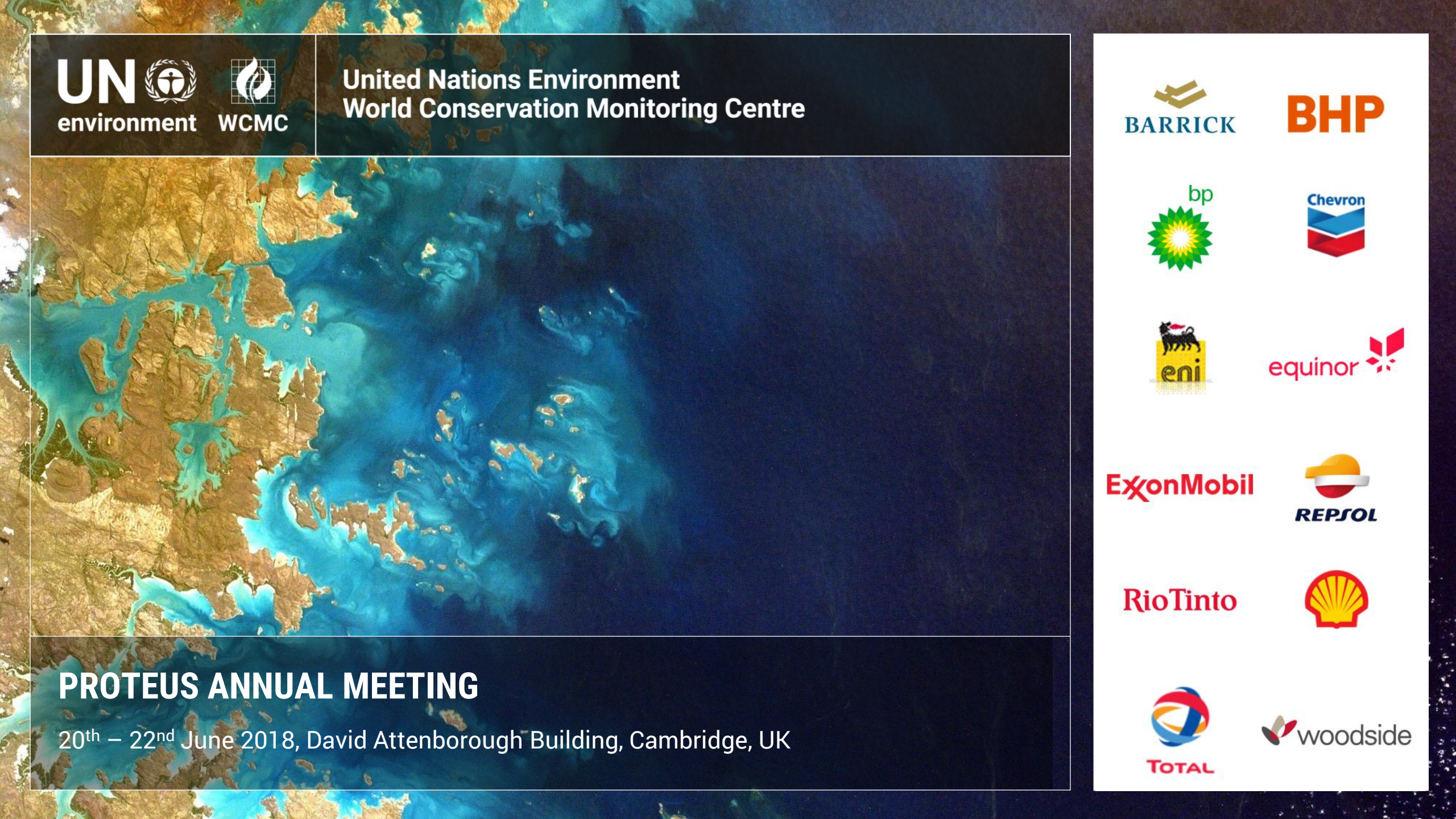

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PROTEUS ANNUAL MEETING

20th – 22nd June 2018, David Attenborough Building, Cambridge, UK

