

The Natural Value Initiative

Linking shareholder and natural value



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Workshop report 8th August 2007

DRAFT

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Executive summary

The Natural Value Initiative (NVI) aims to raise awareness within the finance sector of the links between biodiversity, ecosystem services and investment value, focussing on companies with agricultural supply chains (food and beverage producers, processors and retailers and tobacco companies). It aims to do this by creating a tool to assist the financial world in evaluating biodiversity related risks and opportunities. This report summarises the results of the first of two workshops which brought together members of both sectors to seek their input to inform the development of the project and ensure it meets the needs of both sectors as far as possible.

What is the business case for minimising impacts on biodiversity and associated ecosystem services? For the finance sector reputational risk, concerns about investment returns and potential opportunities linked to the growth of the carbon markets is raising biodiversity and associated ecosystem services up the agenda. Within the food and beverage and tobacco sectors, the business case varies according to where in the supply chain the company is placed, but is linked to security of supply, reputation and access to markets.

How are such issues communicated to the financial community? Currently the financial community is not asking the correct questions, focusing on single issues rather than reliance on ecosystem services, for example, water. Most of these questions are not coming from mainstream investors. Similarly, the finance community is not receiving the information required to evaluate risk. Consumers are also important stakeholders for retailers.

What are the challenges to managing the issue? The inherent complexity of measuring and managing issues within a complex supply web; the language used to describe biodiversity is often confusing and doesn't resonate with that used by the City; the huge range of issues and initiatives with which the sector is faced makes it difficult to prioritise; and finally, the failure by society to place an adequate value on ecosystem services weakens the business case to preserve them.

Would an evaluation tool be useful? Views were mixed, some within the finance sector saw it as a useful framework for evaluating risk if its scope and design were appropriate. The food and beverage and tobacco sectors challenged the need for a tool as placing a burden on companies, distracting from more fundamental issues of on-farm improvement and not necessarily impacting on shareholder value. Challenges raised were the need to identify appropriate metrics.

What indicators of performance would be most useful? Most participants agreed that there needed to be a focus on on-the-ground performance rather than measures of management systems. Indicators suggested included level of fertiliser use, energy consumption, water use and resource efficiency, plus land linked indicators such as amount of land conserved to protect biodiversity. Some felt that a combination of management and performance indicators would be required, reflecting that indicators were not available in all cases.

Alternative tools suggested to the benchmark? a matrix of initiatives to enable clarity on their focus and intent, an overarching management system that addressed ecosystem services on a strategic level, continued focus on initiatives at the farm level and, finally, a collaboration between the two sectors could focus on some of the barriers to improving farmer practice on the ground for example, supporting agricultural extension services.

In conclusion, there is concern amongst the food and beverage and tobacco companies that such forms of evaluation are time consuming and distract attention away from the key issues of implementing performance improvements on the ground. Nevertheless, most financial sector representatives felt that there was a need for this form of evaluation tool to lend rigour to their analysis of biodiversity and ecosystem services risk and opportunity management. The results of this workshop and the second, to be held on September 3rd in Brazil will be used to shape our strategy. Closer involvement in the development of the initiative is invited from all interested stakeholders.



Introduction

Background

Growing scarcity of natural resources, increasing development pressures and escalating public concern about the resulting loss of biodiversity and associated ecosystem services, pose a strategic threat (and offer potential competitive advantage) to companies. Companies in the food and drink industry are particularly exposed to this risk. Their supply chains are dependent on the services provided by biodiversity and their markets are closely linked to patterns of consumption, which have shifted rapidly as a result of an increasingly informed and concerned public. This is increasingly being recognised by the finance sector and within the companies in which they invest. However, tools to enable a rigorous evaluation of performance on this issue are scarce, despite a rapid growth in ethical investment in financial markets and corporate responsibility within companies. Biodiversity is therefore an unaccounted for risk within the financial markets, in much the same way as climate change was 10 years ago.

