



## Does your company engage in commercial activities that pose a threat to endangered species and their natural habitats or to other scarce natural resources?

Question developed with [World Land Trust](#)

### Rationale for question

This question is focused on the responsible management of natural resources.

Natural resources underpin our commerce and our lifestyles. There are two types of natural resources: renewable and non-renewable. Once non-renewable resources, such as fossil fuels and minerals, are used up, they cannot be replenished either naturally or by human action. Renewable natural resources, such as plants and animals, water and topsoil, can be replenished and may be used indefinitely if the rate of extraction does not exceed the rate of renewal and there is a minimal level of stock. Uncontrolled use of a vulnerable habitat or over-exploitation of a vulnerable or endangered species may render these natural resources finite and non-renewable. The current debate about the management of the fisheries in the North Sea is a good example of the issues involved.

Commercial exploitation of natural resources has significant environmental and social impacts. Mining, for instance, may continue to cause damage to the environment even after operations cease through the long-term pollution of soil or groundwater. Over-fishing, often on a commercial rather than a local scale, will eventually destroy the fishery. On the other hand, well-managed resources bring immense and sustainable benefits to a community: for example, food security, employment and income. The mismanagement of natural resources, or the operations to exploit them, can lead to greater social inequality and exclusion, social repression and political corruption, amongst other problems. Scarcity and inequitable access to natural resources is a major source of conflict throughout the world and one likely to increase.

Most of the issues about natural resources are interdependent; therefore, here are three examples of commercial activities that pose a threat to scarce natural resources.

- Mismanagement of a renewable resource: Both fish stocks and timber are considered renewable natural resources because they can be sustained or replenished over time, i.e. those caught or cut will be naturally replaced by the new generation growing up. However, over-fishing and unsustainable logging threaten this replenishment and effective management regimes are crucial to their long-term survival. Increasingly these are regional or global problems rather than just national ones.
- Overuse of a finite resource: Heavily depleting reserves of a finite natural resource may impact not only on the human activities that heavily rely on the resource, as in the case of oil and gas, but also on the wider ecosystem. When we burn these fossil fuels, it is a major contributing factor in climate change and global warming. But once they are gone, they are gone.

- Over-concentration on a single resource to the detriment of biodiversity: Excessive cultivation of a single natural resource can damage scarce, unique or fragile habitats and the associated flora and fauna. For example, the rapid expansion of palm oil plantations, often for bio-fuels, is leading to the destruction of rainforests in Indonesia and Malaysia. This has a devastating impact, replacing one of most species-rich ecosystems in the world with a monoculture.

### Defining terms

'Endangered Species' are any living organism threatened with extinction because a) its numbers have declined to a critical level or b) because its habitat has become so reduced it can no longer support the population. These might be either man-made or natural changes.

'Habitat' is the dynamic natural environment in which an organism or population lives. It may refer to all of the organisms and their physical, chemical and biological environment in a particular place. In its widest sense, it refers to the major assemblages of plants and animals found together.

'Scarce' refers to a natural resource that is in short supply. Scarcity is sometimes specific to certain regions. For example, some regions suffer water scarcity while other regions have an abundance of water.

The following definitions are based on those from the [World Bank](#):

'Non-renewable natural resources' are natural resources that cannot be replaced or replenished either naturally or by human action. These include fossil fuel products and mineral resources because they are regenerated on a geological, rather than human time scale.

'Renewable natural resources' are natural resources that can be replaced or replenished by natural processes or by human action. Fish stocks and forests are both renewable natural resources as long as they are used in a sustainable way.

### Primary and Secondary answer requirements

#### ANSWERING YES

Companies must:

1. state whether they directly pose a threat to a scarce natural resource, or invest in a company that does so;
2. mention any threat they pose to vulnerable habitats or specifically to endangered or threatened species of plants or animals in the [Redlist](#); and
3. explain what policies and guidelines they have to mitigate these effects, such as planning measures and precautions.

Companies may:

1. describe any future plans to reduce use of the scarce natural resource, find sustainable alternatives, protect vulnerable habitats or improve operations.

#### ANSWERING NO

Companies may:

1. still answer NO even if they are reliant on transport networks that are dependent on fossil fuels;
2. mention any use of natural resources and the actions that they take to ensure their sustainable use, such as using those with sustainable management certifications; and
3. describe any specific efforts to preserve scarce natural resources or promote biodiversity.

**DON'T KNOW** is not a permissible answer to this question.

**NOT APPLICABLE** is not a permissible answer to this question.

**NO ANSWER YET** is only permissible under extraordinary circumstances and then for only a limited period.