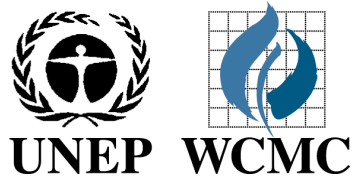


How the global reporting landscape is evolving on Ecosystem services, Biodiversity and G4

Proteus annual meeting, Stavanger 15th June

Mônica Barcellos Harris



Goal of Session

- Share updates on our work with GRI to develop indicators for ecosystem services reporting
- Updates on new indicators adopted in the O&G and MM supplements
- Looking ahead at G4 – what to expect?

Content

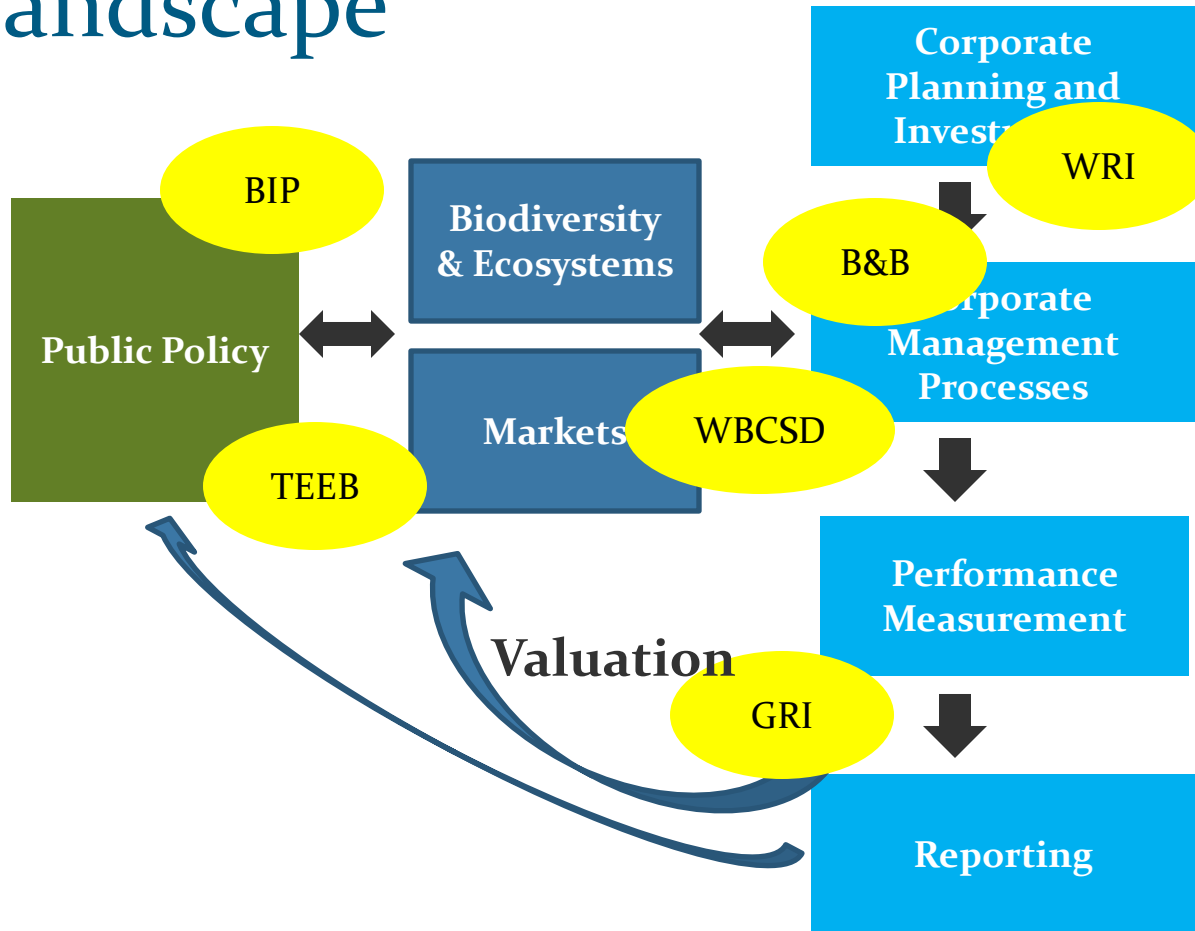
- Developing an approach for reporting on ES
- Our project journey and where we are
- Sector supplements and ES
- G4 – what should we expect?