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PHASE 3– PILOTING INDICATOR METHODOLOGIES FOR THE PRIVATE SECTOR

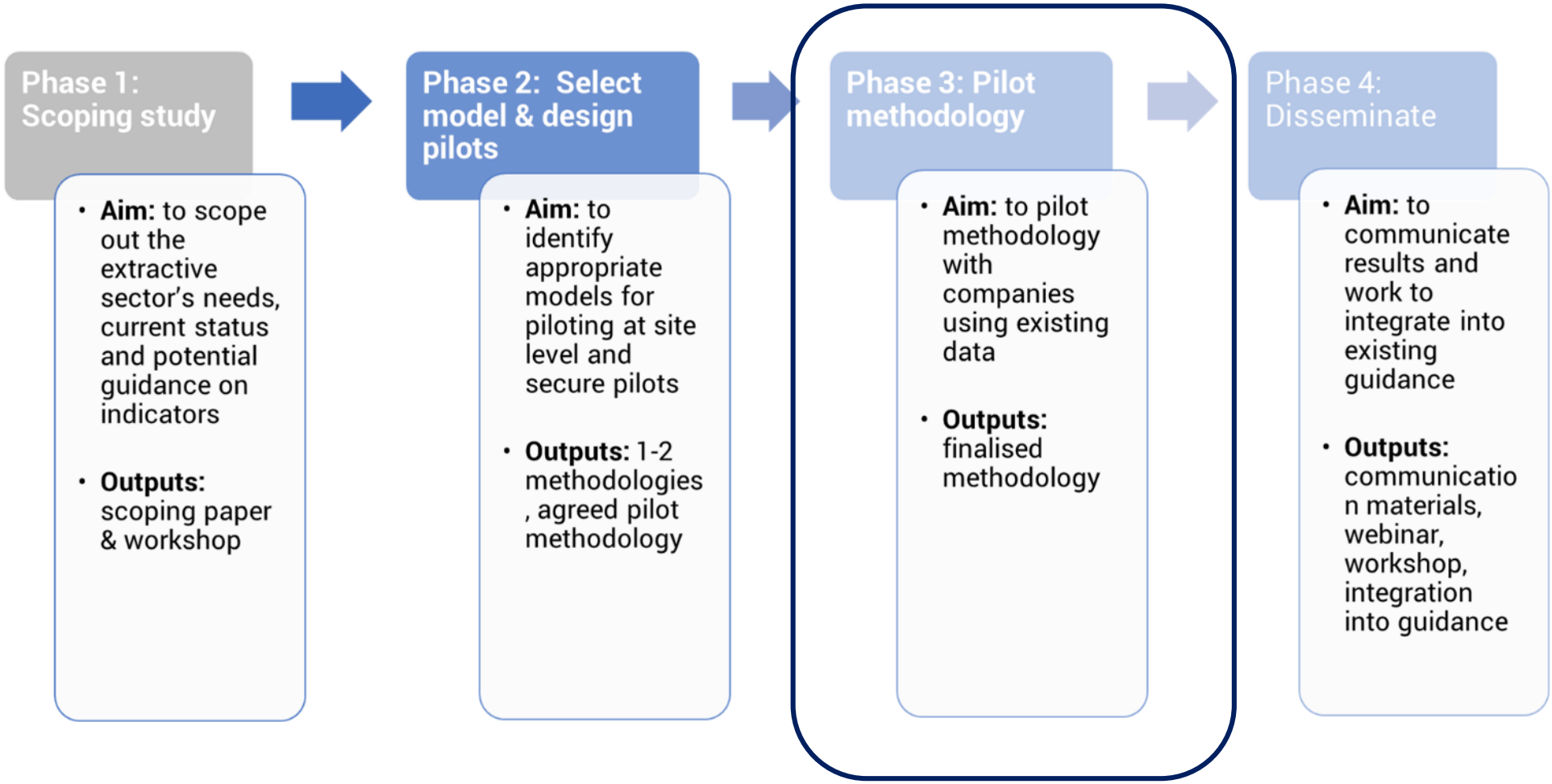
Annelisa Grigg, Principal Specialist, UNEP-WCMC