The Natural Value Initiative

The Natural Value Initiative (NVI) is a multi-stakeholder initiative aimed at addressing this gap by raising awareness within the finance sector of the links between biodiversity, ecosystem services and investment value, focussing on companies with agricultural supply chains (food and beverage producers, processors and retailers and tobacco companies). It forms one of two key projects within the UNEP Finance Initiative Biodiversity and Ecosystem Services workstream. The NVI aims to develop and test a tool aimed at providing a rigorous evaluation of biodiversity related risks and opportunities and which can be fed into financial organisation's investment decision making processes, thereby reducing investment risk and increasing returns. For the agricultural sector (as defined above), this will provide a strategic framework against which issues based or commodities based initiatives can be placed to facilitate prioritisation and enable more effective communication with an increasingly engaged finance sector, thereby rewarding good practice in a way that is not currently achieved. The key project partners are international NGO Fauna & Flora International, Brazilian Business School FGV and UNEP FI. A steering committee composed of industry leaders, NGOs and academic institutions oversees the work – members include F&C, Pax World, IUCN, WWF, Conservation International, the Convention on Biological Diversity Secretariat, Business for Social Responsibility and M&S.

Our approach

The tool will be based on an adapted version of a tried and tested methodology already employed within the asset management community to evaluate the extractive sector – 'the biodiversity benchmark'. The benchmark is based on established risk management processes and asks a series of questions regarding the presence within a company of appropriate governance procedures, policy and strategy, management tools and monitoring and assurance procedures to allow understanding and management of biodiversity impacts. It is based on publicly available information and therefore avoids placing an administrative burden on companies.

This report

This report is a summary of the first of two workshops, which bring together members from the finance, food and beverage, tobacco, NGO and government sectors in order to:

- share examples of best practice management of biodiversity and ecosystem services risks within the food and beverage sector; and
- inform the development of a benchmarking tool for the finance sector to enable a better understanding within the sector of biodiversity and ecosystem services impacts and risks.

43 participants from the finance sector, food and drink sector, tobacco industry, academia and the NGO community attended (see Appendix 1). A second workshop will be held in São Paulo, Brazil on 3rd September 2007. Both events, combined with additional one to one discussions with key stakeholders, will be used to inform the NVI's strategy going forward.



SESSION 1- Setting the scene: Biodiversity and ecosystem services risk management in the finance sector

All presentations can be accessed on:

http://www.unepfi.org/events/2007/london_biodiversity/index.html

Opening remarks (Chair: Robert Barrington, Director of Governance and Sustainable Investment, F&C Management Ltd)

F&C uses the term ecosystem services rather than biodiversity (based on the Millennium Ecosystem Assessment). Categories of risk perceived include: access to land, reputation, access to capital, access to markets, security of supply, regulations and liabilities. An evaluation conducted by F&C of the relative materiality of biodiversity to company risk profile identified food producers and processors as high risk. Tobacco would have been classed in a similar way, but for the relative importance of social issues in that sector. Security of agricultural supply chains has become a much bigger issue in the last 2-3 yrs. F&C has undertaken research into the palm oil industry and benchmarked performance in the extractive sector. A number of tools exist, aimed at capturing this issue, but whilst many are extremely well intentioned most are not helpful to investors in enabling them to manage risk. A key recent change is the reference to biodiversity within brokers reports – Citigroup recently produced a report focusing on biodiversity in Australia, for example, which evaluated risk in certain sectors looking at shareholder value. F&C views the benchmarking tool developed by Insight Investment and FFI as very useful. The question is whether such a tool can be adapted for this industry.

UNEP Finance initiative (Paul Clements-Hunt, Head of Unit, UNEP FI)

UNEP Finance initiative is a public private partnership of over 170 banks, asset managers, pension funds and insurers world-wide. It provides an interface between the environment and broader sustainable development issues within the finance sector. It produces global standards, guidelines and best practice. Initiatives such as the Principles for Responsible Investment (PRI) are providing a further driver for the development of robust tools in this area. In the year since its launch, the PRI has gathered support from 230 institutional investors and 28 countries and which account for US\$ 10 trillion (about 12% of global capital market value). Although the focus is on climate change at present, UNEP FI is seeing an appetite in the finance community to understand and evaluate biodiversity risks and opportunities.

Risk and dependencies – the business case for biodiversity and ecosystem services management within the food and drink sector (Richard Burrett, Head of Sustainability ABN Amro & Chair UNEP FI Biodiversity and ecosystem services workstream)

There is an emerging business case for financial organizations to evaluate the impacts of their investments on biodiversity and ecosystem services. Pressure from government is increasing, as shown by the recent Potsdam Initiative which came out of the G8 plus 5 (China, Brazil, Mexico, Russia, South Africa) in March 2007. This laid down a clear challenge for the finance sector, - “We’ll approach the finance sector to effectively integrate biodiversity into its decision making” but also identified a potential opportunity, “we will examine the concept and the viability of payments for ecosystem services”. Initiatives and engagement are clearly increasing, in part fuelled by market opportunities. Investment impacts on biodiversity and ecosystem services are currently an unmonitored risk to a large degree. Although many initiatives are in place, some of which include ecosystem elements, it is difficult to determine accurately and readily how such risks have been identified and how well companies are adopting a prioritized approach to risk minimization. We need to develop the tools to really understand this complexity and translate into meaningful tangible actions.

