

A5. Integration of biodiversity considerations into business activity

a. Environmental Management Systems

b. Environmental consideration in supply chains

Type: Response indicator

Summary

No new data since the previous publication.

In 2013, 77% of large companies that responded to the EPE Survey had an Environmental Management System (EMS) in place, compared with 83% of responding companies in 2012 and 79% in 2011.

In 2013, 53% of responding large companies had an EMS certified to ISO 14001.

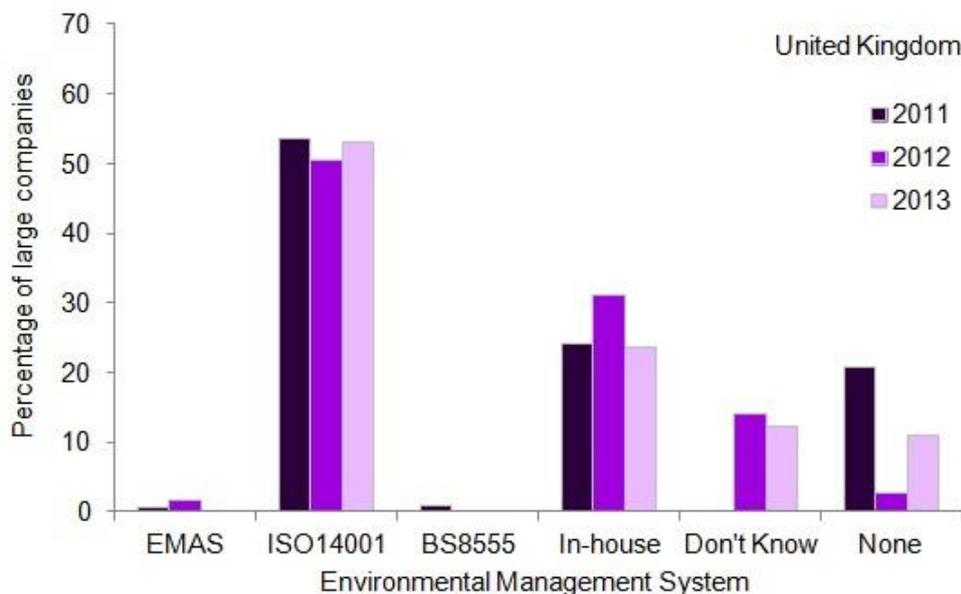
Indicator Description

The proportion of large businesses (250+ employees) in a range of sectors that are taking steps to minimise their environmental impact as measured using an Environmental Management System (EMS). The Environmental Protection Expenditure (EPE) survey (on which this indicator is based) has been discontinued. As a result it will not be possible to further update this indicator. Possibilities for a replacement are being considered.

Overall, in 2013, 24% of respondents had an EMS in place which was not externally certified (i.e. it was developed and implemented to meet “in-house” needs). This compares to 31% of respondents in 2012 having an “in-house” EMS in 2012.

Overall, 92% of large companies considered environmental issues within their supply chain in 2013, up from 78% in 2012. Within the 2013 figure, 58% formally considered environmental issues, 34% considered them informally; and 8% did not consider environmental issues at all.

Figure A5ai. Percentage of large companies that use an Environmental Management System, 2011 to 2013.



Notes:

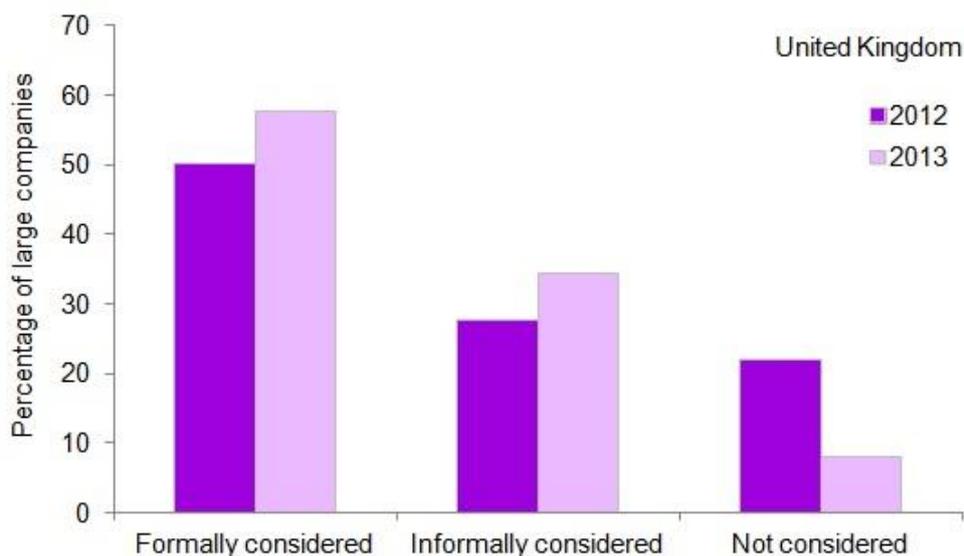
1. As companies can have multiple systems in place, a hierarchy (EMAS > ISO 14001 > BS 8555 > In-house) has been applied to avoid double counting.
2. Based on responses from 121 large companies in 2011, 127 large companies in 2012, and 134 large companies in 2013.