The journey:

- Technical paper
- 4 workshops (Japan, UK and Brazil x2)
- Final paper with recommendations for GRI G4
- Partners:



Ecosystems services and Business Landscape

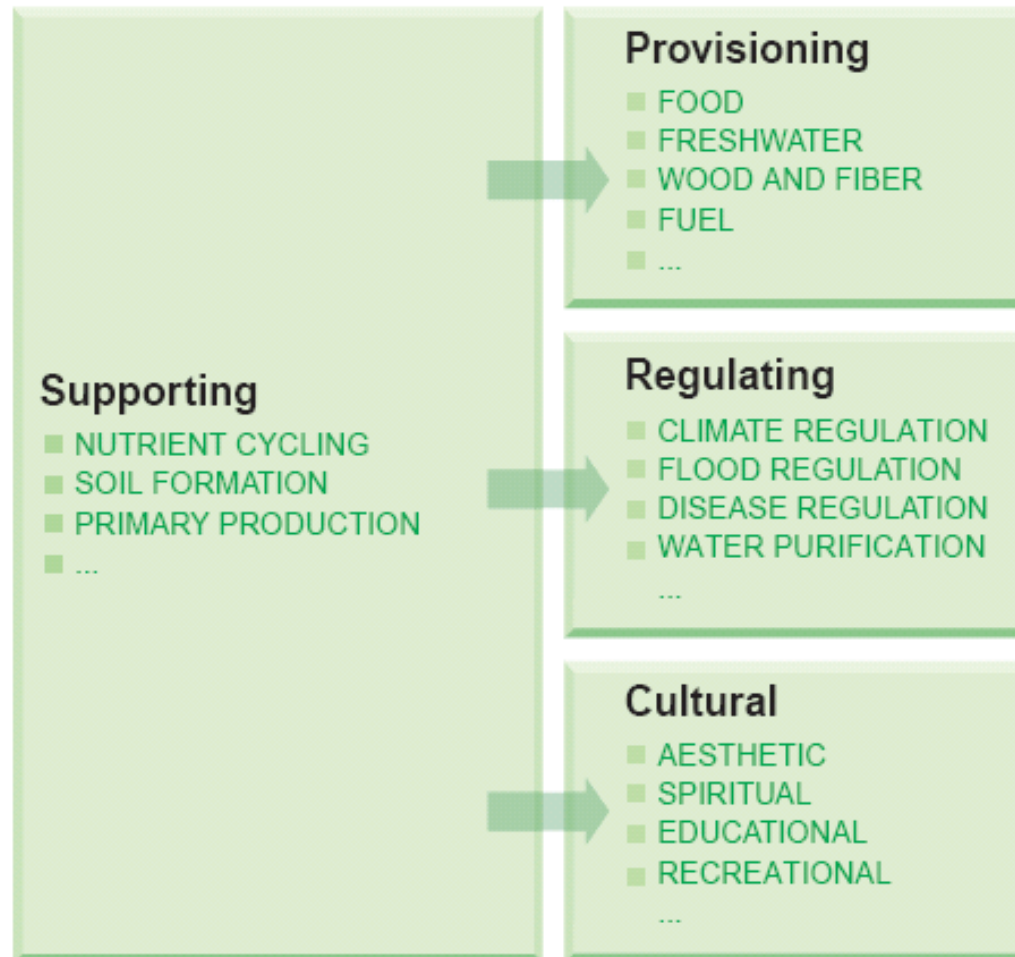


Key Questions About Measurement and Reporting:

