

Building partnerships
Canadian Business for
Biodiversity Council
Fall Workshop

Anna Walkowiak, Deloitte

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Why building partnerships is imperative for advancing the biodiversity agenda?

- To share information?
- To implement actions?
- To build capacity?
- To create sense of accountability?
- To build credible reputation?
- To celebrate success?

Building partnerships means engaging stakeholders

“To operate successfully in a complex global business environment, forward-looking companies need to open their doors to diverse stakeholders and incorporate these perspectives into strategic decisions and sustainable development initiatives.”

Ray Offenheiser, President, Oxfam America

Key drivers for sustainability



← World population, already straining limited resources, will top

**9 BILLION
IN 2050**

« / »
Meeting the needs of billions in emerging markets presents tremendous opportunities:

**\$5 TRILLION
A YEAR**

COMPETITION
FOR RESOURCES

CLIMATE CHANGE

**\$6 TRILLION
ENERGY INDUSTRY**

must be retooled to minimize energy use and to have a substantially lower carbon footprint.



↑ Investors are recognizing and taking action on
**ENVIRONMENTAL, SOCIAL
AND GOVERNANCE ISSUES...**

ECONOMIC
GLOBALIZATION

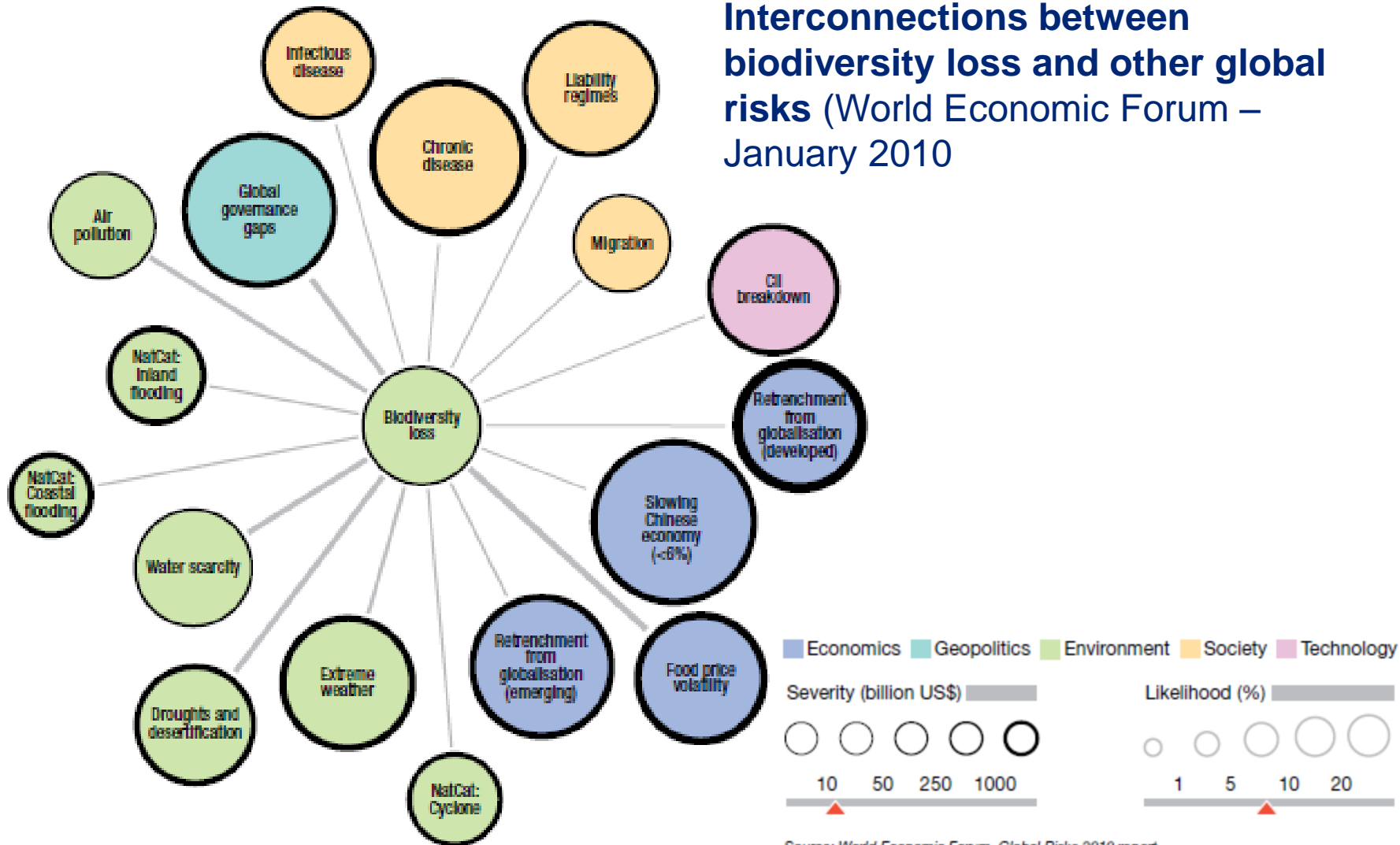
CONNECTIVITY
AND
COMMUNICATIONS

Biodiversity challenge



Complexity of biodiversity issues

Interconnections between biodiversity loss and other global risks (World Economic Forum – January 2010)



Source: World Economic Forum, Global Risks 2010 report

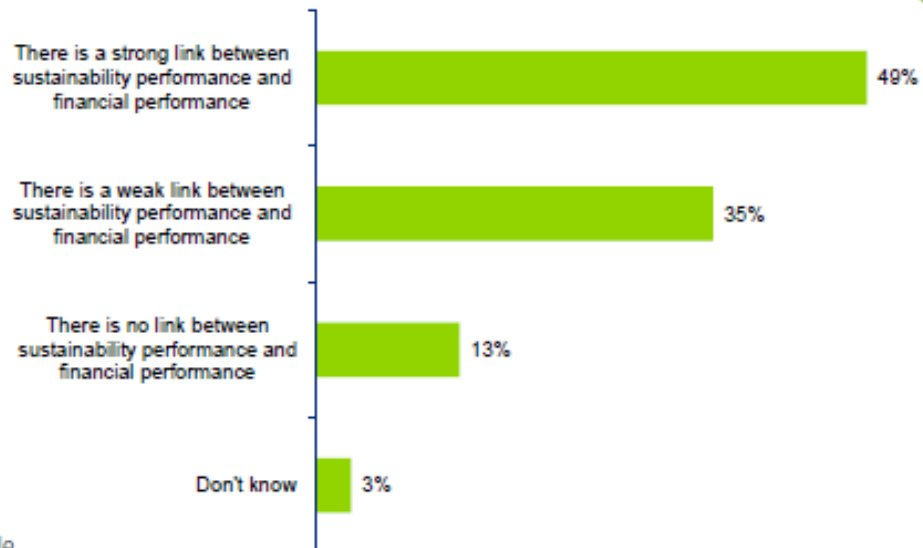
CFOs growing attention to sustainability

The big picture

- 1 Sustainability is seen as a key driver of financial performance.



Which of the following statements best describes your perspective on the link between sustainability performance and financial performance?



- 4 Sustainability: CFOs are coming to the table

Engagement around biodiversity could benefit from some substantial strategic shifts

From: 2000-2012

Focus of disclosure: public relations and branding exercise

Transparency: more is better

Performance: report on historical data

Company vs. value chain: operational impacts of the company



To: 2012-2020

Strategic imperative

Material issues only

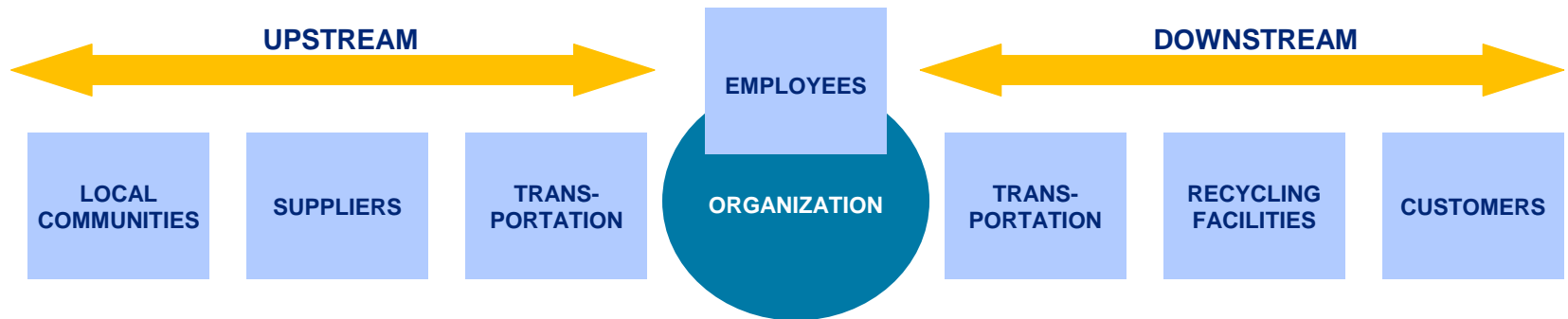
Report on goals, objectives, performance, real-time data