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3. 'Large companies' are those that employ at least 250 staff.
4. 'Don't know' was not given as a response option in the 2011 survey.

Source: Defra.

Figure A5bi. Percentage of large companies that consider environmental issues in their supply chain, 2012 to 2013.



Notes:

1. Based on responses from 120 large companies in 2012, and 133 large companies in 2013.
2. 'Large companies' are those that employ at least 250 staff.

Source: Defra.

Assessment of change in biodiversity considerations in business activity			
	Long term	Short term	Latest year
Percentage of large companies that use an Environmental Management System (EMS)	⊖	⊖	Decreased (2013)
Percentage of companies where the environment is formally considered in the supply chain	⊕	⊕	Increased (2013)

Indicator description

This indicator shows the percentage of large businesses (those with at least 250 employees) surveyed in the Environmental Protection Expenditure (EPE) Survey that operate at least one Environmental Management System (EMS), and the percentage of large companies that formally consider the environment during procurement and contract management relating to their supply chain. The EPE survey covers large mining companies, manufacturing companies and utilities.

The two main EMS certification schemes are ISO 14001 and EMAS. ISO ('International Organization for Standardization') 14001 represents the core set of standards used by organisations for designing and implementing an effective environmental management system. In 2010, ISO 14001 was used by at least 220,000 organisations in 159 countries and economies. The requirements of ISO 14001 are an integral part of the European

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Union's Eco-Management and Audit Scheme (EMAS). EMAS's structure and material requirements are more demanding, mainly concerning performance improvement, legal compliance, and reporting duties. There is also British Standard (BS) 8555, not a certifiable standard as such, but designed to provide guidance for implementing an EMS on a phase-by-phase basis. Businesses may also have 'in-house' environmental management schemes that are not officially certified.

Relevance

Decisions made by businesses of any size within key sectors such as agriculture, forestry, industry, housing and infrastructure development, water supply and fisheries can have significant biodiversity impacts. Information on how biodiversity considerations have been integrated into agriculture, forestry and fisheries, is included in other UK indicators. Other sectors were not previously adequately covered, this indicator therefore provides information on biodiversity considerations of businesses in the large mining, manufacturing and utilities sectors. Production and consumption in the UK has an impact within the UK as well as overseas.

Background

Environmental management has become a core business issue for many organisations. Minimising the amount of waste that is produced, reducing energy consumption and making more efficient use of resources can all help to protect and enhance the environment, in addition to leading to financial cost savings.

It is challenging to develop a universal measure that captures business interaction with biodiversity. Businesses can have direct and indirect impacts on nature, influenced by a wide variety of factors including resource consumption, land use, emissions/pollution, supply chain impacts and sourcing. The use of an EMS has been chosen as a proxy to measure the proportion of businesses that are taking steps to manage their environmental impacts. There are a number of regulatory and market drivers that may influence a company's decision to adopt an EMS, however the adoption of an accredited and audited EMS demonstrates that a company is willing to track the implications of its operations on the environment. Many companies may not measure their specific biodiversity impacts as part of an EMS, but steps that are taken to reduce resource consumption, energy, waste, emissions/pollution offer benefits to the environment and reduce pressures on biodiversity.

The data for this indicator comes from the government's 'Environmental Protection Expenditure Survey' (EPE), which collects data from large and small businesses on an annual basis. The EPE Survey collects data on how much businesses spend on environmental aspects of their business. It covers a range of sectors including:

- Mining & Quarrying;
- Food, Beverages & Tobacco Products;
- Coke & Refined Petroleum;
- Chemicals & Pharmaceuticals;
- Basic & Fabricated Metals;
- Machinery & Electrical Equipment;
- Energy Production & Distribution;
- Water Supply & Treatment.