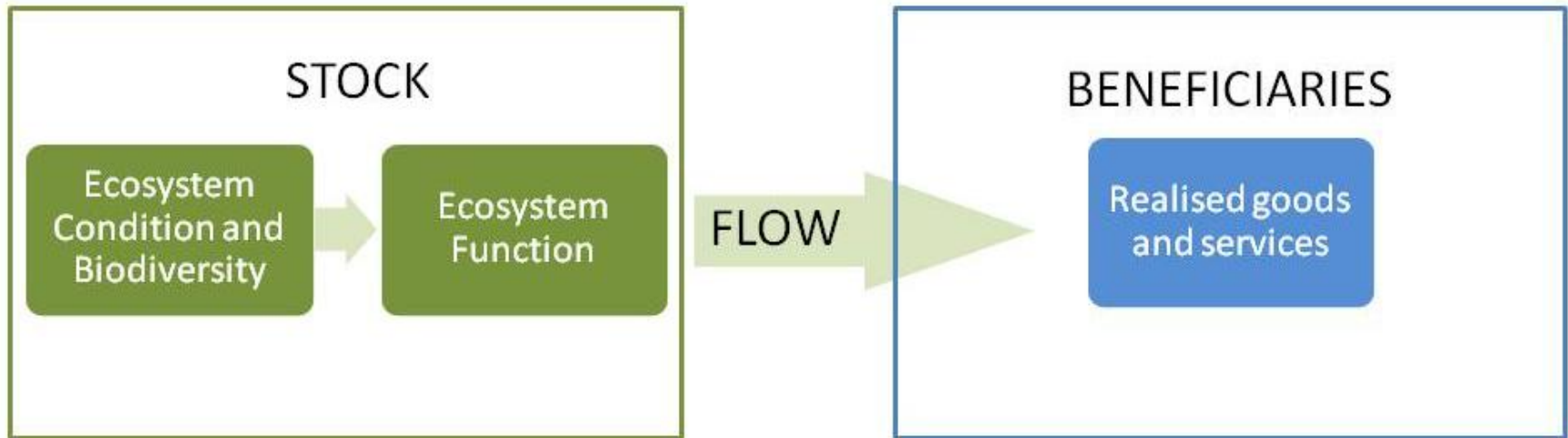
- What about ecosystem services should be addressed?
- What relationship should companies be measuring?
- Can ES be simplified for corporate reporting and GRI?