21/06/2018

Overview

- Objectives & benefits
- Piloting requirements
- Group discussion

Biodiversity indicators for extractives – project phases



Phase 3 : pilot methodology

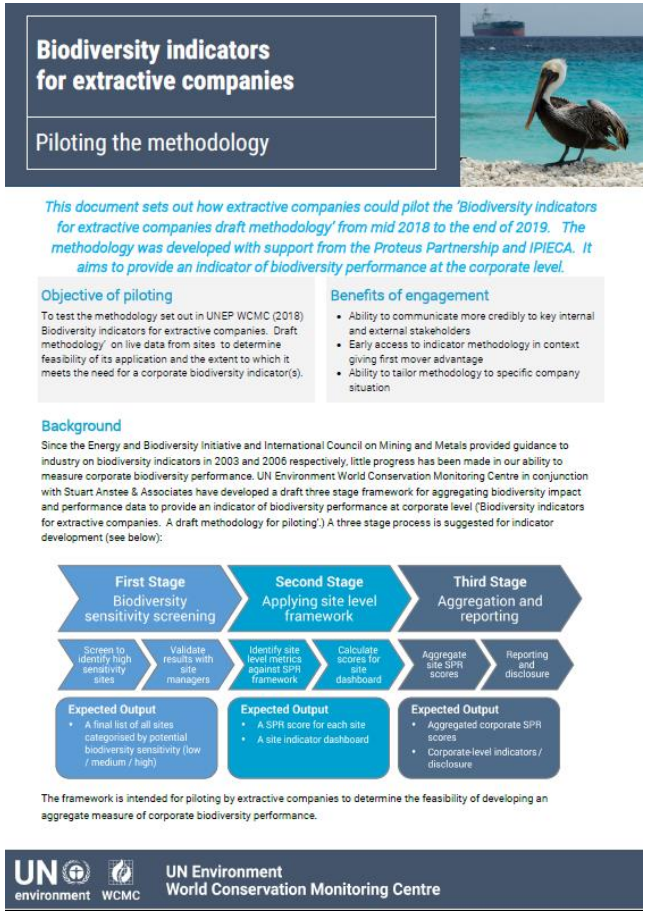
Objective of piloting

- To test the methodology on live data from sites to determine feasibility of its application and the extent to which it meets the need for a corporate biodiversity indicator(s)

Benefits of engagement

- Ability to communicate more credibly to key internal and external stakeholders
- Early access to indicator methodology in context giving first mover advantage
- Ability to tailor methodology to specific company situation

Subject to funding, the results of the piloting will be analysed and the methodology finalised and published.



Piloting requirements

Focus is on the application of the second and third stages of the methodology.

To test the methodology, we need:

- **a review and critique of the methodology based on its practicality and usability**
- **four companies, ideally representing different focuses in the extractives sectors**
- **each with three sites which are data rich**

