



## Progress Report BIONADE GmbH 2011/2012

### On the Leadership Declaration of the 'Biodiversity in Good Company' Initiative

Biodiversity is the foundation of our life and human well-being. However, what we have been observing is a considerable and rapidly advancing loss of biodiversity, which is humanly caused. The United Nations recognized the problem as early as 1992 and negotiated an agreement on biodiversity within the scope of a UN Conference. 193 states have signed the three global objectives for the conservation of biodiversity defined in the agreement:

- Conservation of biodiversity
- Sustainable use of its components
- Fair and equitable sharing of the benefits that arise out of the utilization of genetic resources

BIONADE likewise sees biodiversity as of existential importance and recognizes its relevance for the company's core business. For one, organic agricultural raw materials being used have great influence on biodiversity. Eco-systems in turn guarantee premium-quality organic raw materials for production only if they work and are healthy. That's why, as a member of the 'Biodiversity in Good Company' Initiative, BIONADE supports the three objectives of the United Nations. It recognizes the seven points in the Leadership Declaration cited below and takes the following approach to their implementation.

#### Leadership Declaration:

All signatory companies acknowledge and support the three objectives of the international "Convention on Biological Diversity":

1. Conservation of biological diversity
2. Sustainable use of its components
3. Fair and equitable sharing of the benefits that arise out of the utilization of genetic resources.

and commit themselves to:

1. Analyzing corporate activities with regard to their impacts on biological diversity;
2. Including the protection of biological diversity within their environmental management system;
3. Appointing a responsible individual within the company to steer all activities in the biodiversity sector and report to the Management Board;
4. Defining realistic, measurable objectives that are monitored and adjusted every two to three years;
5. Publishing activities and achievements in the biodiversity sector in the company's annual, environmental, and/or corporate social responsibility report;
6. Informing suppliers about the company's biodiversity objectives and integrating suppliers accordingly and step by step;
7. Exploring the potential for cooperation with scientific institutions, non-governmental organizations (NGOs) and/or governmental institutions with the aim of deepening dialogue and continuously improving the corporate management system vis-à-vis the biodiversity domain.

To demonstrate ongoing commitment, member companies will provide the Initiative with a progress report every two years.



## **1. Analysis of the effects of the company's activities on biodiversity**

An analysis of the effects is indispensable so as to be able to take the right course for action if we want to improve how our business affects biodiversity. It is also an extensive and complex undertaking. Analytical approaches are hardly known and little tested, and uniform methods for the evaluation of biodiversity do not exist, so that comparisons across companies are not possible and system boundaries have to be found.

BIONADE has faced up to the challenge and has taken initial measures for the assessment of how the company's activities affect biodiversity. Two projects were conducted for this purpose in cooperation with scientific institutions.

In collaboration with the Institute of Environmental Planning of Leibniz University in Hanover, mapping surveys were done on the compound of BIONADE GmbH and on the land of two BIONADE contract farmers in 2010. This took place within the scope of the MANUELA (Management System Nature Conservation for Sustainable Agriculture) pilot project, in which the computer-based MANUELA program is to be tested and advanced. It pursues the aim of recording all the achievements in terms of nature conservation on the operational level of farmers, evaluating them and inferring from them courses for action to be taken.

The findings for the BIONADE compound itself indicate a large share of inferior types of biotopes due to soil sealing. On the remaining company areas, 32% of which are grassland, however, average and premium biotopes could be identified as well. They make a vital contribution to the conservation of nature; the existence of legally protected animal and plant species classified as being on the early warning list provide evidence of this. Suggestions for the improvement of conservation achievements were derived from the surveys. They refer to the preservation and/or increase of rare species, the restoration of the flows of a creek running through the compound as well as the establishment of elements supportive of the habitat of the fauna. In the wake of the pilot project, a quince orchard as well as two areas with plants typical of the Rhön and for small animals have been laid out on areas of BIONADE GmbH as a compensatory measure by 2012. These measures are to be expanded in 2013.

BIONADE has a direct impact on the biodiversity of its own properties. However, it has only an indirect impact on the upstream delivery chain and the procurement of raw materials, which affect biodiversity significantly. Two organic contract farmers also participated in the MANUELA pilot project. Initial findings on the influence of regional barley cultivation on biodiversity could thus be gained, and achievements in the conservation of nature could be measured.

