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# **Biodiversity Topic Standard Public Comment FAQs**

**Public Comment FAQs (23 January 2023)**

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## 1. What is the aim of the revision of GRI 304: Biodiversity 2016?

The review of [GRI 304: Biodiversity 2016](#) aims to represent internationally agreed best practice and align with recent developments and the relevant authoritative intergovernmental instruments in the field of biodiversity.

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

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

At the time of issuance of this exposure draft, parties to the United Nations Convention on Biological Diversity are negotiating the post-2020 global biodiversity framework, which aims to stabilize biodiversity loss by 2030 and fully recover natural ecosystems by 2050. The first draft of the post-2020 global biodiversity framework proposes in its Target 15 that 'all businesses (public and private, large, medium and small) assess and report on their dependencies and impacts on biodiversity'.

The exposure draft of the revised Biodiversity Standard enables an organization to publicly disclose its most significant impacts on biodiversity and how it manages them. This disclosure enhances transparency on the organization's impacts and increases organizational accountability. The exposure draft contains disclosures that allow an organization to report information about its impacts consistently and credibly. In doing so, the global comparability and quality of reported information on these impacts supports information users in making informed assessments and decisions about the organization's impacts and contribution to sustainable development.

## 2. How was the exposure draft for the revised Biodiversity Standard developed?

The exposure draft for the revised Biodiversity Standard was developed through a transparent and inclusive process in the public interest. The development was overseen by the [Global Sustainability Standards Board \(GSSB\)](#), GRI's independent standard-setting body, following the [Due Process Protocol](#).

The content of the exposure draft for the revised Biodiversity Standard was developed by a multi-stakeholder Technical Committee made up of leading experts and practitioners on biodiversity representing civil society, mediating institutions, investors, business, and labor.

### 37 **3. What are the main changes in the draft Standard?**

38 Notable changes and inclusions in the exposure draft are summarized below:

- 39 • The exposure draft of the revised Biodiversity Standard facilitates the reporting of impacts  
40 across the supply chain. This approach expands on the disclosures in GRI 304: Biodiversity  
41 2016, which focuses on the impacts of an organization's own operations. The proposed  
42 disclosures require information on an organization's activities and its suppliers' activities with  
43 the most significant impacts on biodiversity. Disclosures also include recommendations to  
44 provide information on the downstream value chain, if available. See Disclosures 304-1 to  
45 304-4.
- 46 • The revised Biodiversity Standard's exposure draft explicitly states that organizations are only  
47 required to report information on their most significant impacts on biodiversity instead of all  
48 impacts. This approach has been adopted due to the challenges many organizations face in  
49 identifying, measuring, and reporting on all impacts on biodiversity, especially when  
50 considering their supply chains. Upcoming biodiversity frameworks, such as the Science  
51 Based Targets Network (SBTN) and the Taskforce on Nature-related Financial Disclosures  
52 (TNFD), are developing methodologies to assist organizations in identifying and prioritizing  
53 the location of their most significant impacts. See Disclosures 304-1 to 304-5.
- 54 • Emphasis is now placed on providing location-specific information on impacts. Impacts on  
55 biodiversity are site-specific. Understanding the local context where an organization interacts  
56 with biodiversity is necessary to assess its impacts. Disclosure 304-1 requires specific  
57 information on the location of operational sites with the most significant impacts on  
58 biodiversity. It replaces Disclosure 304-1 in GRI 304: Biodiversity 2016. Disclosures 304-2 to  
59 304-4 require information on impacts for each operational site reported under Disclosure 304-  
60 1.
- 61 • The exposure draft for the revised Biodiversity Standard includes a new disclosure to report  
62 on the direct drivers of biodiversity loss: climate change, invasive alien species, land and sea  
63 use change, overexploitation of resources, and pollution (see Disclosure 304-2). Although  
64 less accurate than direct measurements of changes in the state of biodiversity (i.e., changes  
65 to species and ecosystems), information on direct drivers of biodiversity loss helps  
66 understand how an organization affects biodiversity. In turn, it informs which actions an  
67 organization needs to take to manage its impacts on biodiversity. This new disclosure  
68 replaces requirement 304-2-a in GRI 304: Biodiversity 2016.
- 69 • The exposure draft for the revised Biodiversity Standard also includes a new disclosure to  
70 report on the changes to the state of biodiversity (see Disclosure 304-3). Requirements have  
71 been included in reporting the impact of an organization and its suppliers on ecosystems (i.e.,  
72 the type, size, and condition of ecosystems affected or potentially affected) and the impact of  
73 an organization on species (i.e., the name and extinction risk of species affected or potentially

74 affected). This new disclosure replaces requirement 304-2-b and Disclosure 304-4 in GRI  
75 304: Biodiversity 2016.

