
566 is listed in one of the CITES Appendices. Species listed as vulnerable, endangered, or critically
567 endangered under the IUCN Red List of Threatened Species or listed in the CITES appendices, are
568 more likely to be overexploited. For example, an organization sourced two metric tons of Southern
569 Bluefin Tuna, an endangered species, and one metric ton of Blacktip Shark, a vulnerable species.

570 When the organization overexploits water, it should report the total volume of water withdrawal and
571 water consumption in megaliters from areas with water stress. The organization should refer to
572 Disclosures 303-3 Water withdrawal and 303-5 Water consumption in [GRI 303: Water and Effluents](#)
573 [2018](#)² to report the quantity of water used at each operational site in areas with water stress.

574 See references [11] and [21] in the [Bibliography](#).

575 **Guidance to 304-2-e-i**

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

578 The organization can provide a high-level description of how the pollution generated by its activities or
579 by the activities of its suppliers leads to or can lead to an impact on biodiversity. For example, the
580 organization can describe how the release of nitrogen fertilizers to surface water contributes to
581 eutrophication in nearby waterbodies, resulting in the decline in local fish populations. It can also
582 describe how noise or light created by an activity can disrupt wildlife species' breeding or migration
583 behavior, resulting in a decline in the size of the location population.

584 **Guidance to 304-2-e-ii**

585 The organization is only required to report the type and quantity of pollutants that lead to the most
586 significant impacts on biodiversity. The organization should use information from Disclosure 305-7
587 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions in [GRI 305: Emissions](#)
588 [2016](#) to report its non-GHG air emissions. The organization should use information from Disclosure
589 303-4 Water discharge in [GRI 303: Water and Effluents 2018](#), Disclosure 306-3 Significant spills in
590 [GRI 306: Effluents and Waste 2016](#), and Disclosure 306-5 Waste directed to disposal in [GRI 306:](#)
591 [Waste 2020](#) to report on its soil and water pollution³. For noise pollution, the organization should
592 report the decibels above the normal level and the duration of noise produced. For light pollution, the
593 organization should report the lumens and duration of light produced.

594 The organization can use additional authoritative sources of information, for example, the TNFD
595 Framework, to report on its pollution levels in cases where other GRI Topic Standards do not cover
596 this.

597 See reference [28] in the [Bibliography](#).

598 **Guidance to 304-2-g**

599 The organization is required to explain which methodologies it has used to measure the impacts of its
600 activities and its suppliers. Examples of methodologies include field surveys, supplier surveys, and life

² The disclosures from other Topic Standards 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. The disclosures from other Topic Standards do not require information to be reported for suppliers. However, the organization can use these disclosures to report this information for suppliers' operational sites.

³ The disclosures from other Topic Standards 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. The disclosures from other Topic Standards do not require information to be reported for suppliers. However, the organization can use these disclosures to report this information for suppliers' operational sites.

601 cycle assessments. Methodologies to collect data on the direct drivers of biodiversity loss rely on
602 primary, secondary, or modeled data. Primary data is collected on-site through direct approaches
603 such as field surveys. Secondary data has already been collected and can be used by the
604 organization. The organization can use modeled data to estimate the direct drivers of biodiversity loss
605 in the absence of primary or secondary data.

Exposure draft for public comment

606 Disclosure 304-3 State of biodiversity

607 REQUIREMENTS

608 The organization shall:

- 609 a. for each site reported under 304-1-b, report the following information on affected or
610 potentially affected ecosystems for the baseline and the current reporting period:
- 611 i. the ecosystem types;
612 ii. the ecosystem size in hectares;
613 iii. the ecosystem condition;
- 614 b. for each site reported under 304-1-b, report the following information on affected or
615 potentially affected species for the baseline and the current reporting period:
- 616 i. the species name;
617 ii. the species extinction risk;
- 618 c. for each site reported under 304-1-c, report the condition of ecosystems that are or could
619 be affected by its suppliers' activities;
- 620 d. report contextual information necessary to understand how the data has been compiled,
621 such as any standards, methodologies, and assumptions used.

622 GUIDANCE

623 This disclosure provides information about the changes in the state of biodiversity resulting from the
624 organization's activities and the activities of its suppliers. The state of biodiversity is the holistic quality
625 and condition of the components of biodiversity (genes, species, and ecosystems). Reporting on
626 changes in genetic diversity is not included in the scope of this disclosure.

627 The organization can organize the information on the state of biodiversity into structured biodiversity
628 accounts by providing statements of position and performance according to the [Biological Diversity
629 Protocol](#), if the information is available. Biodiversity accounts enable more accurate monitoring of
630 gains and losses of biodiversity over time. They are also useful in tracking progress against targets to
631 halt and reverse the loss of biodiversity.

632 For an example of how to present information on requirements in Disclosure 304-3, see [Table 3](#).

633 See reference [13] in the [Bibliography](#).

634 Guidance to 304-3-a

635 This requirement provides information on the type, size, and condition of ecosystems affected and
636 potentially affected by all direct drivers of biodiversity loss reported under 304-2. Information on the
637 type and size of ecosystems affected by land and sea use change is reported under 304-2-c.

638 When reporting information on the ecosystem affected and potentially affected, the organization
639 needs to consider the area affected by its activities within the sites reported under 304-1-b and
640 beyond, if relevant. Ecosystems affected or potentially affected include natural ecosystems and
641 ecosystems modified by human activities. The state of the overall ecosystem within which the sites
642 are located is not required for reporting. For example, an organization owns a soy plantation in the
643 Amazon. The organization is required to report information on the type, size, and condition of the
644 ecosystems in the area affected by the organization, not the entire Amazon.