Ecosystem Services

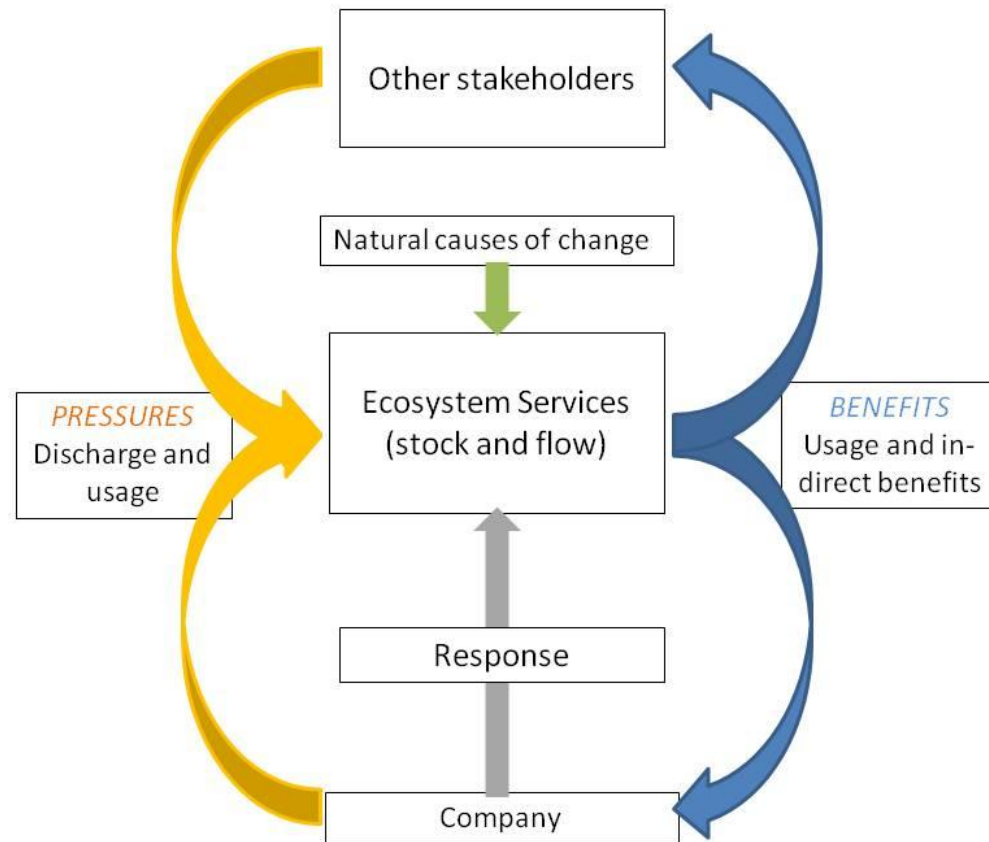
ECOSYSTEM SERVICES



What about ES should be addressed?



The linkages between companies and ES



Difficulties in Measuring change in ES

Lack of data, and methods for data collection, on specific ecosystem functions

- Ecological system complexity makes scientifically robust approaches time-consuming and expensive

Lag time between action and evidence of ecosystem change

Difficult to separate out causation factors

- Including those outside the company's boundary of responsibility

Site level vs group level (aggregation)

Can ES be simplified for reporting? A look at existing indicators

Is there a *direct* unit of measure?

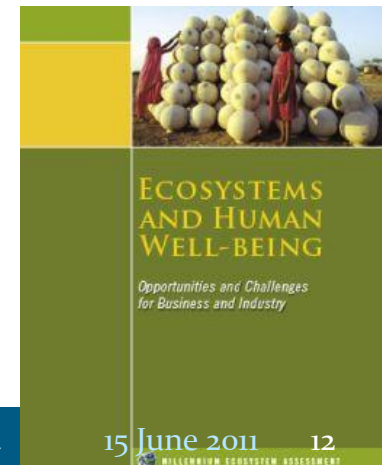
Ecosystem Services	Available unit of measurement for (part of the) quality and/or volume
Food	Volume or weight, e.g. kg, litre; area planted in ha
Biomass fuel	Volume or weight, e.g. kg, litre; area planted in ha
Freshwater	Litre

How to Measure Regulating and Supporting Services?

Ecosystem Services	Main drivers of change	Proxy indicator to measure corporate performance
Pest regulation	4, 5	<ul style="list-style-type: none"> ▪ Prevalence of crop and livestock pests and diseases ▪ Economic costs of controlling diseases caused by crop pests
Natural hazard regulation	1, 3	<ul style="list-style-type: none"> ▪ Land area of buffer zones converted to other uses by company (driver) ▪ Natural forest cover ▪ Percentage change of live coral cover ▪ Annual % change in total mangrove area ▪ Economic loss due to disruptions from disaster events

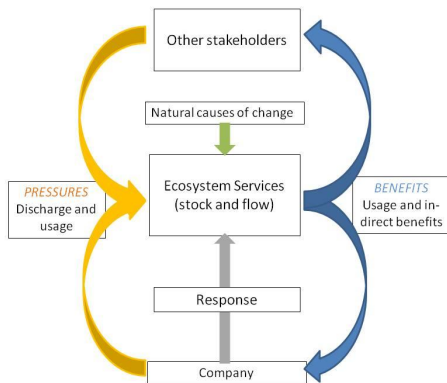
Drivers of Change According to the Millennium Ecosystem Assessment:

1. *Changes in land use and land cover*
2. *Overexploitation*
3. *Climate change*
4. *Discharge of pollution and overuse of fertilizers*
5. *Introduction of invasive, non-native species*