Overview of the Natural Value initiative (Annelisa Grigg, Director of Corporate Affairs, Fauna & Flora International)

The agricultural sector is characterized by its complexity. Lack of ability to influence, challenges of prioritization and tight margins, together with a lack of consumer willingness to pay premium for environmentally responsible projects makes it challenging both to manage biodiversity impacts



and to communicate those management activities. At the same time, the finance sector is increasingly aware - and seeking information that reassures them - on environmental risk management and opportunity development. Currently the tools to achieve this are inadequate. The tool NVI proposes to develop would meet this need, using lessons learned in developing a similar tool for the extractive industry which would then be used to evaluate performance in 40 companies in Brazil and the UK based on publicly available information. It is based on an evaluation of how well a company understands and is managing biodiversity related risks and opportunities across the board – not simply focusing on a single commodity. The initiative is in a scoping and development phase until October 2007, where information is being gathered from key stakeholders to ensure it is designed to complement existing initiatives. The UK and Brazilian workshops are a key part of this. Should the need for such a benchmark be confirmed, the methodology will be developed in consultation with key stakeholders and the results will be published. The rationale for the results will be shared with the companies evaluated.

The food and beverage sector perspective:

The Unilever Perspective (Jan-Kees Vis, Director of Sustainable Agriculture)

Unilever uses 11 indicators in their sustainable agriculture programme. Biodiversity looked at three different levels: 1) crop genetic diversity – germ plasm programmes, 2) on farm biodiversity – BAPs in plantations where they own or contract farmers and 3) Off farm biodiversity management. See www.growingforthefuture.com. Combining the terms “biodiversity” and “ecosystem services” is confusing, as biodiversity is an ecosystem service in itself. Equally, ecosystem services are not just derived from biodiversity. Focusing on a benchmarking approach is not helpful in the context of many competing initiatives which can lead to a scattering of resources and diversion of attention away from the key issues. There are more fundamental issues to address, particularly in the context of increasing demands of land for food and fuel: agricultural intensification must be a key part of the discussion. There is also a need to ensure better agricultural extension services. Unilever understands that there is a need for asset managers to quantify risk, but believe that another questionnaire would not be helpful in this and that more attention should be paid to the root cause of biodiversity loss. If so, then the key performance indicators should be focused on whether or not food processing companies have active programmes in place to ensure that the land cultivated on their behalf can contribute optimum yields.

The Sainsbury Perspective (Alison Austin)

Sainsbury has 2,500 first tier suppliers. Many are not actively involved in growing, catching and harvesting. Rather than considering this to be a chain, it is more like a complex web which moves and is dynamic. Some relationships with suppliers are long term, others are very new. The sourcing window moves around the globe, purchases may be one off or repeat, through commodities markets or contracts, ingredients or the whole product. Any benchmarking initiative must determine where in the supply chain it is focusing (second tier, third tier). A simple approach is key, despite the sectors' inherent complexity, the approach adopted by Linking Environment and Farming (LEAF) is good, but does not operate globally. Consumer expectations of product quality and availability place constraints on environmental and social management. There is a movement towards closer working with farmers and paying a premium for environmental and socially sound products. The expectation is that the farmer will provide higher standards as a result. In some cases for example, organic milk, this may require an initial subsidy. There are a wide range of issues which a retailer has to address, and NGOs tend to focus on single issues. Fish sourcing; maintenance of pollination services; sustainability of timber sources; water management; animal welfare; climate change; unstable weather and its impact on crops; migration from environmental refuges; land use debate; conflict with fuel crops; use of GM; water rights are all key issues. Considerations should be given to the scope of the benchmark – should all of these issues be covered? Which tier should it be focused on? and Should food service companies be considered? -are just some of the questions to answer.



