



Webinar “LIFE Methodology and LIFE Key Europe: tools to help business and finance to measure biodiversity”

Summary – 14th October 2020

Context

Approximately 40% of the world economy is based on products sourced from biodiversity or its ecological processes. All organizations, regardless of size or sector of activity, impact the ecosystem in some way, either by the use of raw materials, water and energy, by the emission of gases and waste generation, area occupation or by changes in land use.

At the same time, organizations also depend on the services provided by nature, such as the water cycle, climate regulation, supply of raw material and the regulation of air quality, for example.

Due to this dual relationship of impact and dependency, the balance and maintenance of ecosystems and the conservation of biodiversity can represent both a risk to the business and an opportunity to invest in a different strategic action. To revert the high rates of destruction of nature is an urgent necessity that should be one of the priorities in all organizations.

The **LIFE Methodology** was developed by LIFE Institute in 2009, when a group of specialists, technicians, consultants, business managers, government officials, from the academy and from civil society worked to develop a system that considered:

- The conservation of biodiversity as a voluntary action.
- The need for a conservation performance compatible with the potential impacts to biodiversity and to investment capacity, aiming to promote the engagement of enterprises from all sectors of the economy.
- Objectivity through the quantification of impacts and rating nature conservation actions from technical and scientifically recognized criteria.

The LIFE Methodology helps business and finance sector identify their impacts and design a strategic plan to reduce, mitigate and compensate them, including a specific approach to reduce impacts on the supply chain. It enables them to quantify objectively their impact on natural resources and provides strategic guidance to guarantee the effectiveness of their conservation actions.

The LIFE Methodology consists mainly in the following stages:

- **STATE:** The diagnosis takes place by assessing the business management to understand the situation and the ecoregion fragility, and existing threaten species. The landscape and biodiversity priorities are also identified in the surroundings. The methodology enables organisations to objectively quantify their impact on natural resources, and evaluates effectiveness of organisation’s actions on biodiversity, as well as their actual business management.
- **PRESSURE:** Once a picture of the situation is taken, the next step consists of start measuring the Biodiversity Pressure Index (BPI) based on five environmental aspects (water usage, energy consumption, waste generation, greenhouse gas emission, area occupation) taking into account quantity and severity criteria. In addition, the Biodiversity Minimum Performance (BMP) that the company should be doing in terms of conservation actions is calculated in order to offset the impact caused by the use of natural resources. Not only biodiversity pressures but ecosystem impacts, and dependencies are also assessed.
- **RESPONSE:** When the situation and the pressures are understood, a response from the organisation is required, such as improvements on business management in order to demonstrate a real commitment on impacts reduction, and biodiversity concrete actions.

According to an analysis conducted by the European Business @ Biodiversity platform, LIFE Methodology supports a series of business applications. Beyond compliance to biodiversity international agreements, LIFE Methodology provides strategic guidance to reduce, mitigate and compensate for biodiversity impacts including on the supply chain by elaborating a Biodiversity Action Plan.

Certification: The LIFE Certification is designed to allow third party assessment and disclosure of biodiversity performance. Independent certification bodies are required to publish reports of LIFE companies containing their metrics.

LIFE Key tool is a management tool that improves the efficiency of environmental data management and reporting.

The use of the software also allows evaluation of conservation actions implemented by organisations.

The software generates detailed and executive reports supporting the decision-making process regarding the maintenance of biodiversity and the resilience of ecosystem services.

Alice Alexandre, Executive Director of LIFE Institute from Brazil, used a real business case (Posigraf printing company) to guide participants through the application process of the LIFE Methodology and the LIFE Key tool. The adaptation to the European context of the LIFE Methodology has been carried out by Ecoacsa, whose Executive Director, David Álvarez, explained what this adaptation process has consisted of.

The roadmap to adapt the LIFE Methodology to the European context consists in two phases:

1.- Methodology adaptation and enhancement: A review of the implementation of the technical calculation and adapting the software to European requirements was made in order to be able to apply the methodology both at project and supply chain level.

The first European pilot is scheduled on November 2020. The pilot phase will be followed by the standard validation process and a public consultation on the adaptation process will be launched. A European Technical Committee (ETC) will be created to validate regional data that are being used for LIFE Methodology.

2.- Methodology implementation and promotion for scaling up: training, disclosure, new testing, certifying process (training, accreditation process...).

Applications

The LIFE Methodology has been applied by a large number of businesses, mostly located in Latin America (e.g. Posigraf, Brazilian printing company). Collaboration with companies located in Europe is starting in November 2020.