Impacts across the value chain

Reporting on value chain impacts is becoming a standard

It's no longer enough to focus only on your operations. Stakeholders are expecting an increased focus on value chain, including suppliers, equipment manufacturers, employees, customers, transportation providers, warehousing and recycling facilities, local communities, and other aspects.

GRI G4 value chain assessment



Biodiversity is increasingly mentioned in sustainability reports by the non-traditional sectors (CICA Awards)

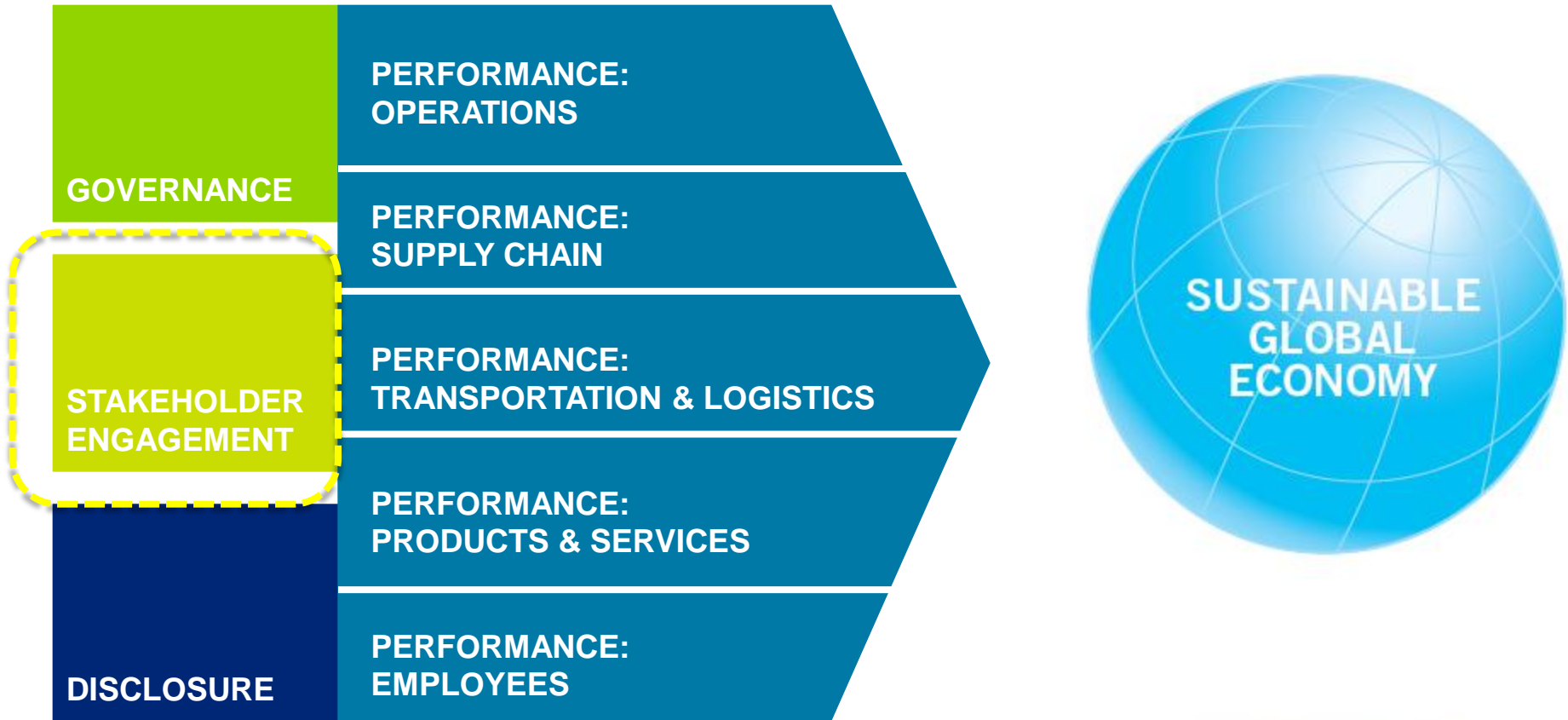
Biodiversity mentioned	2012	2011	2010
Consumer Products/ Media 2012: <i>Gildan Activewear Inc., Tim Hortons, Rogers Communications, BCE Inc., TELUS</i>	80%	80%	33%
Financial Services 2012: <i>BMO Financial Group, CIBC, RBC, Scotiabank, TD Bank Financial Group</i>	40%	40%	20%
Mining 2012: <i>Agrium Inc., Agnico-Eagle, Avalon Rare Metals Inc., Barrick Gold Corporation, Cameco Corporation, HudBay Minerals Inc., PotashCorp, Semafo, IAMGOLD Corporation</i>	89%	88%	100%
Oil and Gas 2012: <i>TransAlta, Enbridge Inc., ARC Resources, Nexen, Suncor Energy, Talisman Energy</i>	67%	83%	100%