645 By providing baseline information and information for the current reporting period, the organization
646 reports on the changes in the state of biodiversity to provide insights into the overall health of the
647 ecosystem it affects or potentially affects over time. This information can help inform the
648 organization's strategy to manage its impacts on biodiversity.

649 Guidance to 304-3-a-i

650 The organization should report which ecosystem classification it uses to identify the types of
651 ecosystems. The organization can report ecosystem types using the biomes or ecosystem functional

652 groups in the [IUCN Global Ecosystem Typology](#). Alternatively, the organization can report according
653 to a national classification or register.

654 See reference [23] in the [Bibliography](#).

655 **Guidance to 304-3-a-ii**

656 Ecosystem size, also referred to as ecosystem extent, refers to the spatial area of the ecosystem
657 affected or potentially affected by the organization's activities through its contribution to the direct
658 drivers of biodiversity loss reported under 304-2.

659 **Guidance to 304-3-a-iii**

660 Ecosystem condition can provide information on the ecological integrity and intactness of the
661 ecosystem and its capacity to supply ecosystem services now and in the future. It is measured by the
662 following characteristics: ecosystem composition, function, type of landscape or seascape, physical
663 condition, and structure.

664 The organization should identify the most relevant ecosystem characteristics. It should use indicators
665 that reflect the direct drivers of biodiversity loss. For example, if an organization affects the condition
666 of a forest by harvesting timber, it can report the number of trees per hectare, the age of trees, and
667 the percentage of trees with diseases as key indicators to determine the overall condition of the
668 forest.

669 Examples of indicators to measure ecosystem condition are the Biodiversity Intactness Index,
670 Ecosystem Integrity Index, Mean Species Abundance, and Potentially Disappeared Fraction. The
671 organization should explain how it has measured the ecosystem condition under 304-3-d.

672 The organization can also report by using quality-adjusted hectares, a standard measurement of
673 ecosystem condition. Quality-adjusted hectares measurement combines the ecosystem size with a
674 measure of the ecosystem condition compared to a reference state. It can be used to develop
675 biodiversity accounts. The organization can use the [Biological Diversity Protocol](#) and [UNSEEA's
676 Ecosystem Accounting](#) when using quality-adjusted hectares.

677 The baseline is used to measure the changes in the state of biodiversity over time. The organization
678 should report how it has determined the baseline under 304-3-d. For instance, the baseline may be a
679 pristine or intact ecosystem, the use of sectorial or location cut-off dates, the start of an organization's
680 activities, or the organization's commitments, including no net loss or net gain of biodiversity. The
681 organization can refer to the cut-off dates for land and sea use change reported under 304-2-c. The
682 organization should report the year corresponding to the baseline.

683 See references [4], [28], and [32] in the [Bibliography](#).

684 **Guidance to 304-3-b**

685 In addition to ecosystem size and condition, information on species affected or that could be affected
686 by the organization provides a better understanding of its impacts on biodiversity.

687 The organization is not required to report information for all species. The organization is only required
688 to report information on species identified as affected or potentially affected that meet any of the
689 following criteria:

- 690 ● are sensitive to the organization's activities and the drivers of biodiversity loss;
- 691 ● are legally protected by local, national, or international laws and conventions;
- 692 ● are a priority species at the local, national, or international level (e.g., a species listed as
693 threatened on the international IUCN Red List);
- 694 ● have a critical role in the ecosystem;
- 695 ● have a significant cultural or economic role for stakeholders (e.g., hunting, harvesting,
696 pollination).

697 The organization can report additional information on species, such as population size. Population
698 size can be measured by the number of mature individuals or the number of breeding pairs. When the
699 population size is unavailable, the organization can report the habitat size or population trends.

700 **Guidance to 304-3-b-ii**

701 The international, regional, and national IUCN Red Lists are key tools in determining the species
702 extinction risk. The IUCN Red Lists classify species extinction risk as critically endangered,
703 endangered, vulnerable, near threatened, and least concerned. The extinction risk of a species may
704 differ at the global, regional, and national levels. For example, a species is listed as threatened on a
705 national level while being listed as least concerned at the global level. The organization must report all
706 extinction risks if a species is on the global, regional, or national IUCN Red Lists.

707 See reference [21] in the [Bibliography](#).

708 **Guidance to 304-3-c**

709 For each location reported under 304-1-c, the organization should report the information on
710 ecosystem condition specified under requirement 304-3-a-iii. If the location reported under 304-1-c is
711 a country, jurisdiction, or location within the country or jurisdiction, the organization can use
712 secondary or modeled data to report information on ecosystem condition and explain this under 304-
713 3-d.

714 If the precise location of its suppliers' operational sites is known (i.e., coordinates, maps, or polygon
715 outlines), the organization should report the information on ecosystem type, size, and condition
716 specified under requirement 304-3-a. The organization should also report information on species
717 name and extinction risk as specified under requirement 304-3-b.

718 **Guidance to 304-3-d**

719 The organization is required to explain which methodologies it has used to measure the impacts of its
720 activities and its suppliers. Examples of methodologies include field surveys, supplier surveys, and life
721 cycle assessments. Methodologies to collect data on the state of biodiversity rely on primary,
722 secondary, or modeled data. Primary data is collected on-site through direct approaches such as field
723 surveys. Secondary data has already been collected and can be used by the organization. The
724 organization can use modeled data to estimate the state of biodiversity in the absence of primary or
725 secondary data.