References:

LIFE Methodology: <https://institutolife.org/o-que-fazemos/desenvolvimento-de-metodologias/como-surgiu-a-metodologia-life/?lang=en>

Examples of real business cases having used the LIFE methodology can be found online (<https://www.tecparcert.com.br/en/life/>).

EU B @ B: *Assessment of biodiversity measurement approaches for business and financial institutions* (B@B, 2019):

https://ec.europa.eu/environment/biodiversity/business/assets/pdf/European_B@B_platform_report_biodiversity_assessment_2019_FINAL_5Dec2019.pdf.

Q&A

Question: Which companies will be participating in the pilot phase in Europe?

Answer: The first one will be Iberdrola, which is a Spanish's leading energy utility company.

Question: Is the methodology public? Is it free? Is it simple?



Answer: Yes, the methodology is public, and all the technical details are available in the website of LIFE Institute <https://institutolife.org>

Question: Besides the Spanish trial, are you considering other countries in the horizon?

Answer: Yes, after the first Spanish pilot case the idea is to conduct other pilots in different European countries in the upcoming months.

Question: I understand this methodology is for terrestrial biodiversity, isn't it? What about marine biodiversity? Will the methodology consider land-sea interactions as well?

Answer: When assessing the organisation's impacts on biodiversity and its biodiversity dependencies using the Biodiversity Pressure Index, all company's impacts are considered, not only at terrestrial level, but whenever it operates. The methodology considers marine information. Further information with many technical data regarding marine biodiversity (mainly by ecoregion conservation) can be found in the LIFE Institute website.

In the case of Europe, the first version of the adapted LIFE Methodology has been finalised. Some adjustments will be made after the pilot phase is concluded. Companies willing to join the pilot phase, please send an email expressing your interest to contato@institutolife.org and/or dauidalvarez@ecoacsa.com

LIFE Methodology was first focused on certifying organisation's biodiversity performance, but it offers more than just the certification process made by third parties. One of its main uses is the diagnosis process, the self-assessment, the calculations made to see how companies perform. It is not only a certification methodology but also to understand business issues related to biodiversity and their impacts, as well as to drive strategic actions concerning organisation's business and sector. It is a business and biodiversity management tool. All organisations (no matter their size, sector or geography) can use the methodology and the LIFE Key software for their own calculations and analysis.

Question: If in the monitoring phase businesses do not perform well and conservation is not improved, do they lose the certification? Are they required to perform in a mandatory way any compensation measures?

Answer: The LIFE Methodology is voluntary. It assesses all voluntary actions that any organisations adopt, but it has to be a minimum. First, organisations comply with existing legislation and then they do more than that. The monitoring phase comprises a five-year plan. Some of the results from monitoring take few years to get positive results in biodiversity. Once a company starts applying the LIFE Methodology, the application process will be supported by a business and biodiversity plan, including all information about the indicators it should perform in the five-year monitoring system. They can lose certification if they don't do anything, if they abandon the project, but they have the opportunity to perform positively with our guidance and through the monitoring we check the effectiveness of the guidance to help companies do better in terms of biodiversity conservation.

Question: Are there any other companies in Brazil that went through LIFE Methodology, or just Posigraf?

Answer: There are also 6 companies already third-party certified by now and others under evaluation. Besides certified companies, over 30 businesses had used LIFE Methodology for diagnosis.

Question: I realize that the companies' disclosure on the certifying body website is very interesting and I will consult/assess the public reports of the companies.

Answer: The public disclosure of the metrics (pressure and response) of the companies is a very important and interesting information. The LIFE Methodology is open and public. It is a very transparent methodology. Further information about all companies already certified are available in the Tecpar website (<https://www.tecparcert.com.br/en/life/>).

Tecpar is one of the certifying bodies accredited by LIFE Institute to audit companies' biodiversity performance through LIFE Methodology.

Question: Some of your metrics seems to depend on the ecoregions/area (for example the number of protected/threaten species). How the LIFE Methodology can manage "equal" treatment between countries?

Answer: As LIFE Methodology consider the relevant areas and this information is translated into a fragile factor in terms of metrics, this translation of relevant areas of the Biodiversity Pressure Index provides equalities in the treatment between countries.



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Spanish regional platform of the Natural Capital Coalition

Comment: I understand this is a very consistent methodology and tool to measurement and action towards conservation and regional use of biodiversity.