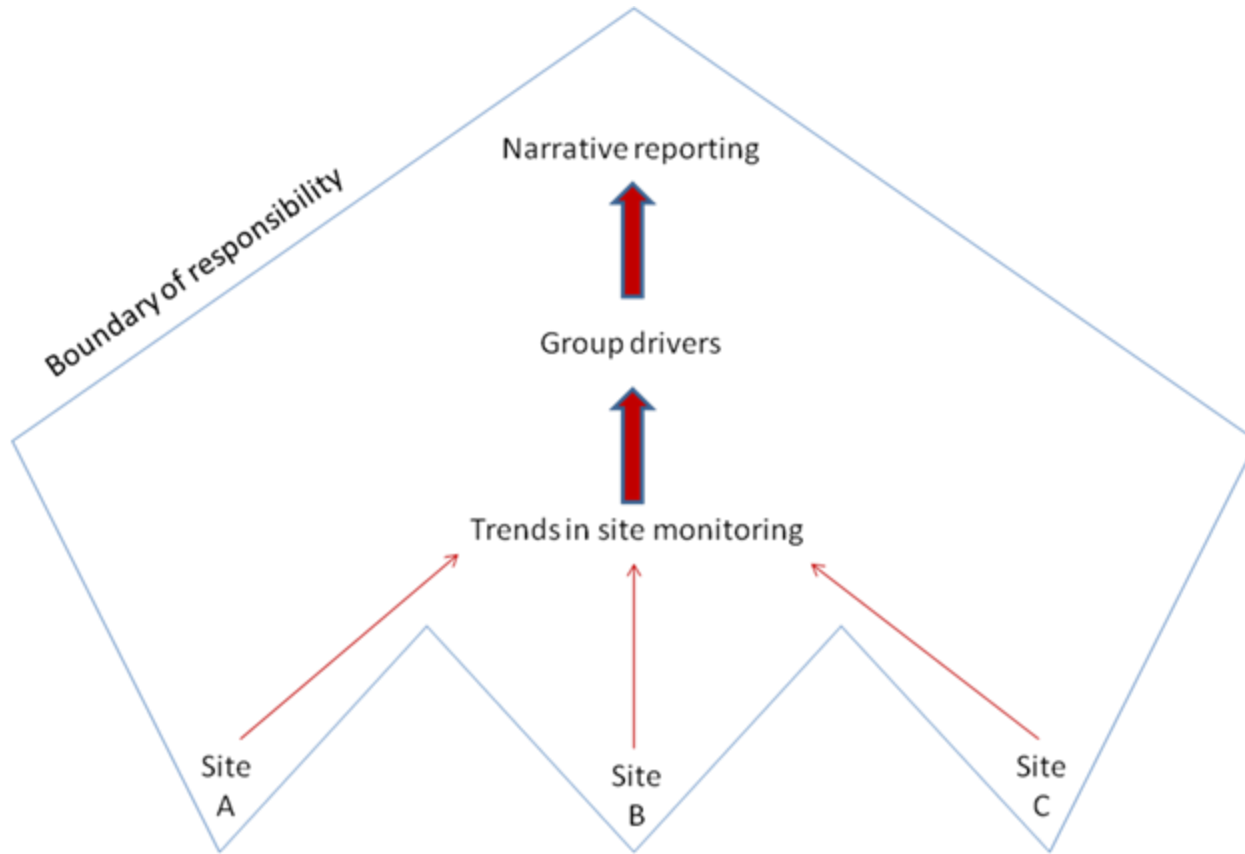


Examples

Main threats to ecosystems	Possible impact-based performance indicators for reporting		
	Pressure	Benefits	Responses
Changes in land use and land cover	<ul style="list-style-type: none"> – Significant impacts of activities, products and services on biodiversity – Change in extent of natural habitat cover in areas of operation – Number of hectares of undeveloped land altered broken down by type of alteration 	<ul style="list-style-type: none"> – Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by discharges of water and runoff – Number of IUCN Red List species and national conservation list species – Amount of natural resource consumed by the company – Number of people with denied access to natural resources within areas of operation 	<ul style="list-style-type: none"> – Habitats protected or restored – Location and size of land owned, leased, managed in, or adjacent to, protected areas/high biodiversity value – Number of sites with artificial substitutes (coastal barriers, fertilizers, pollination services) – Volume of inputs from certified sources