The Biodiversity Indicators Partnership (BIP) brings together a host of international organizations

- Over 60 international organizations work together to support the regular delivery of biodiversity indicators at the global and national levels.
- Engagement with the private sector and ongoing technical support to the Global Reporting Initiative (GRI)

Focal areas	Headline indicators
Status and trends of the components of biodiversity	Trends in extent of selected biomes, ecosystems and habitats Trends in abundance and distribution of selected species Coverage of protected areas Change in status of threatened species Trends in genetic diversity
Sustainable Use	Proportion of products derived from sustainable sources Ecological Footprint and related concepts
Threats to Biodiversity	Nitrogen Deposition Invasive Alien Species
Ecosystem integrity and ecosystem goods and services	Marine Trophic Index Water Quality Connectivity/fragmentation of ecosystems Health and well being of communities Biodiversity for food and medicine
Status of traditional knowledge, innovations and practices	Status and trends of linguistic diversity and numbers of speakers of indigenous languages
Status of access and benefit sharing	<i>To be determined</i>
Status of resource transfers	Official development assistance provided in support of the Convention

The 21st Century Corporation: The CERES Roadmap for Sustainability



Focus engagement activity: identify biodiversity stakeholders

Example of stakeholder groups and their main interests

1 Shareholders/lenders

- Return on Investment
- Responsible investment

2 Public authorities

- General interest
- Regulatory compliance

3 NGO and media

- Transparency
- Information
- Environmentally-friendly

4 Communities

- Transparency
- Public's health and safety
- Local development



5 Clients / consumers

- Quality and safety of products
- Environmentally-friendly and ethics

6 Competitors

- Market position
- Differentiation

7 Suppliers / sub-contractors

- Profitability
- Management & anticipation

8 Employees

- Need for meaning, achievement
- Health and safety

Source: « *Minding your stakeholder's business – a key to sustainability* » Deloitte white paper, 2010.

Focus engagement activity: identify what matters

Newmont Ghana Gold case study

“Building partnership relationship with local, national and international stakeholders improves participation in the community development process thereby ensuring sustainability and avoiding dependency on Newmont as the only source of meeting community development aspirations.” community relations manager

Flagship programs:

- Newmont Ahafo Development Foundation (NADeF)
- Partnership Program (e.g.: Conservation International, an internationally recognized NGO and leader in global conservation and Conservation Alliance, a local conservation specialist)
- Gender Mainstreaming Program
- Workplace - Community Health Programs
- Ahafo Agribusiness Growth Initiative (AAGI)

C-Level engagement: involve executives

Rio Tinto case study

- **Every project conducts a stakeholder mapping** analysis and a social risk assessment included in the risk register of the site
- **Each site also has to develop a multi-year community development plan**
- **All sites report to the Executive Committee** on a yearly basis through an internal reporting mechanism.
- **A community relations person is assigned to every new project team** to ensure that community relation and stakeholder engagement is fully embedded into the implementation of the project
- **The community relations process is associated with an internal assurance program** whereby each site carries out a diagnosis of its overall approach to community relations every three years

Source: « *Minding your stakeholder's business – a key to sustainability* » Deloitte white paper, 2010.