726 Modeled data are issued from models that quantify how the magnitude of different direct drivers of
727 biodiversity loss affects the state of biodiversity. These models use globally collected data, and the
728 results are applied locally to estimate how the organization's activities can cause or contribute to
729 changes in ecosystem condition. They include geospatial data layers that can be used to identify
730 changes in the size and condition of ecosystems, such as the level of habitat fragmentation and
731 connectivity, or identify species that may be present at specific sites.

732 Disclosure 304-4 Ecosystem services

733 REQUIREMENTS

734 The organization shall:

- 735 a. for each site reported under 304-1-b, list the significant ecosystem services and
736 beneficiaries that are or could be affected by the organization's activities;
- 737 b. for each site reported under 304-1-c, list the significant ecosystem services and
738 beneficiaries that are or could be affected by the suppliers' activities;
- 739 c. explain how the ecosystem services and beneficiaries are or could be affected.

740 GUIDANCE

741 Ecosystem services are commonly divided into the following categories: provisioning services,
742 regulating and maintenance services, and cultural services. Provisioning services contribute to
743 benefits extracted or harvested from ecosystems (e.g., timber in a forest, freshwater from a river, or
744 food from agroecosystems). Regulating and maintenance services result from the ability of
745 ecosystems to regulate biological processes and influence climate, hydrological, and biochemical
746 cycles, thereby maintaining environmental conditions beneficial to people (e.g., forests preventing soil
747 erosion). Cultural services are the non-material benefits people (beneficiaries) obtain from
748 ecosystems through spiritual enrichment, cognitive development, reflection, recreation, and aesthetic
749 experiences (e.g., the recreational value of a forest or a cultural heritage landscape that is of
750 importance for a local community).

751 Biodiversity plays an important role in maintaining the quality, quantity, and resilience of ecosystems
752 and it provides ecosystem services that beneficiaries rely upon now and in the future. The diversity of
753 genes, species, and ecosystems provides a greater range of ecosystem service options. In addition,
754 the presence of a diversity of organisms (e.g., multiple species or the genetic diversity within them)
755 performing a given function within an ecosystem boosts the ability of that ecosystem to maintain
756 functionality and supply ecosystem services. A change in the state of biodiversity can lead to changes
757 in ecosystem services. This, in turn, can have an impact on the beneficiaries of these ecosystem
758 services.

759 This disclosure gives insight into the ecosystem services and beneficiaries that are or could be
760 affected by the organization and its suppliers, resulting from the impacts on biodiversity reported
761 under Disclosure 304-3. It does not cover ecosystem services that the organization or its suppliers
762 depend on that are or could be affected by others, such as governments, local communities, or other
763 organizations.

764 The organization can use the Natural Capital Finance Alliance's [ENCORE](#) and TNFD guidance, which
765 draws on the United Nations' [SEEA Ecosystem Accounting](#), to identify ecosystem services.

766 ENCORE lists the ecosystem services by sector and indicates their importance to the sector. SEEA
767 Ecosystem Accounting lists ecosystem services in Table 6.3: Reference list of selected ecosystem
768 services. It also lists ecosystem services in Annex 6.1: Initial logic chains for selected ecosystem
769 services and links them to common ecosystem types and main beneficiaries.

770 See references [4], [24], [25], and [28] in the [Bibliography](#).

771 Guidance to 304-4-a and 304-4-b

772 An organization's activities and the activities of its suppliers can have negative or positive impacts on
773 the provision of ecosystem services resulting from their impacts on biodiversity. A negative impact
774 can lead to a decrease in the quantity, quality, and resilience of the services provided by these
775 ecosystems. Conversely, a positive impact on ecosystems can lead to an increase in the quantity,
776 quality, and resilience of the services they provide. This can have an impact on the beneficiaries of
777 these ecosystem services.

778 Requirements 304-4-a and 304-4-b entail listing the ecosystem services affected or that could be
779 affected by the organization and its suppliers, respectively, and the beneficiaries of these ecosystem
780 services. Beneficiaries can include indigenous peoples, local communities, and other organizations. It
781 can also include the organization and its suppliers.

782 If the information is available, the organization should also list the ecosystem services and their
783 beneficiaries, which are affected or could be affected by the activities of its downstream entities.

784 The organization is not required to list all ecosystem services that are affected or could be affected by
785 its activities and its suppliers' activities, only those that are significant. It is up to the organization to
786 determine which ecosystem services it considers significant to report under 304-4-a and 304-4-b. The
787 organization should explain how it has determined which ecosystem services are significant. See
788 Table 13 in the TNFD framework beta v0.2 for more information on identifying significant ecosystem
789 services.

790 For example, a community of indigenous peoples depends on pollination services to fertilize their
791 crops. A decline in the number of bees caused by the organization's activities can lead to a decrease
792 in pollination services. If the crops are not properly pollinated, they may not bear fruit. This ecosystem
793 service is significant for the community of indigenous peoples as it sustains their livelihoods.

794 See reference [28] in the [Bibliography](#).

795 **Guidance to 304-4-c**

796 Requirement 304-4-c entails explaining how the ecosystem services reported under 304-4-a and 304-
797 4-b are affected or could be affected by the organization and its suppliers.