76 • New requirements on the impacts on people resulting from an organization's impacts on  
77 biodiversity are included in the exposure draft for the revised Biodiversity Standard. These  
78 requirements complement the disclosures in GRI 411: Rights of Indigenous Peoples 2016  
79 and GRI 413: Local Communities 2016. Proposed revisions include:

80 ○ reporting if the organization operates in proximity to areas of high biodiversity value  
81 that are important to indigenous peoples and local communities (see Disclosure 304-  
82 1);

83 ○ reporting the significant ecosystem services and the beneficiaries of these ecosystem  
84 services that are or could be affected by the organization or its suppliers (see  
85 Disclosure 304-4);

86 ○ the management of these impacts, including how the organization addresses the  
87 negative impacts of the transition to halt and reverse the loss of biodiversity on  
88 workers and local communities (see Disclosure 304-6); and

89 ○ reporting how the organization respects the provisions in the Nagoya Protocol to  
90 achieve the fair and equitable sharing of benefits from utilizing genetic resources and  
91 the associated traditional knowledge (see Disclosure 304-7).

92 • New biodiversity-specific management disclosures are included in the exposure draft for the  
93 revised Biodiversity Standard. These additional disclosures complement Disclosure 3-3 in  
94 GRI 3: Material Topics 2021. The new disclosures focus on understanding how an  
95 organization:

96 ○ applies the mitigation hierarchy to manage its biodiversity-related impacts (see  
97 Disclosure 304-5 – this replaces Disclosure 304-3 in GRI 304: Biodiversity 2016); and

98 ○ aligns its policies and commitments with the upcoming Convention on Biological  
99 Diversity's post-2020 Global Biodiversity Framework and how it implements these  
100 policies and commitments (see Disclosure 304-6).

101 • Revised definitions. The definition of 'natural ecosystem conversion' is proposed for inclusion  
102 in the GRI Standards Glossary (see Glossary). The following definitions are removed from the  
103 Glossary, as the terms are no longer used or have been incorporated into the guidance of the  
104 exposure draft:

105 ○ area of high biodiversity value;

106 ○ area protected;

107 ○ area restored;

108 ○ protected area;

- 109                   ○ significant impact on biodiversity.
- 110           • More extensive guidance is available throughout the exposure draft. This includes example  
111           templates for presenting the information for Disclosures 304-1 to 304-3 (see Table 1, Table 2,  
112           and Table 3).

#### 113 **4. Do I need to report the geographic location for all operational** 114 **sites of my organization and suppliers?**

115 No, an organization is not required to report the geographic location of all its operational sites and its  
116 suppliers' operational sites, only the geographic location of those that have or could have the most  
117 significant impacts on biodiversity.

118 The operational sites reported under Disclosure 304-1 are the focus of Disclosures 304-2, 304-3, and  
119 304-4, which require information on the direct drivers of biodiversity loss, ecosystems and species,  
120 and ecosystem services.

#### 121 **5. Do I need to report the geographic location for all operational** 122 **sites of my organization and suppliers?**

123 Operational sites cover the areas where an organization's or its suppliers' activities occur in air, land,  
124 and water.

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

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

140 The organization should also consider the area that is or could be affected by its activities and its  
141 suppliers' activities. The area that is or could be affected, also known as area of influence, is not  
142 limited to the area within an operational site but can extend beyond it. The organization should report  
143 the selected range to determine the area that is or could be affected and explain why this range was  
144 selected. For example, an organization's activities lead to water pollution 50 kilometers from the

145 source. Therefore, the organization selects a range of 50 kilometers to determine the area that could  
146 be affected by the pollution.

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

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

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

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

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

## 166 **6. What is the rationale for reporting the coordinates of my** 167 **organization's operational sites, and what if I cannot report this** 168 **information?**

169 Under requirement 304-1-b, an organization is required to report the coordinates of its operational  
170 sites. This is because impacts on biodiversity are site-specific, and having spatially explicit information  
171 helps understand the local context where an organization interacts with biodiversity and provides the  
172 necessary information to assess and manage its impacts. However, in some cases, it might not be  
173 feasible for an organization to report the coordinates of some of its sites. This could be, for example,  
174 in the case of exploration sites that are not yet operated commercially. The coordinates of these sites  
175 would constitute commercially sensitive information. In such cases, an organization can use the  
176 reason for omission, 'confidentiality constraints', and still report in accordance with GRI Standards.  
177 See [Requirement 6 in GRI 1: Foundation 2021](#) for more information on reasons for omissions.