Substantive stakeholders dialogue: demonstrate accountability

“The world’s leading pharmaceutical companies are exposed to risks from their reliance and impact on biodiversity. All companies reviewed have started to consider the business implications of declining biodiversity and ecosystem services (BES). However, none are managing BES in a comprehensive manner.”

KPMG and *Natural Value Initiative* study (2011)

Pharmaceuticals companies are **dependant** on and **impact** biodiversity and ecosystem services in different ways:

- Discovery of active ingredients: “In 2002, 42% of sales of the world’s 25 top-selling drugs were either biological, natural products, or entities derived from natural products. Although this figure is considerably less in 2011, natural products still play a significant role in medicine.” (*Natural Value Initiative study*)
- Manufacturing: water availability, concerns regarding deforestation linked to packaging, cultivation of active and inert ingredients
- **Merck & Co., Pfizer** and **Johnson & Johnson** are members of the **International Federation of Pharmaceutical Manufacturers & Associations** (IFPMA) which supports the objectives of the Convention on Biological Diversity (CBD): conservation of biological diversity, sustainable use of its components and fair and equitable sharing of the benefits
- **Johnson & Johnson** implements a biodiversity conservation plan for every facility
- **AstraZeneca** has local Biodiversity Action Plans (BAPs) in place for each of their major sites



Final thoughts

- Different modes of engagement between organizations and stakeholders can be explored to build meaningful partnerships around biodiversity issues

Companies' engagement
towards stakeholders



Stakeholders' engagement
towards companies

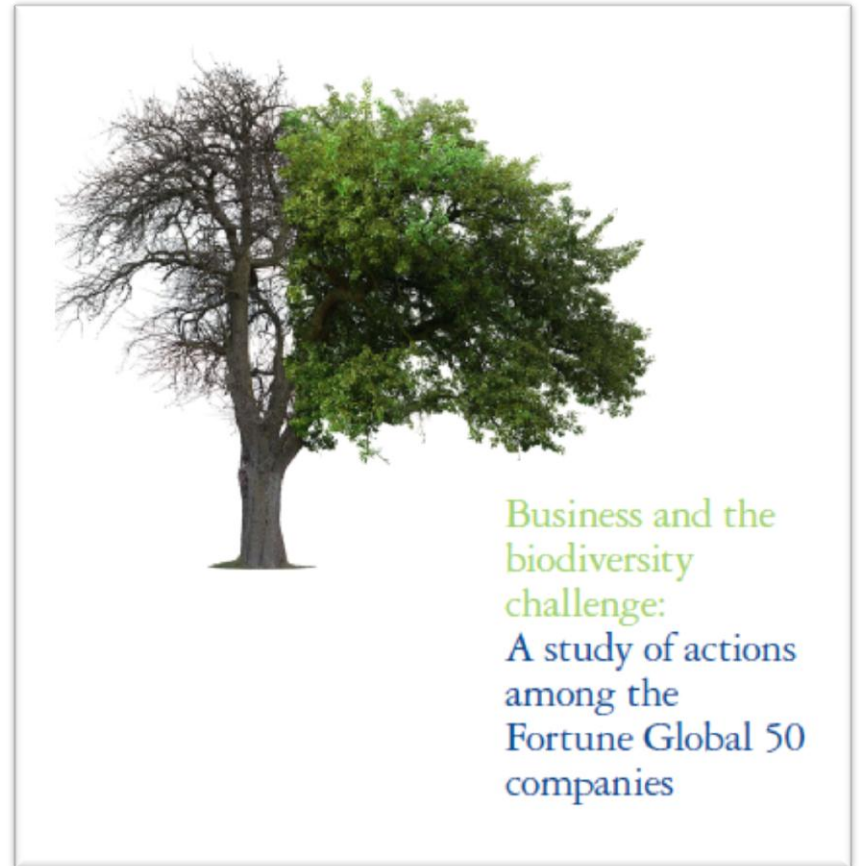
Source: Deloitte®

Source: « *Minding your stakeholder's business – a key to Sustainability* » Deloitte white paper, 2010.

Contact information

Deloitte.

Anna Walkowiak
Manager, Sustainability and Climate Change
Phone: 514-393-6572
E-mail: awalkowiak@deloitte.ca



Deloitte.