798 The organization can explain whether the ecosystem services have decreased or increased. The
799 organization can also explain how its activities, or the activities of its suppliers, lead to a change in
800 ecosystem services and what is the impact of that change on the beneficiaries. For example, the
801 organization can explain that cutting trees in the forest has resulted in a decrease in food provisioning
802 services, which has a negative impact on the local community that needs to find an alternate food
803 source. In another example, the organization can explain that switching to agroforestry has resulted in
804 an increase in soil erosion control services, which has a positive impact on the local community that
805 will face fewer risks from flooding.

806 Disclosure 304-5 Management of biodiversity-related 807 impacts

808 REQUIREMENTS

809 The organization shall:

- 810 a. describe actions taken to manage the direct drivers of biodiversity loss reported under
811 Disclosure 304-2 using the mitigation hierarchy, including:
- 812 i. actions to avoid negative impacts;
 - 813 ii. actions to minimize negative impacts;
 - 814 iii. actions to restore ecosystems;
 - 815 iv. actions to offset residual negative impacts;
 - 816 v. transformative actions, including additional conservation actions;
- 817 b. report the percentage of sites reported under 304-1-b with management plans that
818 describe how the actions taken are implemented;
- 819 c. report whether and how it enhances synergies and reduces trade-offs between actions
820 taken to manage its biodiversity impacts and its climate change impacts;
- 821 d. report contextual information necessary to understand how the data has been compiled,
822 such as any standards, methodologies, and assumptions used.

823 GUIDANCE

824 This disclosure provides information on the actions taken to manage the organization's direct drivers
825 of biodiversity loss and its impacts on the state of biodiversity and ecosystem services reported under
826 Disclosures 304-3 and 304-4.

827 The mitigation hierarchy is a tool for managing an organization's impacts related to biodiversity. It
828 consists of a hierarchy of steps, including avoidance, minimization, restoration, and offset. An
829 organization should prioritize actions to avoid negative impacts and minimize those impacts when
830 avoidance is not possible. Restoration measures should be implemented when negative impacts
831 cannot be avoided or minimized. Offsetting measures may also be applied to residual negative
832 impacts only after all other measures have been applied. Building on the mitigation hierarchy, the
833 SBTN's Action Framework covers actions to avoid potential negative impacts, reduce actual negative
834 impacts, regenerate and restore ecosystems, and transform the socio-economic systems in which
835 organizations are embedded.

836 See references [8], [18], and [26] in the [Bibliography](#).

837 Guidance to 304-5-a

838 This requirement covers actions to manage impacts from the organization's own activities and its
839 suppliers. It also covers actions taken to manage impacts at an operational site, other specific
840 geographic locations, and at the organizational level (e.g., a ban on sourcing a certain product across
841 the entire organization).

842 The organization should describe the traceability mechanisms it uses to source products from
843 ecosystems managed to maintain or enhance biodiversity and avoid natural ecosystem conversion
844 and overexploitation of resources. The organization should describe actions taken to improve
845 traceability and explain whether it sources products certified by a third party. Third-party certification
846 can provide assurance that the products sourced adhere to sustainable management practices. The
847 organization should explain how these certification schemes help manage impacts on biodiversity, as
848 they use different criteria related to biodiversity conservation.

849 The organization should also describe how it works with its suppliers to manage their negative
850 impacts on biodiversity. Where applicable, the organization should also describe actions taken to
851 ensure marine resources' conservation and sustainable use in areas beyond national jurisdictions.

852 The organization should also describe how it works with other organizations and stakeholders to
853 manage their impacts, including their cumulative impacts and impacts caused by third parties that
854 result from the presence of an organization's activities or its suppliers' activities. For example, people
855 moving to the area where a new project site will open (e.g., migrants cut down a forest to make space
856 for their houses and crops) or people using new transport routes associated with the development of
857 a new project site (e.g., people hunt for bushmeat in areas that were not accessible before). In such
858 cases, an organization can describe, for example, how it works with the government to limit the use of
859 transport routes by third parties.

860 **Guidance to 304-5-a-i**

861 Avoidance measures are taken to anticipate and prevent negative impacts on biodiversity before
862 actions or decisions are taken that could lead to such impacts. This includes canceling activities that
863 generate irremediable biodiversity losses where there is no viable lower-impact alternative, such as
864 alternative geographic locations, technologies, or time periods. For example, an organization may
865 decide against expanding its operational site to avoid negative impacts on the breeding grounds of
866 threatened species adjacent to the site.

867 Avoidance is often the easiest, most effective way of preventing potential negative impacts and
868 should therefore be prioritized ahead of other steps of the mitigation hierarchy.

869 The organization can explain if it avoids activities in or near no-go areas, which include protected
870 areas, Key Biodiversity Areas, or Indigenous Peoples' and Community Conserved Territories and
871 Areas.

872 See reference [12] in the [Bibliography](#).

873 **Guidance to 304-5-a-ii**

874 Actions taken to minimize negative impacts on biodiversity aim to reduce the duration, intensity, and
875 extent of impacts that cannot be completely avoided to the extent possible.

876 If the organization's or its suppliers' activities lead to ecosystem fragmentation, the organization
877 should report actions taken to minimize fragmentation, such as designing biological corridors or
878 implementing other measures to improve connectivity between ecosystems or species. Other
879 examples of actions taken to minimize biodiversity-related impacts are the adoption of biodiversity-
880 friendly land management practices and actions to eradicate invasive alien species.

881 See references [9] and [18] in the [Bibliography](#).

882 **Guidance to 304-5-a-iii**

883 Restoration actions occur within the area affected by the organization's activities or the activities of its
884 suppliers to rehabilitate degraded ecosystems and restore converted ecosystems when negative
885 impacts cannot be avoided or minimized. The [UN Decade on Ecosystem Restoration](#) has identified
886 principles that detail best practices for restoring degraded land, freshwater, and marine ecosystems.