SESSION 2- Approaches to risk management within the food and beverage sector

The business case for managing biodiversity and ecosystem services

- **The business case varies according to where a company is placed within the supply chain:** Currently the lack of a price premium for 'green' products weakens the business case for action at the grower/ producer level, whilst pressures from informed consumers strengthen the case for action within retailers.
- **The business case itself is not clearly articulated at all these levels:** the focus is currently on biodiversity as a reputational risk, yet, biodiversity linked issues such as climate change and water availability (for example, in Australia) are beginning to impact on the bottom line. Responsible management of biodiversity has the potential for increased yields at the farm level, as demonstrated by Chiquita – a substantial investment in strong environmental standards has resulted in greater yields. There is a need to demonstrate non-reputational forms of risk and opportunity.
- **Competitive advantage:** engagement on the issues in the light of increasing societal and government interest (for example the Potsdam Initiative) increases the likelihood of resulting in appropriate legislation. It also provides the opportunity to gain competitive advantage through anticipation of legislation.
- **Discussions tend to focus on risk but there are also business opportunities:** there is the need to consider opportunities as well as risk, risk suggests costs of environmental improvement have to be borne, opportunity suggests that premiums could be paid.
- **Biodiversity and ecosystem services are linked to business sustainability:** Some companies noted that their aim is to ensure they remain in business, but that the business case for focusing on a single issue was not strong – the interplay between all issues was important to consider.

Communicating key risks and their management to investors

- **The right questions are not being asked by the finance community:** the investment community is still focusing on individual issues for example, palm oil and orangutans, not addressing business critical issues for example, water use and water rights. Such questions are largely limited to the Socially Responsible Investment Community (SRI) rather than mainstream investors. Questions are asked about food security, but links to biodiversity are not clear and are not made.
- **The levels of understanding of the issue vary within the finance sector:** Currently there is a lack of a two way communication process and financial analysts may lack understanding of the issues; 'biodiversity and ecosystem services' are not terms readily understood within the finance sector.
- **Lack of transparency of finance sector analysis:** It is unclear how the evaluation of company environmental performance is fed into investment decisions. To date the focus has been on commodities in the absence of a wider framework of operation. A number of investors present cited how such factors were integrated into investment decisions. For example, some analysts put significant premium on Danone linked to their strategy on environmental, social and governance issues. Another provided examples of how companies were downgraded as a result of corruption or poor health and safety performance.



- **Investors are only one of many key stakeholders:** consumers exert significant pressure in today's market place. Levels of awareness and concern vary significantly.

Key challenges/ barriers to management

- **Language and terminology:** there is a lack of uniform understanding of what biodiversity is and how this can give rise to some of the ecosystem services on which we depend. The language used is impenetrable for the City. This is problematic.
- **Ability to influence is weak in both sectors:** The ability to influence environmental and social management practices will vary according to the company's position in the supply chain. Where production resources are not owned and are several tiers of suppliers away from the end product, the ability to influence is very weak. The sheer numbers of suppliers and products exacerbates this. One processor / producer asked, "How do you deal with 2 million small farmers which is probably the global number of cocoa farmers?"
- **The need to focus:** From a retailers perspective, determining where to focus is a key challenge – there is no one overarching system that covers all issues for example, efficient production, local sourcing, organic, fair-trade, food miles. There is also a feeling (from both the finance sector and agricultural sector) that focusing on a single issue at the expense of others was inappropriate and concern was expressed that climate change would dominate all sustainability agendas.
- **Costs of meeting environmental requirements:** in the absence of a premium being paid by consumers, the increasingly wide range of different certification schemes and initiatives for different suppliers are resulting in significant costs, particularly for small growers. A fundamental issue is the need to value biodiversity and ecosystem services within existing economic systems.
- **Issues of scale:** is undertaking a range of initiatives preferred to selecting a few and ensuring their complete penetration? Issues of depth versus breadth of initiatives e.g. 100% cod line-caught.
- **Failure to reward strong performance within the finance sector:** Asset management short term and bonus driven, no incentive to look at these issues. Current tools are not sufficiently performance focused to be able to assess performance. Existing plethora of initiatives and information do not actually help investors gauge the overall quality of management of companies, risk and opportunity management. Companies are not rewarded for good performance, but are penalised for bad performance - strong environmental and social performance is not yet reflected in share price.
- **Lack of an incentivising framework:** currently there are few policy-level signals that are addressing the issue in the context of global food supply chains. The Potsdam Initiative, an initiative from the G8 which aims to commission a Stern report equivalent on ecosystem services may lead to such a framework.
- **Costs versus benefits:** in the context of all these challenges and when the threat from the growing bio-fuels industry is considered, is focusing on the food and beverage and tobacco sectors appropriate?