178 When reporting the geographic location of its suppliers' operational sites, an organization is not  
179 required to report the coordinates but the country or jurisdiction, as reporting the site coordinates of

180 suppliers will not be feasible for most organizations. However, where possible, it is recommended to  
181 report a precise location for the suppliers' operational sites, such as the coordinates.

## 182 **7. Why is it important to report information at site-level?**

183 The exposure draft of the revised Biodiversity Standard emphasizes the need for organizations to  
184 provide location-specific information because impacts on biodiversity are site-specific.

185 Understanding the local context where an organization interacts with biodiversity is necessary to  
186 assess its impacts. That is because the significance of an impact can depend on the context in which  
187 the impact takes place. For example, an impact on biodiversity can be more significant when it takes  
188 place in an area of high biodiversity value compared to an area without high biodiversity value.

189 Disclosures 304-2, 304-3, and 304-4 require location-specific information. These disclosures require  
190 information on impacts for each operational site that has or could have the most significant impacts on  
191 biodiversity.

## 192 **8. Do I need to report on the biodiversity-related impacts in the** 193 **supply chain of my organization?**

194 Yes, an organization is required to report on the biodiversity-related impacts in its supply chain. The  
195 proposed disclosures cover suppliers throughout an organization's supply chain, including those  
196 beyond the first tier.

197 Reporting information on supply chains is key as the most significant impacts on biodiversity for many  
198 organizations are often in their supply chains and not in their own operations. A sole focus on an  
199 organization's activities can lead to under-reporting or reporting on impacts that are not the most  
200 significant ones. The exposure draft of the revised Biodiversity Standard requires information on  
201 biodiversity-related impacts for an organization's operational sites and its suppliers' operational sites  
202 with the most significant impacts on biodiversity.

## 203 **9. Does the exposure draft cover an organization's dependencies** 204 **on biodiversity?**

205 No. The GRI Standards are the only global standards with an exclusive focus on impact reporting for  
206 a multi-stakeholder audience. The exposure draft for the revised GRI Biodiversity Standard focusses  
207 on the impacts that an organization has on biodiversity. The dependencies on biodiversity are  
208 important to understand the risks to a business and fall under the scope of the EU Standards and the  
209 future ISSB standards, which focus on double and financial materiality respectively.

## 210 **10. Do I need to report on the biodiversity-related impacts in the** 211 **supply chain of my organization?**

212 No. There is no requirement to report a minimum number of disclosures from the exposure draft of the  
213 revised Biodiversity Standard to report in accordance with the GRI Standards. The number of



214 disclosures an organization reports is based on its assessment of which disclosures are relevant to its  
215 impacts in relation to a material topic.

216 An organization needs to identify the disclosures from the exposure draft (Disclosures 304-1 to 304-7)  
217 to report. An organization is required to report only those disclosures relevant to its impacts in relation  
218 to biodiversity. An organization is not required to report disclosures that are not relevant. See  
219 [Requirement 5 in GRI 1: Foundation 2021](#).

## 220 **11. What do I do if I cannot comply with a disclosure or with a** 221 **requirement in a disclosure?**

222 Reasons for omission are permitted for all disclosures from the exposure draft. If an organization  
223 cannot comply with a disclosure or a requirement in a disclosure (e.g., because the required  
224 information is confidential or subject to legal prohibitions), then an organization is required to specify  
225 the disclosure or the requirement it cannot comply with, and provide a reason for omission together  
226 with an explanation in the GRI content index. See [Requirement 6 in GRI 1: Foundation 2021](#) for more  
227 information on reasons for omission.

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

## 233 **12. How does the exposure draft relate to other GRI Topic** 234 **Standards?**

235 Disclosure 304-2 enables organizations to provide information on its activities and the activities of its  
236 suppliers responsible for the direct drivers of biodiversity loss, including climate change, invasive alien  
237 species, land and sea use change, overexploitation of resources, and pollution.

238 Where relevant, an organization should use information from other GRI Topic Standards to report  
239 information under Disclosure 304-2. For example, if the organization releases nitrogen oxides through  
240 its activities, which lead to its most significant impacts on biodiversity, it should use information from  
241 Disclosure 305-7 in [GRI 305: Emissions 2016](#) to report the type and quantity of pollutants under 304-  
242 2-e-ii.