887 The organization should specify whether the restoration actions are implemented while the activities
888 of the organization or its suppliers are ongoing or after the activities have ended (e.g., restoration
889 actions taken after the closure of an operational site). The organization should specify if the
890 restoration actions are planned or already being implemented. It should also provide information on
891 the species and ecosystems targeted through these actions.

892 For each operational site reported under 304-1-b, the organization should report the size of the area
893 restored and the ratio of the area restored to the area affected by its activities. An area is considered
894 restored when restoration actions have either returned the environment to its original state, or to a
895 state where it has a healthy and functioning ecosystem.

896 See references [9] and [14] in the [Bibliography](#).

897 **Guidance to 304-5-a-iv**

898 Offsets are management interventions outside of the areas affected by the organization's activities or
899 the activities of its suppliers. These can include the restoration of degraded ecosystems or actions
900 taken to reduce or stop biodiversity loss in areas where this is predicted. The organization should
901 explain whether it identifies, designs, and manages offsets according to applicable national legislation

902 or international best practice, such as the [business and biodiversity offsets program \(BBOP\) Standard](#)
903 [on Biodiversity Offsets](#).

904 The organization should specify if the actions to offset negative impacts are planned or are already
905 being implemented. It should also provide information on the species and ecosystems targeted
906 through these actions.

907 For each operational site reported under 304-1-b, the organization should report the area size used to
908 offset its residual negative impacts.

909 See references [9] and [29] in the [Bibliography](#).

910 **Guidance to 304-5-a-v**

911 Transformative actions are actions taken to contribute to systemic change inside and outside the
912 organization's value chain to generate positive impacts on biodiversity. They aim to alter the drivers of
913 biodiversity loss through technological, economic, institutional, and social factors with changes in
914 underlying values and behaviors. Transformative actions can happen before, during, and after other
915 avoidance, minimization, restoration, and offset actions. The organization can describe how it ensures
916 that its business model is compatible with the transition to halt and reverse the loss of biodiversity, or
917 what are the steps taken to transition to a circular economy. It can also report the proportion by value
918 of its products that enable the transition to halt and reverse the loss of biodiversity.

919 Additional conservation actions include actions taken in collaboration with partners to conserve or
920 restore biodiversity. These actions are not implemented to compensate for the organization's negative
921 impacts and take place outside of the area affected by the organization's activities or the activities of
922 its suppliers.

923 **Guidance to 304-5-c**

924 Synergies include actions taken to protect biodiversity that contribute to climate change mitigation.
925 Actions can also improve the capacity of species or ecosystems to adapt to unavoidable climate
926 change impacts.

927 In contrast, negative trade-offs include climate change mitigation actions that result in biodiversity
928 loss. For example, forestation of an area with non-native species may mitigate climate change
929 through the absorption of greenhouse gases but it may also result in the loss of biodiversity or
930 ecosystem services that flow from the affected ecosystems. The organization is only required to
931 report how it enhances synergies and reduces trade-offs between actions taken to manage its
932 biodiversity and climate change impacts when this is the case.

933 **Disclosure 304-6 Halting and reversing the loss of**
934 **biodiversity**

935 **REQUIREMENTS**

936 **The organization shall:**

- 937 a. **describe its policies on and commitments to halt and reverse the loss of biodiversity in**
938 **line with the 2050 Goals and 2030 Targets in the Convention on Biological Diversity's post-**
939 **2020 Global Biodiversity Framework;**
- 940 b. **describe the extent to which these policies and commitments apply to the organization's**
941 **activities, its suppliers, and its downstream entities;**
- 942 c. **report the goals, targets, base year, and indicators used to evaluate progress, including**
943 **whether and how the targets have been defined using a science-based approach;**
- 944 d. **describe how it addresses the negative impacts of the transition to halt and reverse the**
945 **loss of biodiversity on workers and local communities.**

946 **GUIDANCE**

947 The 2050 vision for biodiversity of the Conference on Biological Diversity is 'a world of living in
948 harmony with nature' where 'by 2050, biodiversity is valued, conserved, restored and wisely used,
949 maintaining ecosystem services, sustaining a healthy planet and delivering benefits essential for all
950 people'. The first draft of the Convention on Biological Diversity's post-2020 Global Biodiversity
951 Framework recognizes the need to stabilize biodiversity loss by 2030 and to fully recover natural
952 ecosystems by 2050 to achieve its vision. It proposes four goals for 2050 (2050 Goals) with related
953 targets (2030 Targets) to incentivize action in three areas: reducing threats to biodiversity, meeting
954 people's needs through sustainable use and benefit-sharing, and tools and solutions for
955 implementation and mainstreaming.

956 To contribute to this vision, which seeks to balance and outweigh the negative impacts on
957 biodiversity, the organization needs to apply the mitigation hierarchy to inform its actions to manage
958 its impacts on biodiversity. The organization reports how it applies the mitigation hierarchy under
959 Disclosure 304-5.

960 If the organization has described its policies or commitments to halt and reverse the loss of
961 biodiversity under [Disclosure 2-23 in GRI 2: General Disclosures 2021](#) or under [3-3-c in GRI 3:](#)
962 [Material Topics 2021](#), it can provide a reference to this information under 304-6-a and does not need
963 to repeat the information. In this Standard, policies on and commitments to halt and reverse the loss
964 of biodiversity also cover policies on and commitments to nature positive, net positive impact, and no
965 net loss and net gain of biodiversity.

