

# Biodiversity



It is widely recognized that climate change and biodiversity are interconnected. Biodiversity is affected by climate change, with negative consequences for all life – including humans – who are dependent on the ecosystem services provided by nature, such as the pollination of crops for of our food supply. Ecosystem services, such as prevention of soil erosion and flood prevention, make an important contribution to both climate-change mitigation and adaptation. Conserving and sustainably managing biodiversity is critical to addressing climate change.



In 2020, the World Economic Forum (WEF) put biodiversity loss in the top group of global risks; and halting and reversing the loss of biodiversity and ecosystem services is now a top priority globally, next to climate action. It is part of the UN Sustainable Development Goals (SDGs) to 2030 as **Goal #15**: 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”.



**100 MILLION HECTARES**  
  
**OF FOREST HAVE BEEN LOST IN THE LAST**  
**20 YEARS**

THAT'S AN AREA  
THE SIZE OF **ETHIOPIA**  
 EVERY TWO DECADES  
OR **COSTA RICA** EVERY YEAR 

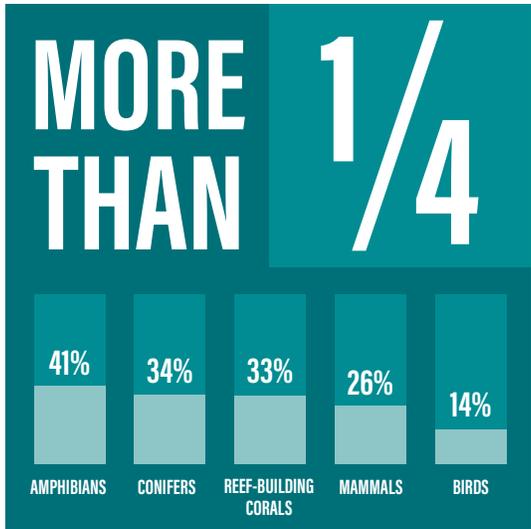
data sourced from unstats.un.org and data.un.org

## Biodiversity Program

Crown is placing increased importance on biodiversity, first by better understanding the nature of the localities in which our plants are situated, and then by assessing and mitigating any potential impacts our operations may be effectuating. We have used the **Integrated Biodiversity Assessment Tool (IBAT)** to assess our beverage manufacturing plant locations in our Brazil, Mexico and Europe regions. This tool defines biodiversity risks associated with business activities on a low/medium/high scale, taking into consideration any risk control measures. These assessments have helped to inform us on the existing biodiversity and on any potential risks,

such as the prevalence of threatened species, so as to enable us to identify and apply mitigation and adaptation actions. The next region to have assessments conducted will be our beverage packaging plants in Asia Pacific, followed by our North American beverage plants. As part of our biodiversity assessment framework, we are committed to performing updated assessments at least once every three years.

IBAT offers rapid visual screening for critical biodiversity at a global level, in part through enabling access to the World Database on Protected Areas, **IUCN Red List of Threatened Species**, and the World Database of Key Biodiversity Areas linked to Geographic Information Systems (GIS) mapping data. These assessments are especially important as we build on our holistic risk analysis. Crown’s biodiversity assessments will be extended beyond our beverage business in the near future.



**MORE THAN 1/4 OF SPECIES ASSESSED BY THE IUCN RED LIST ARE THREATENED WITH EXTINCTION**

data sourced from unstats.un.org

### Water Replenishment

Biodiversity and habitat loss are inextricably connected. We have committed to be replenishing 100% of the water we consume from our water-stressed locations, back to those watersheds by 2030, specifically through Goal #9, part of the **Resource Efficiency pillar** of Crown’s **Twentyby30 program**.

Through our water assessments, we identified the Crown Cabreúva facility to be in a water-stressed location. The Jundiá Mirim Watershed and proposed project site is approximately 40 km from the Cabreúva facility; and whilst the facility is outside the watershed, water to the facility is supplied from the watershed.

We recently identified the first collaborative water replenishment project to support, the São Paulo Water Fund, with our partner **The Nature Conservancy**. The Nature Conservancy is a global environmental non-profit organization, with a mission to conserve lands and waters, working to create a world where people and nature can thrive. The protection of water and natural resources has a positive impact on supporting biodiversity and critical habitats for many species.



**Twentyby30**  
Accelerating Sustainability



**Resource Efficiency**



## São Paulo Water Fund - Jundiaí, Brazil

**The problem:** One of São Paulo's most important watersheds, the Piracicaba, Capivari, Jundiaí (PCJ), supplies drinking water for more than 10 million people. It has experienced severe deforestation, and this has contributed to soil erosion and filled reservoirs more quickly with eroded soil, polluted waterways, caused changes in seasonal water flow, increased the severity of floods and droughts and contributed to a decline in water quality.

Healthy forests regulate water flows, protect watercourses and maintain water quality by reducing sediment and filtering pollutants. In recent years, the PCJ region has faced a severe water crisis, significantly changing water consumption habits. The water crisis does not only impact humans; the deforestation and water issues have also caused gross habitat loss for species in the region.



**The solution:** The São Paulo Water Fund was established in 2007 and is a broad initiative, coordinated by The Nature Conservancy and several partners. It aims to create the institutional and financial conditions necessary for the implementation of nature-based solutions in critical water production areas. The key aims of the initiative are to:

- Protect native forest
- Prevent alteration of hydrologic conditions leading to increased runoff
- Protect forest function and ecosystem services
- Protect water supply and water quality

This will be achieved primarily through engaging local landowners and providing financial compensation to farmers living in critical water production areas, to help them cope with water issues, in return for their support in ecological restoration and reforestation of degraded areas, primarily pasture, and conservation of existing forests within their properties. The program is based on the notion that the people who benefit from a service should compensate the provider of that service.

This highlights the way that the people who live and work with the land can be custodians of the land and help reverse degradation that may be caused by a combination of external factors, including climate change. Crown's participation supports 3 years of work, the result of which will be the protection of 100 hectares of forest in the Jundiaí Mirim Watershed, for each year of the project. We project that the project will replenish almost half of the water consumed in our Cabreúva plant by the project completion date, and offset 1,310 metric tons of CO<sub>2</sub> equivalent per year.