Proposal for ES reporting

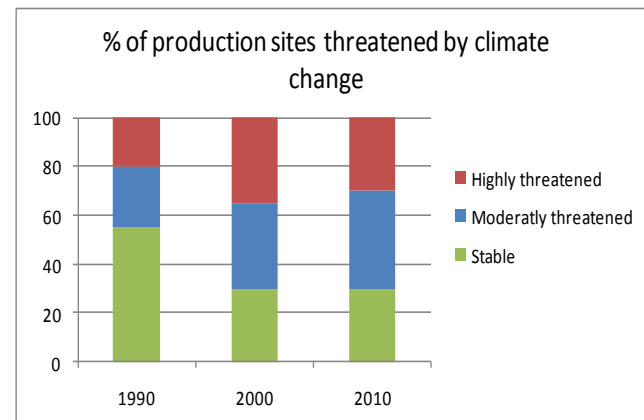
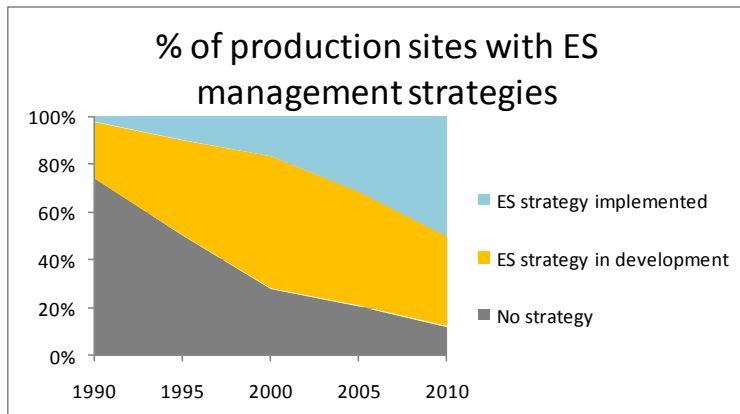


Which type of questions would describe a company's relationship with ES in narrative form?

1. Does the company understand which key ES it uses and on which it is dependent for continued supply?
2. Has the company mapped the key ES it impacts, both positively and negatively, quantitatively and/or qualitatively?
3. Do the company's impacts limit or enhance the ability of others to benefit from this ES?
4. Which methodologies have been applied to identify and monitor key ES impacted and/or depended upon?

Patterns at Site Level

Demonstrating patterns/conclusions of site level measurements, for example:



Summary:

- Strategy: narrative describing policy, assessments, tools, etc.
- Management Approach: Corporate performance indicators that can aggregate and show a trend in site level data

Sector supplements

GRI is currently developing an Oil and Gas Sector Supplement

- The supplement has been under development for **2 years**
- The proposed new indicators and sector commentaries are currently out for public comment
- The supplement will be finalised at a meeting in **September**

Existing indicators are edited and a new indicator is introduced

- Disclosure on Management Approach for Environmental aspects includes ecosystem services
- EN14. Strategies, current actions and future plans for managing impacts on biodiversity is now a **Core Indicator** (includes biodiversity offsets)
- OG5. Number and percentage of total operating sites in which biodiversity risk has been assessed and monitored and where action plans are in place(new indicator)