966 See reference [2] in the [Bibliography](#).

967 **Guidance to 304-6-b**

968 If the policies and commitments apply to all of the organization's activities, suppliers, and downstream
969 entities equally, a brief statement of this fact is sufficient to comply with the requirement.

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

975 The organization should also explain whether the suppliers and downstream entities are obligated to
976 abide by the policies and commitments or are encouraged (but not obligated) to do so. It can also
977 explain if the policies and commitments apply to other business relationships.

978 **Guidance to 304-6-c**

979 The organization is required to explain how it has used best available science to set targets, including
980 information related to appropriate local sustainability contexts.

Exposure draft for public comment

981 Disclosure 304-7 Access and benefit-sharing

982 REQUIREMENTS

983 The organization shall:

- 984 a. report the number of access and benefit-sharing permits obtained and the country where
985 they have been obtained;
- 986 b. report the number of access and benefit-sharing agreements established and the country
987 where they have been established;
- 988 c. describe the type and amounts of monetary and non-monetary benefits shared and how
989 they are distributed and monitored;
- 990 d. describe how the monetary and non-monetary benefits shared support indigenous
991 peoples, local communities, and the conservation and sustainable use of biodiversity;
- 992 e. describe how patents for inventions based on or derived from the utilization of genetic
993 resources or associated traditional knowledge align with access and benefit-sharing
994 principles.

995 GUIDANCE

996 This disclosure provides information on how the organization respects national legal requirements to
997 achieve the fair and equitable sharing of benefits arising from utilizing genetic resources and the
998 associated traditional knowledge.

999 This disclosure is relevant to an organization conducting research and development on the genetic or
1000 biochemical composition of genetic resources.

1001 The fair and equitable sharing of benefits arising from the utilization of genetic resources is one of the
1002 three objectives of the Convention on Biological Diversity. The Nagoya Protocol further builds on the
1003 provisions of the Convention on Biological Diversity to set out the obligations of governments in
1004 relation to access and benefit-sharing. In order to meet their obligations under the Nagoya Protocol,
1005 governments must adopt legislative, administrative, or policy measures which set out national access
1006 and benefit-sharing requirements and procedures. Organizations interested in accessing or using
1007 genetic resources and associated traditional knowledge must follow the relevant national
1008 requirements and procedures.

1009 See references [1] and [3] in the [Bibliography](#).

1010 Guidance to 304-7-a

1011 The organization is required to report the number of permits obtained from the competent national
1012 authority in the country where the genetic resources were accessed.

1013 If there is a change of intent in utilizing genetic resources and associated traditional knowledge, a new
1014 permit is needed to ensure prior informed consent and the negotiation of new mutually agreed terms.
1015 For example, when genetic resources used in academic research lead to a commercial application. In
1016 this case, an organization reports two permits.

1017 Guidance to 304-7-b

1018 The organization is required to report the number of agreements established in cases when countries
1019 have not yet recognized legal access and benefit-sharing measures.

1020 The organization should also describe how mutually agreed terms were achieved, prior informed
1021 consent obtained, and if they align with internationally recognized principles of ensuring dialogue,
1022 participation, complete and accessible information, and respect for customary laws and practices. The
1023 organization should describe how prior informed consent was obtained from indigenous peoples and
1024 local communities to access traditional knowledge.

1025 If there is a change of intent in utilizing genetic resources and associated traditional knowledge, a new
1026 agreement is needed to ensure prior informed consent and the negotiation of new mutually agreed
1027 terms. For example, when genetic resources used in academic research lead to a commercial
1028 application. In this case, an organization reports two agreements.

- 1029 The organization should report if it has established a new agreement with the providers to ensure
1030 prior informed consent and the negotiation of new mutually agreed terms if there is a change of intent
1031 in utilizing genetic resources and associated traditional knowledge.
- 1032 Where applicable, the organization can report if it has established access and benefit-sharing
1033 agreements in areas beyond national jurisdictions and describe the mutually agreed terms.
- 1034 **Guidance to 304-7-c**
- 1035 The organization is required to describe the types and amounts of benefits shared between providers
1036 and users. Examples of monetary benefits are joint ownership of intellectual property rights, and
1037 sales-based royalties in licenses. Examples of non-monetary benefits are technology transfer, training
1038 and capacity-building for local researchers, joint authorship of publications, and community projects.
1039 In addition, the organization should report if the genetic resource is used for commercial or non-
1040 commercial purposes.
- 1041 The organization is required to describe how the benefits of utilizing genetic resources are shared
1042 with the providers. Providers can be the government, indigenous peoples, and local communities.
- 1043 In cases where the utilization of the genetic resources is transferred to a third party, the organization
1044 should report whether the mutually agreed terms include provisions to ensure the benefits continue to
1045 be shared with the providers.
- 1046 **Guidance to 304-7-e**
- 1047 Requirement 304-7-e covers publicly available patents, including pending applications.
- 1048 The organization should report the geographical location or source of genetic materials and
1049 associated traditional knowledge. If the organization has access and benefit-sharing permits or
1050 agreements, it should report whether its patents align with access and benefit-sharing principles laid
1051 out in those permits or agreements.
- 1052 See reference [33] in the [Bibliography](#).

1053 **Table 1. Example of template for presenting information for Disclosure 304-1**

1054 Table 1 offers an example of how to present information for Disclosure 304-1. The organization can

1055 amend the table according to its practices, for example by reporting additional information.

