Private Sector No Net Loss commitments

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Summary

The Biodiversity Consultancy has conducted research into the uptake of No Net Loss/Net Positive Impact on biodiversity by the private sector. Thirty-eight companies have public company-wide, biodiversity commitments or aspirations to ‘No Net Loss’, ‘Neutrality’, ‘Net Positive Impact’ or similar wording (Figure 1). There has been a steady growth in the number of companies committing to No Net Loss of biodiversity since 2002.

![Graph showing growth in the number of companies with public company-wide commitments/aspirations to No Net Loss of biodiversity]

Figure 1: Growth in the number of companies with public company-wide commitments/aspirations to No Net Loss of biodiversity

1 What does No Net Loss mean?

No Net Loss means (i) following the mitigation hierarchy so that negative impacts of development on biodiversity are reduced; and (ii) balancing residual losses with environmental gains made elsewhere, as ‘biodiversity offsets’. Numerous definitions of No Net Loss exist in government offset systems and in scientific literature. Recent consensus definitions have been proposed in scientific and relevant standards have been developed in offset forums.

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2. E.g. the BBOP Standard http://bbop.forest-trends.org/pages/guidelines
2 What do such company statements mean?

The terms used in these statements vary greatly between different companies, as does the level of available detail and the extent of implementation, but we refer to all here as ‘No Net Loss commitments’ until further information becomes available. These commitments thus likely represent a continuum, with some companies genuinely striving towards positive impacts, whereas others have little more than aspirations that are unlikely to lead to a net benefit. At the upper end of the continuum are companies that are carefully following the mitigation hierarchy and have advanced biodiversity management programs with clear commitments to tangible biodiversity gains. These leading companies have detailed protocols on quantitative impact measurement, and evolving approaches to mitigation and biodiversity offset design.

3 The mining sector leads the growth in No Net Loss-type commitments

Following Solid Energy’s lead and Rio Tinto’s high-profile aspiration to Net Positive Impact in 2004, the concept has gained particular traction in the mining industry. Fifteen of the 38 companies with No Net Loss commitments are from mining and aggregate sectors (Figure 1). This includes several major sector leaders and almost a third (7 of 22) of company members of the International Council on Mining and Metals (ICMM)3. Rio Tinto appears to have the most fully developed No Net Loss approach within the sector, including both a framework and significant implementation on the ground. By contrast, no oil and gas companies have yet made public company-wide No Net Loss-type commitments. Uptake of the concept across industry sectors is therefore highly uneven.

No Net Loss approaches are also being tested on the ground by several companies participating in the Business and Biodiversity Offsets Programme (BBOP), such as the Sherritt-led Ambatovy project in Madagascar and Newmont’s Akyem project in Ghana.

4 The advantages of a No Net Loss type approach

No Net Loss-type approaches, even as an aspirational goal, are becoming effective business planning tools. Importantly, a great value of the No Net Loss approach is in driving performance. Through the application of the mitigation hierarchy, No Net Loss provides a clear framework for stakeholder engagement, quantification of losses and gains, agreement of targets (‘how much compensation is enough?’), cost-benefit analysis of options in the mitigation hierarchy, and long-term financial and risk planning.

3 In addition to these companies, a number of other mining companies have subsidiaries or individual mines with No Net Loss policies, or that are piloting No Net Loss approaches. This is sometimes because of purchases of other companies or projects. Anglo American recently purchased De Beers, a company with a clear no net loss policy