BIONADE participated in another survey: "The Assessment of Biodiversity in the Supply Chain" (TABS). TABS is a new method to examine how a product on the various levels of its delivery chain affects biodiversity, which was developed by Crainfield University, England, and Middlemarch Environmental Ltd. This enables a company purposefully to align its supplier management so as to take advantage of opportunities and minimize risks, thus making an essential contribution to the conservation of



biodiversity. In an initial step, TABS has been applied to one BIONADE variety, including raw material procurement and raw material cultivation.

As a downstream operation, the company endeavors to advance methods of how to take into consideration the biodiversity not only on one's own properties but also in the upstream supply chain. The two surveys were a start and they are to be extended to other products and raw materials.

## **2. Adoption of the protection of biodiversity in the environmental management system**

Within the framework of the Master thesis of a student at Leuphana University in Lüneburg in the "Sustainability Management" MBA degree course, a recommendation was crafted in 2012 for how one might establish a biodiversity management at BIONADE. To this end, fields of action custom-tailored to the company were inferred from the "Biodiversity Management Manual: A Compendium for the Operational Practice." Objectives and possible courses for action were formulated that are to be implemented according to the classical management cycle of Plan/Do/Check/Act. Previous projects, measures and surveys will be integrated with the biodiversity management system, which is to be firmly anchored in the sustainability management and the integrated management system of BIONADE GmbH in 2013.

## **3. Supervision of all activities in the area of biodiversity and reporting to the management through a competent officer in the company**

All activities in the domain of biodiversity and the establishment of the biodiversity management will be supervised and coordinated by the competent officers for sustainable development, with the involvement of the environmental management at BIONADE. They report to the management of the company. On account of the overlapping of biodiversity management and sustainability management, all employees and their competent department heads will be involved in the implementation in day-to-day business.

## **4. Measurable and realistic objectives for improved protection of biodiversity and its sustainable use, with review and adjustment every two or three years**

As described above, preparations for measurement and the establishment of a biodiversity management have been made by now. The latter is to be systematically introduced and advanced in 2013-2014. Furthermore, MANUELA will be tested at the operations of another farmer so as to sound out the possibilities of the program for the improvement of nature conservation in regional agriculture. Whether TABS can be a sensible instrument for BIONADE to influence international procurement of raw materials and the enhancement of biodiversity will likewise be subject to examination. Risks for biodiversity arising from procurement are to be minimized and identified opportunities taken advantage of. Information deficiencies, classified as high-level risk, and uncertainties are to be reduced; the extension to other products as well as pilot audits are taken under consideration.



## **5. Publication of all activities and successes in the area of biodiversity in the annual report, environmental report and sustainability report**

BIONADE will publish their activities and successes in the area of biodiversity in the first BIONADE sustainability report in 2013.

## **6. Information of suppliers about biodiversity objectives and step-by-step involvement**

MANUELA and TABS have exemplified how suppliers can be involved in the biodiversity management. Building on that, more tests that are integrated with the biodiversity management now being established have to follow in order to identify methods and measures best suitable for BIONADE.

## **7. Cooperative projects with potential partners such as conservation organizations, scientific institutions or government institutions, in order to deepen by way of dialogue the expert knowledge and advance the management system**

When preparing the biodiversity management, collaboration with scientific institutions was intensive. This collaboration has proven to be of great value. Due to the complexity of biodiversity in companies, interdisciplinary work and the requisite expert knowledge are indispensable. That is why the previous collaboration is to be continued.

Since 2008, BIONADE has been working in conjunction with the association TRINKWASSERWALD e.V. under the slogan '*We plant drinking water*' to transform a total 62.5 hectares of German monoculture coniferous forest into mixed forests. This makes BIONADE the first company in Germany to be a large-scale partner working in the field of sustainable water conservation and to increase drinking water supplies. A scientifically approved method was used to transform coniferous forests through undergrowth planting, firstly converting them into mixed forests and subsequently into purely deciduous forests. Not only will these 'drinking water forests' offset the entire amount of drinking water needed for a year's worth of BIONADE bottling, they will also sustainably produce additional groundwater and drinking water. Over the course of a year a mixed forest absorbs an average of 80 litres more per square metre than a coniferous forest. As well as groundwater production, this transformation of forests prompts a major increase in biodiversity in the relevant areas. Whilst coniferous forests are home to around 120 species, mixed deciduous woodland plays host to up to 7,000 species within the forest ecosystem.

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