Location of the organization’s operational sites with the most significant impacts on biodiversity and areas of high biodiversity value (requirements 304-1-b and 304-1-d)				
Site name	Location of operational site	Size of operational site	Area of high biodiversity value	Distance to area of high biodiversity value
[name or identifier]	[coordinates]	[hectares]	[name and type ⁴]	[distance ⁵]
Location of suppliers’ operational sites with the most significant impacts on biodiversity (requirement 304-1-c)				
Site name	Location of operational site			
[name or identifier]	[country or jurisdiction]			

⁴ The type can be reported as follows: legally protected area, internationally recognized area, other area of high biodiversity value that is important to indigenous peoples and local communities, or other area of importance for biodiversity.

⁵ The organization is required to report the distance only in cases where the sites are near an area of high biodiversity value.

1056 **Table 2. Example of template for presenting information for Disclosure 304-2**

1057 Table 2 offers an example of how to present information for Disclosure 304-2. The organization can
 1058 amend the table according to its practices, for example by reporting additional information.

Climate change (requirement 304-2-a)				
Scope 1 GHG emissions (see Disclosure 305-1 in GRI 305: Emissions 2016)		Scope 2 GHG emissions (see Disclosure 305-2 in GRI 305: Emissions 2016)		Scope 3 GHG emissions (see Disclosure 305-3 in GRI 305: Emissions 2016)
[metric tons of CO ₂ equivalent]		[gross location-based in metric tons of CO ₂ equivalent] [if applicable, gross market-based in metric tons of CO ₂ equivalent]		[metric tons of CO ₂ equivalent]
Invasive alien species (requirement 304-2-b)				
Site name	Activities			
[name or identifier]	[description]			
Land and sea use change (requirement 304-2-c)				
Site name	Activities	Ecosystem type	Ecosystem size	
[name or identifier]	[description]	[type]	[hectares]	
Overexploitation of resources (requirement 304-2-d)				
Site name	Activities	Type of resource	Quantity of resource	Species extinction risk⁶
[name or identifier]	[description]	[type]	[quantity]	[extinction risk status]
Pollution (requirement 304-2-e)				
Site name	Activities	Type of pollutant	Quantity of pollutant	
[name or identifier]	[description]	[type]	[quantity]	

⁶ The organization is required to report the species extinction risk only in cases where it overexploits wild animal and plant species.

1059 **Table 3. Example of template for presenting information for Disclosure 304-3**

1060 Table 3 offers an example of how to present information for Disclosure 304-3. The organization can
 1061 amend the table according to its practices, for example by reporting additional information.

Ecosystems affected or potentially affected by the organization’s activities (requirement 304-3-a)						
Site name	[Baseline year]			[Current reporting period]		
	Ecosystem type	Ecosystem size	Ecosystem condition	Ecosystem type	Ecosystem size	Ecosystem condition
[name or identifier]	[type]	[hectares]	[condition]	[type]	[hectares]	[condition]
Species affected or potentially affected by the organization’s activities (requirement 304-3-b)						
Site name	[Baseline year]		[Current reporting period]			
	Species name		Species extinction risk	Species name		Species extinction risk
[name or identifier]	[name]		[extinction risk status]	[name]		[extinction risk status]
Ecosystems affected or potentially affected by the suppliers’ activities (requirement 304-3-c)						
Site name	Ecosystem condition					
[name or identifier]	[condition]					

1062

Glossary

1063 This glossary provides definitions for terms used in this Standard. The organization is required to
1064 apply these definitions when using the GRI Standards.

1065 The definitions included in this glossary may contain terms that are further defined in the complete
1066 [GRI Standards Glossary](#). All defined terms are underlined. If a term is not defined in this glossary or in
1067 the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

1068 **baseline**

1069 starting point used for comparisons

1070 Note: In the context of energy and emissions reporting, the baseline is the projected energy
1071 consumption or emissions in the absence of any reduction activity.

1072 **direct (Scope 1) GHG emissions**

1073 greenhouse gas (GHG) emissions from sources that are owned or controlled by the organization

1074 Examples: CO₂ emissions from fuel consumption

1075 Note: A GHG source is any physical unit or process that releases GHG into the atmosphere.

1076 **energy indirect (Scope 2) GHG emissions**

1077 greenhouse gas (GHG) emissions that result from the generation of purchased or acquired electricity,
1078 heating, cooling, and steam consumed by the organization

1079 **greenhouse gas (GHG)**

1080 gas that contributes to the greenhouse effect by absorbing infrared radiation

1081 **human rights**

1082 rights inherent to all human beings, which include, at a minimum, the rights set out in the *United*
1083 *Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set
1084 out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights*
1085 *at Work*

1086 Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the*
1087 *United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

1088 Note: See [Guidance to 2-23-b-i in GRI 2: General Disclosures 2021](#) for more information on 'human
1089 rights'.

1090 **impact**

1091 effect the organization has or could have on the economy, environment, and people, including on their
1092 human rights, which in turn can indicate its contribution (negative or positive) to sustainable
1093 development

1094 Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or
1095 unintended, and reversible or irreversible.