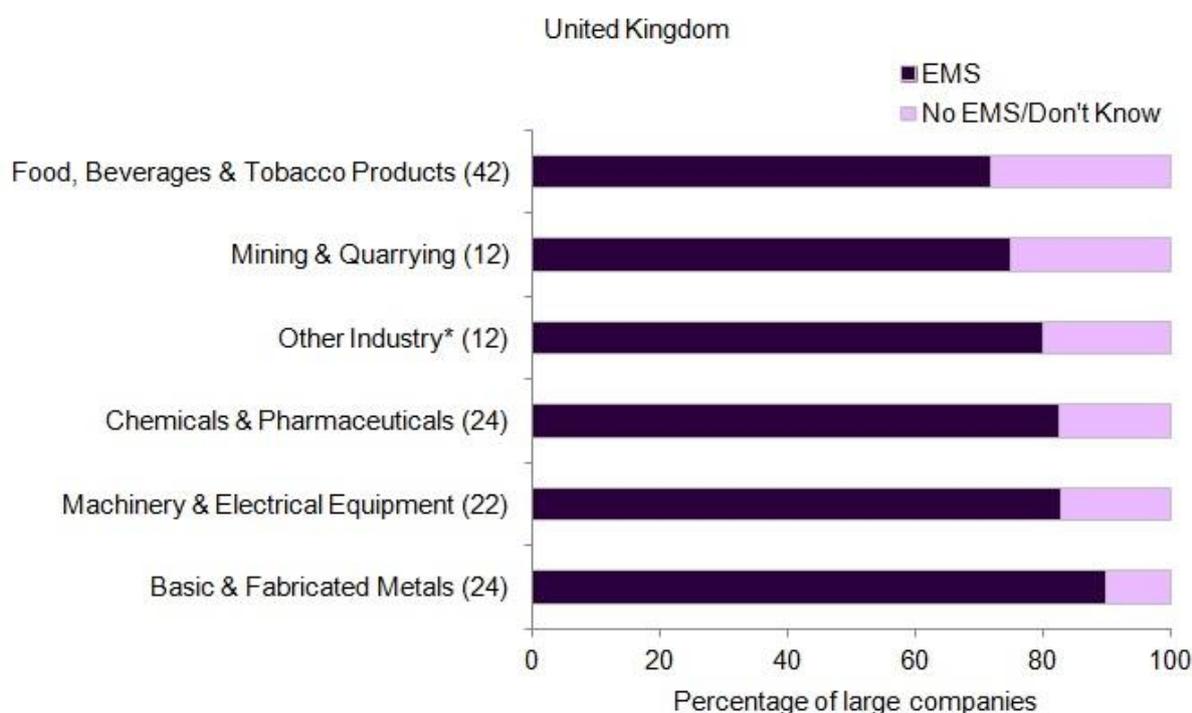
In 2013, the UK Government's Inter Departmental Business Register (IDBR) provided a stratified random sample of 1,166 companies from these industry sectors, who were invited to complete and return a postal or electronic questionnaire on a voluntary basis. The sample includes all large companies (those with 250 or more employees) from these industry

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sectors, and it is responses from these which have been used in the indicator, as the repeated sampling of large companies means a trend over time can be established. The indicator is based on responses from 121 large companies in 2011, 127 large companies in 2012, and 134 large companies in 2013. The responses were subjected to a range of detailed validation checks. Validated responses used to produce the indicator above have been weighted by sector size as reported in the IDBR published by the Office for National Statistics. Smaller companies (with less than 250 employees) are not surveyed every year and there is less consistency over time. Therefore small companies have not been included in this indicator.

Figure A5aⁱⁱ shows a breakdown of EMS use by sector. It is difficult to draw strong comparisons between sectors as the sample sizes vary, however in 2013, respondents from the Food, Beverage and Tobacco sector reported the lowest EMS use (72%). The highest level of EMS use was reported in the Basic and Fabricated Metals sector where 90% of respondents confirmed EMS use.

Figure A5aⁱⁱ. EMS use by Sector, 2013.



Notes:

1. As companies can have multiple systems in place, a hierarchy (EMAS > ISO 14001 > BS 8555 > In-house) has been applied to avoid double counting.
2. Based on responses from 134 large companies.
3. 'Large companies' are those that employ more than 250 staff.
4. Numbers in brackets give the number of responding companies from each sector.
5. Data from sectors have been combined in some instances. * Other Industry is comprised of: Coke & Refined Petroleum, Water Supply & Treatment, Energy Production & Distribution.