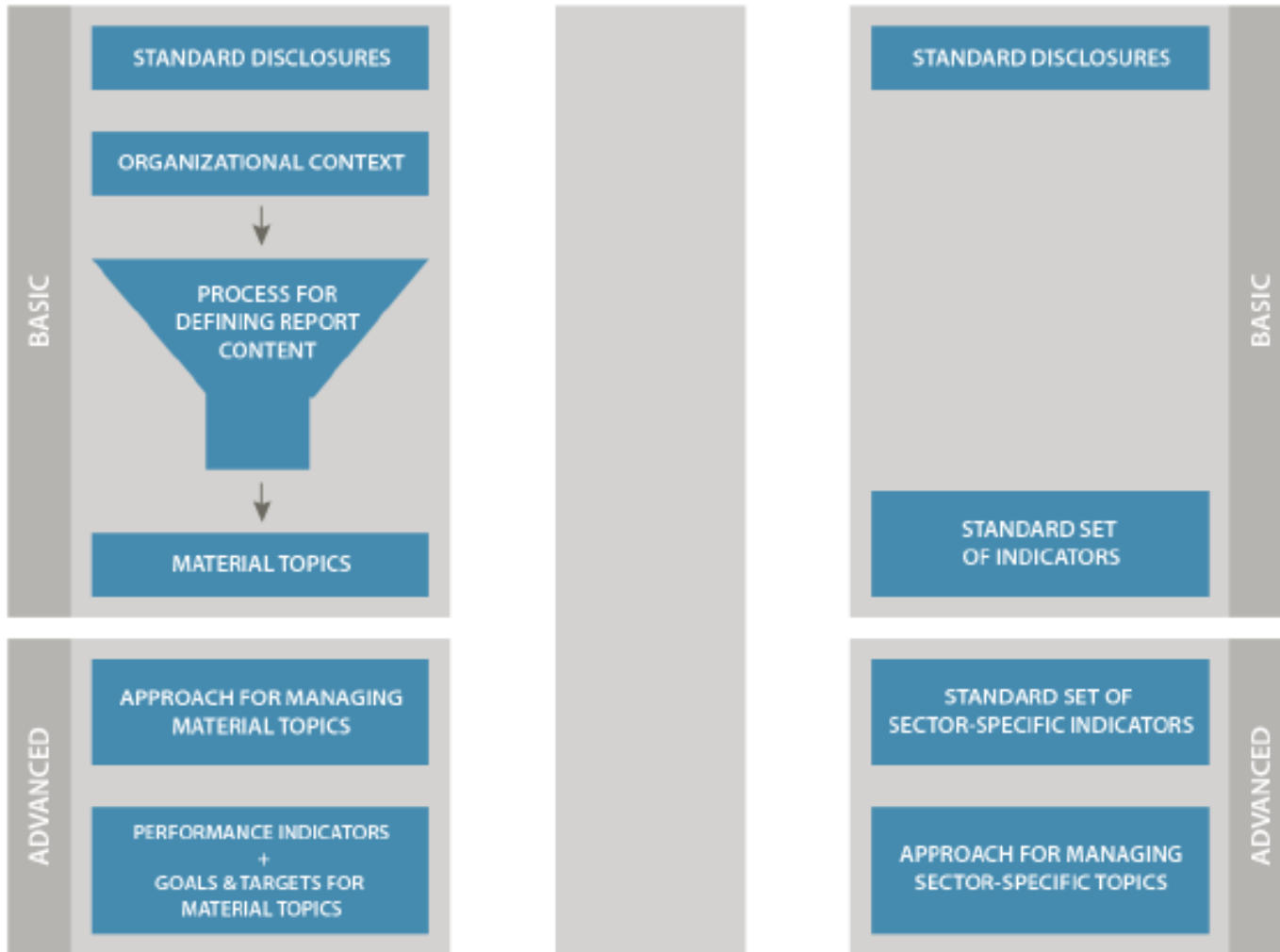
MMSS - Highlights:

- There is a commentary on the DMA to include **ecosystem services**
- MM1 “Amount of land... disturbed or rehabilitated” is a new indicator
- EN13 “habitats protected or restored” has a new compilation (includes **biodiversity offsets**)
- EN14 “Strategies, current actions and future plans for managing impacts on biodiversity” has commentaries, a definition and reference (includes **ES**)
- MM2 “Number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place” is a new indicator

G4 – Looking ahead:

- Two Consultation periods. Starts in August, run for 90 days - and will likely be in the format of a discussion paper. The results will then highlight GRI's needs and the kinds of working groups that need to be set up.
- Working Groups will start developing draft material for G4 in early 2012. A second consultation will feature a draft version

MODEL 1 ← GRI G3 & G3.1 → MODEL 2



Thank you