1096 Note 2: See [section 2.1 in GRI 1: Foundation 2021](#) for more information on 'impact'.

1097 **indigenous peoples**

1098 indigenous peoples are generally identified as:

- 1099 • tribal peoples in independent countries whose social, cultural and economic conditions
1100 distinguish them from other sections of the national community, and whose status is regulated
1101 wholly or partially by their own customs or traditions or by special laws or regulations;
- 1102 • peoples in independent countries who are regarded as indigenous on account of their descent
1103 from the populations which inhabited the country, or a geographical region to which the
1104 country belongs, at the time of conquest or colonization or the establishment of present state

- 1105 boundaries and who, irrespective of their legal status, retain some or all of their own social,
1106 economic, cultural and political institutions.
- 1107 Source: International Labour Organization (ILO), *Indigenous and Tribal Peoples Convention, 1989*
1108 (No. 169)
- 1109 **local community**
- 1110 individuals or groups of individuals living or working in areas that are affected or that could be affected
1111 by the organization's activities
- 1112 Note: The local community can range from those living adjacent to the organization's operations to
1113 those living at a distance.
- 1114 **material topics**
- 1115 topics that represent the organization's most significant impacts on the economy, environment, and
1116 people, including impacts on their human rights
- 1117 Note: See [section 2.2 in GRI 1: Foundation 2021](#) and [section 1 in GRI 3: Material Topics 2021](#) for
1118 more information on 'material topics'.
- 1119 **natural ecosystem conversion [new]**
- 1120 human-induced change of a natural ecosystem to another use, or profound change in an ecosystem's
1121 species composition, structure, or function
- 1122 Source: Accountability Framework, Terms and Definitions, 2019; modified
- 1123 Note 1: Ecosystem conversion can include severe degradation or the introduction of management
1124 practices that result in substantial and sustained change in the ecosystem's former species
1125 composition, structure, or function.
- 1126 Note 2: A natural ecosystem is an ecosystem that substantially resembles – in terms of species
1127 composition, structure, and ecological function – one that is or would be found in a given area in the
1128 absence of major human impacts. This includes human-managed ecosystems where much of the
1129 natural species composition, structure, and ecological function are present.
- 1130 **other indirect (Scope 3) GHG emissions**
- 1131 indirect greenhouse gas (GHG) emissions not included in energy indirect (Scope 2) GHG emissions
1132 that occur outside of the organization, including both upstream and downstream emissions
- 1133 **reporting period**
- 1134 specific time period covered by the reported information
- 1135 Examples: fiscal year, calendar year
- 1136 **supplier**
- 1137 entity upstream from the organization (i.e., in the organization's supply chain), which provides a
1138 product or service that is used in the development of the organization's own products or services
- 1139 Examples: brokers, consultants, contractors, distributors, franchisees, home workers, independent
1140 contractors, licensees, manufacturers, primary producers, sub-contractors, wholesalers
- 1141 Note: A supplier can have a direct business relationship with the organization (often referred to as a
1142 first-tier supplier) or an indirect business relationship.
- 1143 **supply chain**
- 1144 range of activities carried out by entities upstream from the organization, which provide products or
1145 services that are used in the development of the organization's own products or services
- 1146 **sustainable development / sustainability**
- 1147 development that meets the needs of the present without compromising the ability of future
1148 generations to meet their own needs
- 1149 Source: World Commission on Environment and Development, *Our Common Future*, 1987

1150 Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI
1151 Standards.

1152 **value chain**

1153 range of activities carried out by the organization, and by entities upstream and downstream from the
1154 organization, to bring the organization's products or services from their conception to their end use

1155 Note 1: Entities upstream from the organization (e.g., suppliers) provide products or services that are
1156 used in the development of the organization's own products or services. Entities downstream from the
1157 organization (e.g., distributors, customers) receive products or services from the organization.

1158 Note 2: The value chain includes the supply chain.

1159 **waste**

1160 anything that the holder discards, intends to discard, or is required to discard

1161 Source: United Nations Environment Programme (UNEP), *Basel Convention on the Control of*
1162 *Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989

1163 Note 1: Waste can be defined according to the national legislation at the point of generation.

1164 Note 2: A holder can be the reporting organization, an entity in the organization's value chain
1165 upstream or downstream (e.g., supplier or consumer), or a waste management organization, among
1166 others.

1167 **water consumption**

1168 sum of all water that has been withdrawn and incorporated into products, used in the production of
1169 crops or generated as waste, has evaporated, transpired, or been consumed by humans or livestock,
1170 or is polluted to the point of being unusable by other users, and is therefore not released back to
1171 surface water, groundwater, seawater, or a third party over the course of the reporting period

1172 Source: CDP, *CDP Water Security Reporting Guidance*, 2018; modified

1173 Note: Water consumption includes water that has been stored during the reporting period for use or
1174 discharge in a subsequent reporting period.

1175 **water stress**

1176 ability, or lack thereof, to meet the human and ecological demand for water

1177 Source: CEO Water Mandate, *Corporate Water Disclosure Guidelines*, 2014

1178 Note 1: Water stress can refer to the availability, quality, or accessibility of water.

1179 Note 2: Water stress is based on subjective elements and is assessed differently depending on
1180 societal values, such as the suitability of water for drinking or the requirements to be afforded to
1181 ecosystems.

1182 Note 3: Water stress in an area may be measured at catchment level at a minimum.

1183 **water withdrawal**

1184 sum of all water drawn from surface water, groundwater, seawater, or a third party for any use over
1185 the course of the reporting period

1186 **worker**

1187 person that performs work for the organization

1188 Examples: employees, agency workers, apprentices, contractors, home workers, interns, self-
1189 employed persons, sub-contractors, volunteers, and persons working for organizations other than the
1190 reporting organization, such as for suppliers

1191 Note: In the GRI Standards, in some cases, it is specified whether a particular subset of workers is
1192 required to be used.

1193

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1194 This section lists authoritative intergovernmental instruments and additional references used in
1195 developing this Standard.

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