243 Note that the disclosures from other Topic Standards do not require information to be reported by  
244 operational site; they require aggregate information. The organization can refer to the original data  
245 sources used to compile the information for these disclosures to obtain the data by operational site.  
246 The disclosures from other Topic Standards do not require information to be reported for suppliers.  
247 However, the organization can use these disclosures to report this information for suppliers'  
248 operational sites.

249 **13. How can I provide feedback on the exposure draft?**

250 The exposure draft will be published for public comment between 5 December 2022 and 28 February  
251 2023. Any interested party can submit feedback on the exposure draft during this period through this  
252 [online questionnaire](#).

253 Any feedback can also be submitted via email to [gssbsecretariat@globalreporting.org](mailto:gssbsecretariat@globalreporting.org) for the  
254 consideration of the GSSB.

255 **14. Does the exposure draft for the revised Biodiversity Standard**  
256 **align with other relevant instruments and guidance?**

257 The exposure draft for the revised Biodiversity Standard provides disclosures for organizations to  
258 report on their most significant impacts on biodiversity. These disclosures have been identified based  
259 on available evidence, authoritative intergovernmental instruments, and expert and stakeholder input.  
260 This means that authoritative intergovernmental instruments that shape the expectations for the  
261 responsible conduct of organizations that affect biodiversity also shape the content of the exposure  
262 draft for the revised Biodiversity Standard.

263 To ensure alignment of the exposure draft for the revised Biodiversity Standard, GRI has engaged  
264 extensively with the following frameworks and instruments:

- 265 • the UN Convention on Biological Diversity (CBD)
- 266 • the Accountability Framework initiative
- 267 • the Align project, led by Natural Capital Coalition and UNEP-WCMC
- 268 • the IFC Performance Standard 6
- 269 • the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services  
270 (IPBES)
- 271 • the Partnership for Biodiversity Accounting Financials (PBAF)
- 272 • GRI is a knowledge partner to the Taskforce on Nature-related Financial Disclosures (TNFD)  
273 and has exchanges with the Science Based Target Network (SBTN).

274 Similarly, this principle extends to related benchmarks and reporting standards that are of key  
275 relevance to biodiversity, including the European Financial Reporting Advisory Group (EFRAG), CDP  
276 and the WBA Nature Benchmark.

277 **15. Is the exposure draft for the revised Biodiversity Standard**  
278 **aligned with the EU Standard ESRS E4 Biodiversity and**  
279 **ecosystems?**

280 [Cooperation and alignment with EFRAG](#) has taken place during the development of both standards,  
281 on the new EU biodiversity standard (under the Corporate Sustainability Reporting Directive). GRI is a

282 co-creator of the new EU Standards, meaning that EFRAG and GRI have joined each other's  
283 technical expert groups, and shared information. Importantly, both standards incorporate the latest  
284 developments and authoritative intergovernmental instruments in the field of biodiversity.

285 Both the EU standard and the exposure draft for the revised GRI Biodiversity Standard contain  
286 aligned content, including but not limited to:

- 287 • reporting information on the value chain, in particular the supply chain, beyond the  
288 organization's own operations.
- 289 • focus on the most significant impacts on biodiversity.
- 290 • reporting information on the direct drivers of biodiversity loss.
- 291 • reporting information on affected ecosystems (size and condition) and affected species  
292 (extinction risks, population size).
- 293 • reporting information on how the mitigation hierarchy is implemented to manage the  
294 organization's impacts.
- 295 • alignment of the organization's policies, targets and actions with the upcoming Convention on  
296 Biological Diversity's Post-2020 Global Biodiversity Framework.
- 297 • reporting information on the impacts on people resulting from the biodiversity impacts.

298 Both standards do however show some differences, primarily in the level of detail required and the  
299 coverage of the value chain in certain requirements. For examples:

- 300 • the GRI exposure draft requires information on direct drivers of biodiversity loss (in 304-2)  
301 and on the changes to the state of biodiversity (in 304-3) for both the organization and its  
302 suppliers, while the ESRS E4 only requires this information for the organization.
- 303 • the ESRS E4 requires information on how the organization integrate ecological thresholds,  
304 including planetary boundaries. The GRI exposure draft requires information on whether and  
305 how target to halt and reverse the loss of biodiversity have been defined using a science-  
306 based approach (see 304-6).

307