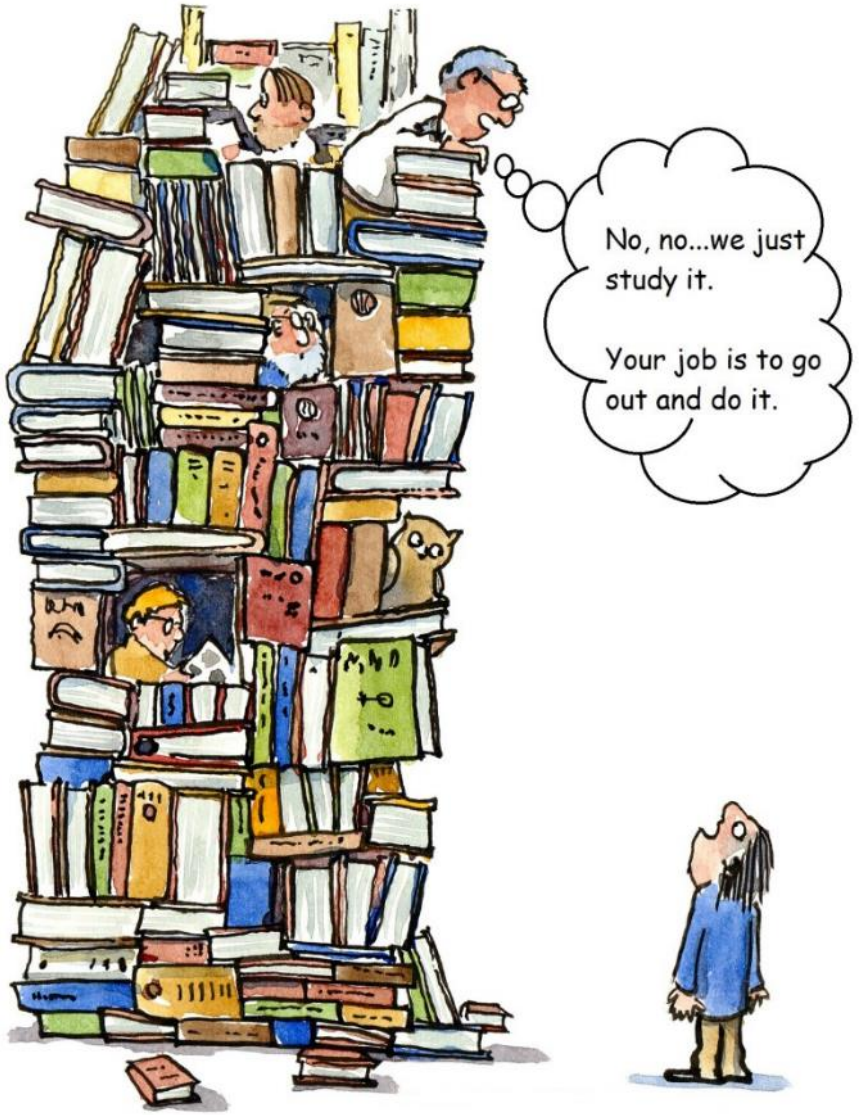
Areas for exploration in piloting

- **Defining a reasonable operational scope of the assessment**
- **Elaborating guidance on how to treat pressures on biodiversity not attributable to the company**
- **Determining how the indicator framework can be populated using data estimates**
- **Exploring how to communicate the indicators credibly and simply**
- **Identification of any additional tools/ guidance might be needed**

What does this mean?

The pilot companies, and site representatives will need to:

- **identify a “sponsor” to act as the key liaison point at corporate level, as well as responsible individuals in pilot sites**
- **review site information against the methodology**
- **engage in workshops to help identify challenges identified through piloting, strengths on which to build, and opportunities to improve the methodology; and**
- **provide case study materials to enhance the methodology and its ease of access to other users.**



Questions for discussion

1. What advantages and challenges do you see in testing the methodology?
2. What adjustments are required to the pilot process to facilitate its uptake?
3. Where should Proteus/ IPIECA go next with this work?

The challenge:

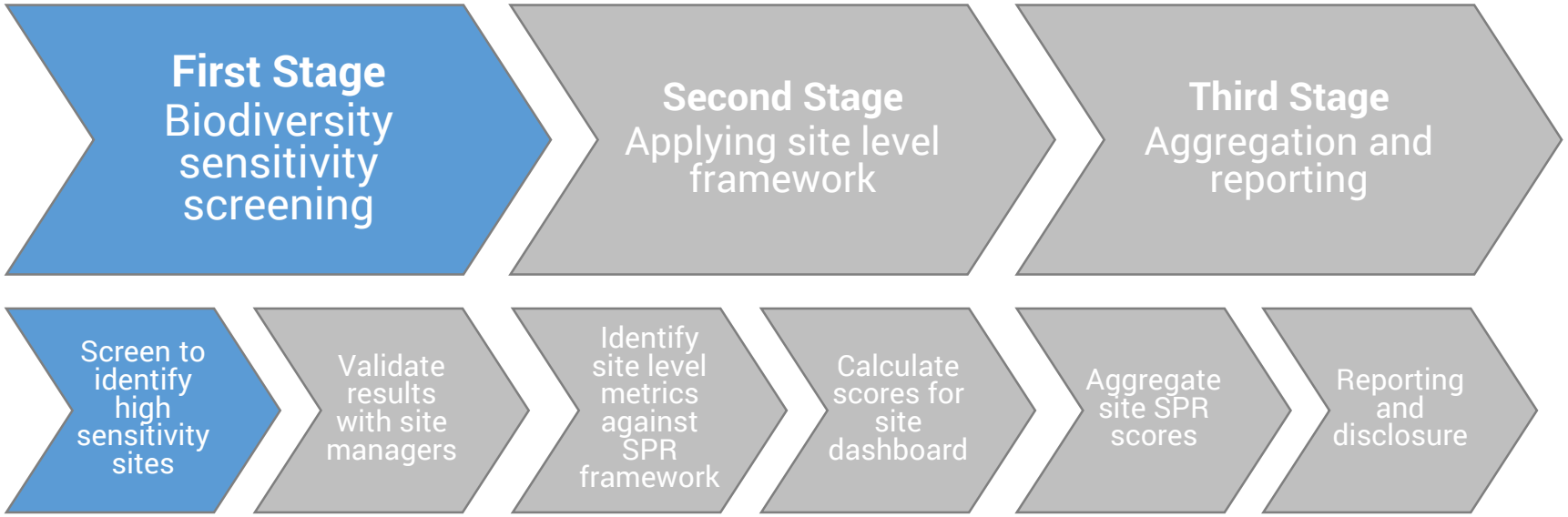
- 30 minutes discussion in break out groups
- Nominate one presenter
- 4 minutes presentation back from each