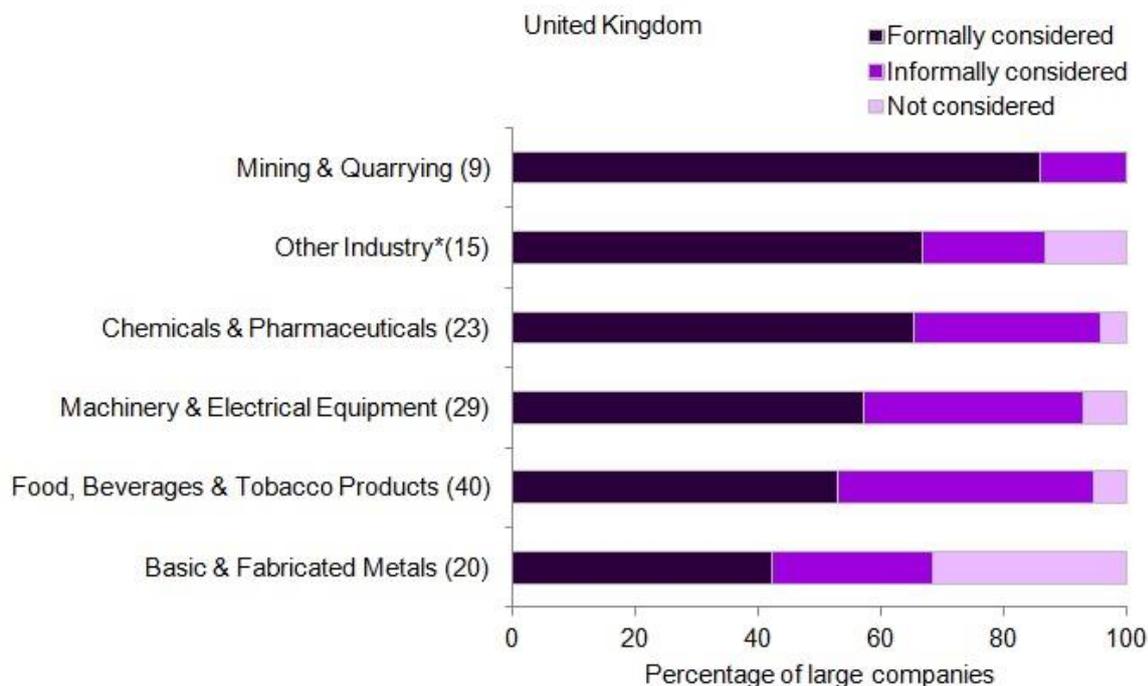
Source: Defra.

Figure A5bⁱⁱ shows a breakdown of the proportion of responding companies within each sector that formally and informally consider environmental issues along their supply chains. Again it is difficult to draw strong comparisons between sectors as the sample sizes vary, however in 2013, all of the companies within the Mining and Quarrying sector that responded to the EPE survey consider the environment within their supply chains, 86% formally considered the environment within their supply chains and 14% informally. The

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Basic Fabrications and Metals sector had the lowest proportion of responding companies that formally and informally consider environmental issues along their supply chains (68%).

Figure A5bii. Consideration of the environment within company supply chains, by Sector, 2013.



Notes:

1. Based on responses from 128 large companies.
2. 'Large companies' are those that employ more than 250 staff.
3. Numbers in brackets give the number of responding companies from each sector.
4. Data from sectors have been combined in some instances. * Other Industry is comprised of: Coke & Refined Petroleum, Water Supply & Treatment, Energy Production & Distribution.

Source: Defra.

Goals and targets

Aichi Targets for which this is a primary indicator

Strategic Goal A. Address the underlying causes of biodiversity loss by mainstreaming biodiversity across government and society.



Target 4: By 2020, at the latest, Governments, business and stakeholders at all levels have taken steps to achieve or have implemented plans for sustainable production and consumption and have kept the impacts of use of natural resources well within safe ecological limits.

Aichi Targets for which this is a relevant indicator

Strategic Goal A. Address the underlying causes of biodiversity loss by mainstreaming biodiversity across government and society.

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Target 1: By 2020, at the latest, people are aware of the values of biodiversity and the steps they can take to conserve and use it sustainably.



Target 2: By 2020, at the latest, biodiversity values have been integrated into national and local development and poverty reduction strategies and planning processes and are being incorporated into national accounting, as appropriate, and reporting systems.



Target 3: By 2020, at the latest, incentives, including subsidies, harmful to biodiversity are eliminated, phased out or reformed in order to minimize or avoid negative impacts, and positive incentives for the conservation and sustainable use of biodiversity are developed and applied, consistent and in harmony with the Convention and other relevant international obligations, taking into account national socio-economic conditions.

Web links for further information

Reference	Title	Website
Defra	Environmental Protection Expenditure Survey	https://www.gov.uk/government/collections/environmental-protection-and-expenditure-epe-survey
Institute of Environmental Management & Assessment	EMAS	http://ems.iema.net/emas
Office for National Statistics	Inter Departmental Business Register (IDBR)	http://www.ons.gov.uk/ons/about-ons/products-and-services/idbr/index.html

Full details of this indicator, including a datasheet are available at:

<http://jncc.defra.gov.uk/page-6072>

Last updated: December 2015

Latest data: 2013