Breakout groups

	Group 1	Group 2	Group 3	Group 4
Facilitator	Annelisa Grigg	Eugenie Regan	Matt Jones	Sam Hill with Marielle C-W
Scribe	Jack Rossiter	Katie Dawkins	Seb Bekker	Katie Leach
Group members	Anne Dekker (BHP) Magnus Eriksen (Equinor) Leo Viana (CI Jason Frederick (TOTAL) Chris McCombe (ICMM) Gail Ross (Barrick – remote) Gerard Bos (IUCN - remote) Caroline van Leenders (RVO – remote) Johan Lammerant (Arcadis – remote) Stuart Anstee (Sa&a – remote) Rosemary Bissett (NAB – remote)	Mark Goedkoop (Pre) Marco Pelucchi (Eni) Aoife Reynolds (Shell) Rich Davi (ExxonMobil) Marta Santamaria (NCC) Jarrod Pittson (Woodside) Mel Heath (BirdLife) Yichuan Shi (UNEP-WCMC) Rose Choukroun (CDC)	Gemma Cranston (CISL) Joshua Berger (CDC) Jeff Pollock (Chevron) Gertjan Roseboom (Shell) Malcolm Starkey (TBC) Luke Smith (Woodside)	Liam Walsh (CISL) Maarten Kuijper (BP) Teri Ott (Rio Tinto) Raquel Fernandez (Repsol) Twyla Holland (FFI) Anna Gray (IPIECA) Marielle Weikel-Canter (CI) Lydia Handford (UNEP-WCMC) Corli Pretorius (UNEP-WCMC)


STAGE 2

Stage 1: Biodiversity sensitivity screening



Expected Output

A provisional list of all sites categorised by potential biodiversity sensitivity (low / medium / high)

Step 1: Screen to identify high sensitivity sites

Activity 1.1 Defining assessment scope

- **Important to determine which sites to include in the screening**
  - Status of operations (exclude inactive sites?)
  - Type of operations (exclude retail sites?)
  - Responsibility (exclude joint ventures?)
  - Stage of operations (include planned and decommissioned projects?)

Activity 1.2 Defining area of influence

- **Consistently applied definition required**
- **Methodology focuses on direct and indirect impacts**
- **A standard 5km buffer is suggested**

Activity 1.3 Screen operating sites

Overview of screening criteria

Criterion	Description
Criterion 1: Globally threatened species	• Evaluates the number of threatened species ranges overlapping an operating site, taking into account the size of the ranges. • Operating sites scored based on overlap with a range rarity layer for threatened species, derived from the IUCN Red List species ranges.
Criterion 2: Critical habitat	• Evaluates the overlap of operating sites with areas which likely or potentially classify as Critical Habitat, as defined by the IFC Performance Standard 6 (PS6) (IFC 2012).
Criterion 3: Protected areas	• Evaluates overlap of operating sites with national-level protected areas and protected areas designated under regional or international conventions or agreements.

Activity 1.4 Score against screening criteria

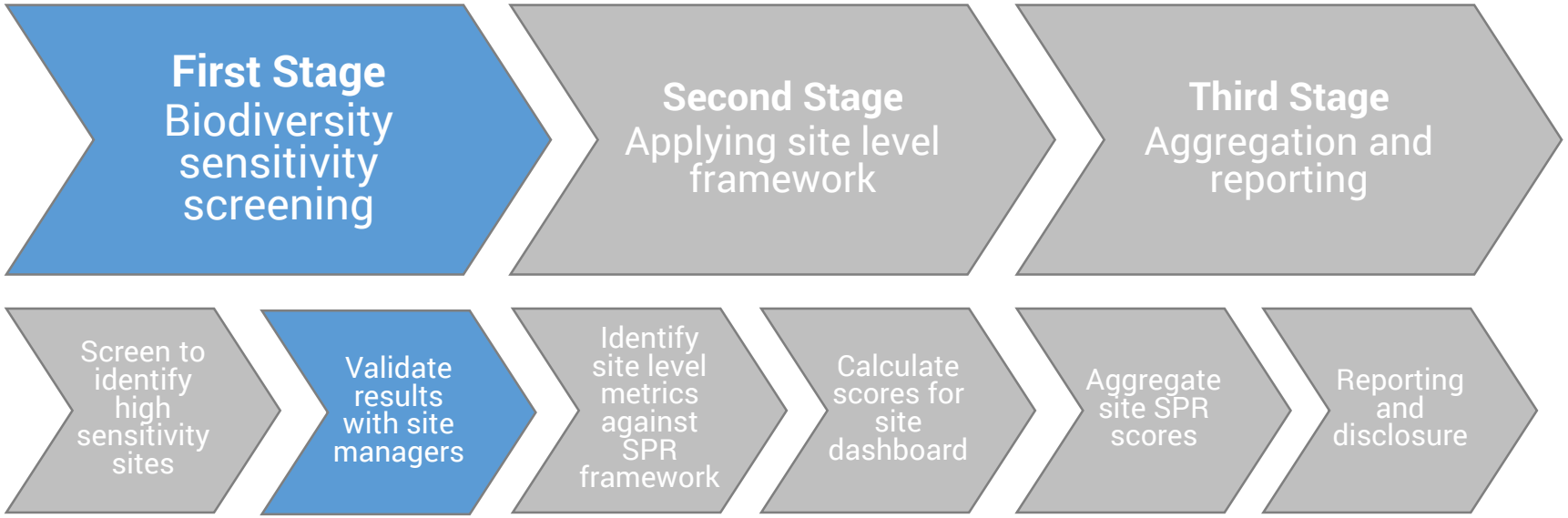
Scoring of operating sites against screening criteria

Analysis against screening criterion	Score		
	Low	Medium	High
Criterion 1: **What is the average range rarity value of the grid cells overlapped by the area of influence?**	Lower third	Middle third	Upper third
Criterion 2: **Do the operating site and its area of influence overlap with areas identified as likely or potential Critical Habitat?**	No overlap	The area of direct and indirect influence (standard 5 km buffer) overlaps with potential or likely Critical Habitat	The physical footprint (i.e. point location) of the operating site overlaps with potential or likely Critical Habitat
Criterion 3: **Do the operating site and its area of influence overlap with one or several protected areas, designated at the national, regional or international level**	No overlap	The area of direct and indirect influence (standard 5 km buffer) overlaps with protected area(s)	The physical footprint (i.e. point location) of the operating site overlaps with protected area (s)

Illustrative results of sensitivity screening

	Globally Threatened species	Critical habitat	Protected area	Potential site sensitivity based on global data
Site 1	High	High	High	High
Site 2	High	High	Medium	High
Site 3	High	Medium	Medium	High
Site 4	High	High	Low	High
Site 5	High	Medium	Low	High
Site 6	High	Low	Low	High
Site 7	Medium	Medium	Medium	Medium
Site 8	Medium	Medium	Low	Medium
Site 9	Medium	Low	Low	Medium
Site 10	Low	Low	Low	Low

Stage 1: Biodiversity sensitivity screening



Step 2: Validate results with site managers

- Reliance on global data sets may lead to false positives or negatives
- Validation with environmental / site managers ensures greater accuracy
- Review against the results of site environmental and social impact assessments, biodiversity action plans or other site management plans
- Considering:
  - Ecosystem services
  - Additional areas of biodiversity sensitivity
  - Local, regional or national regulatory requirements
- Where the global assessment has identified a risk that is not supported by site level documents, this should be investigated

Limitations

Limitations of the sensitivity analysis

- **Inability to assess ecosystem services impacts and dependence may mean that a number of impacts and risks are overlooked**
- **Assessment looks at current status of biodiversity rather than future predictors**
- **Incompleteness of data sets may lead to understatement or overstatement of sensitivity**

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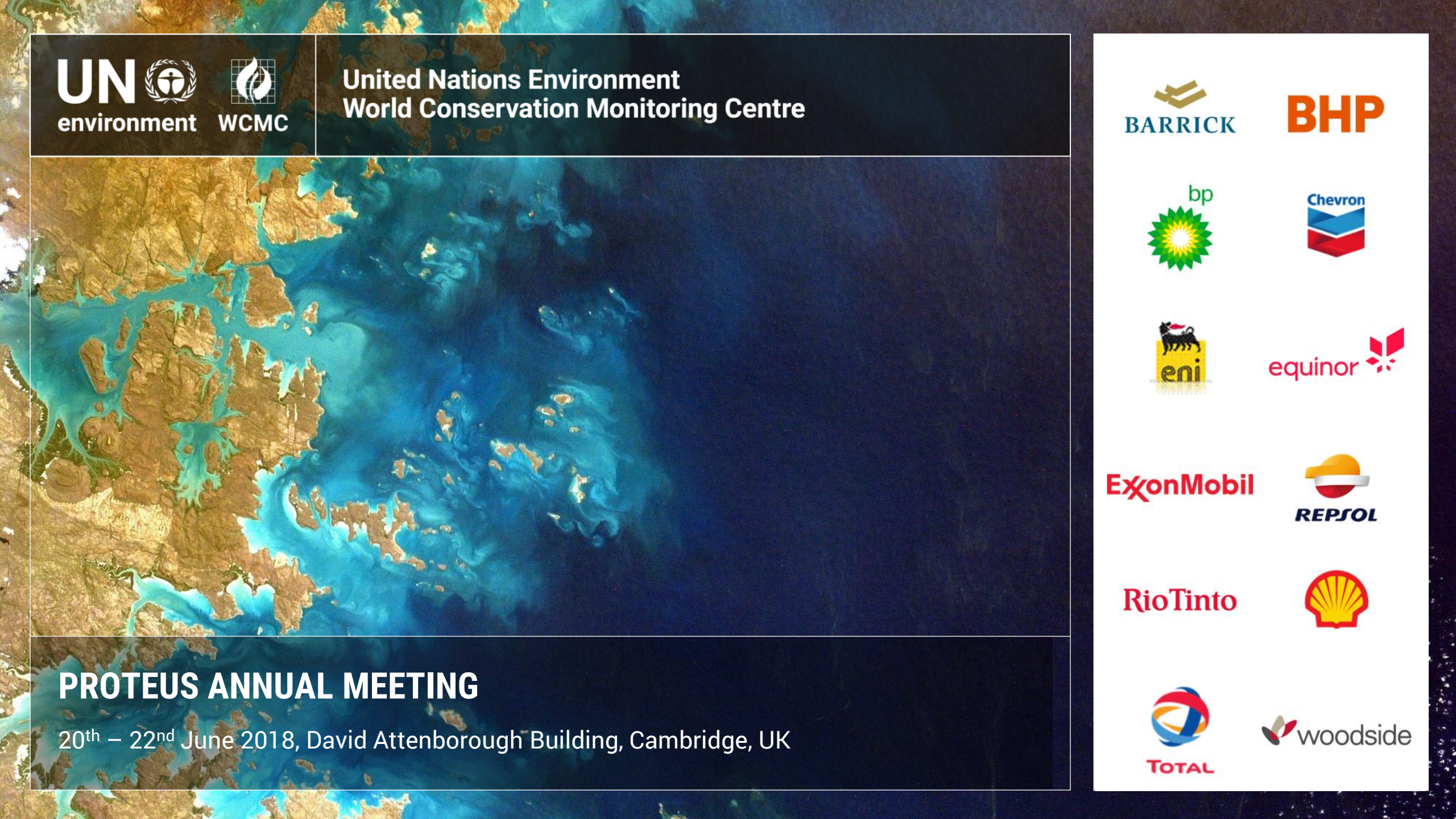

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