SESSION 3- Defining the nature and scope of a tool to evaluate biodiversity and ecosystem services risk

Is a benchmarking tool useful for evaluating performance/driving performance improvements?



Views in favour:

- **If designed appropriately it could provide a strategic framework for activity within the agricultural sector** and a means of re-examining strategy and priority in the same way as the Ethical Trading Initiative provided a framework for analysis of social issues, was a view from one retailer. This could stimulate learning within the industry. The focus must therefore be on issues deemed to be *material* by the finance sector and the companies being benchmarked.
- **It could provide a useful basis for engagement for the asset management community:** a member of the financial services sector felt that the general approach of looking at governance, policy and strategy, implementation and management tools and assurance and reporting as used in the previous benchmark was considered to be a useful approach by some.
- **Current initiatives do not provide a clear picture of risk and opportunity:** One investor felt that the existing plethora of initiatives does not help investors gauge overall quality of management of companies, risk and opportunity management. A focus on product certification caters for niche markets. One participant from the finance sector felt that what was needed is a clean set of questions which categorises risk and opportunity in the right way and to have measures designed in ways that are commensurate with that risk. It is not yet clear whether a tool that evaluates decision making as a whole in a company or one which focuses on turnover of certain product lines for example, soy, palm etc. would be the appropriate approach.
- **If opportunity was considered as a priority and in addition to risk it would be a useful tool:** One finance sector participant was concerned that the language used on these issues is often risk focused, yet 'making CSR fun' is more appealing. Providing opportunities for new business may be a more effective way of promoting change.
- **Such a tool could add value by bringing the finance sector and agricultural industry closer together:** However, participants from all sectors present felt that defining appropriate indicators will be a key challenge. We need to look at high-risk areas; it will be critical to pick the right indicators and to ask the question what is the minimum set of information requirements in order to get a decent impression of a company's performance?
- **It could play a role in evaluating performance against that of peers:** leaders can demonstrate good practice, providing an example for less developed companies to work towards.

Comments against:

- **Benchmarking tools represent a niche approach** which has been used by the SRI community rather than mainstream investors, was the view from one NGO.
- **Benchmarking performance distracts company attention from creating positive performance improvements on the ground:** Some companies within the food and beverage sector felt that the focus of effort should be on making the entire supply chain more sustainable and that benchmarking detracts from that. In the context of being asked for huge amounts of information, there was considerable resistance to what was seen as an additional questionnaire.
- **A one size fits all tool is unlikely to be appropriate:** for example, the tobacco industry is not influenced by consumers so the approaches to risk and opportunity management will differ



- **Demonstrating added value:** there is a need to think through the costs and benefits of such an analysis at the various levels of the supply chain, asking the question – how does it benefit the companies studied and how does it benefit the companies undertaking the research?

Additional comments and challenges:

- **Where in the value chain should the tool focus?** It cannot encompass the entirety of company performance on social, environmental and ethical issues. The focus should be on ecosystem services.
- **Links between performance improvement and value must be clearly shown:** The tool would need to be clearly linked to investment decisions, this will require its users to be transparent on its use. However, the response from the financial participants was that it will always be difficult to attribute a single issue/ outcome to an investment decision. It should instead be considered a proxy for quality of management.
- **Focus on material issues:** Need to look at high-risk areas, it will be critical to pick the right indicators and to ask the question, “what is the minimum set of information requirements in order to get a decent impression of a company’s performance?”

If not, what alternative would you like to see?

- **Simple map/ matrix of initiatives** to cut through confusion in the marketplace would be a useful tool. It was not clear whether this would replace a benchmarking tool.
- Provide **farm level tools** that can bring about changes in crop management practices.
- **Ecosystem services protection strategy:** instead of evaluating performance, a management system or framework against which various initiatives could be set could be provided, one financial organization felt that this might be more acceptable to business.
- **Focus on addressing the barriers to improved performance:** A view from a number of participants was that it might be preferable to use the skills and power of the finance sector to assist in the provision of loans or innovative financing mechanisms to assist small scale farmers in meeting the demands for improved environmental and social performance. Emerging markets for payments for ecosystem services, for example, carbon sequestration might be a way of providing farmers with incentives for reducing carbon consumption - Walmart is experimenting with this at the current time.

What are the most meaningful measures of performance in this area?

This question aimed to identify what measures of performance might be incorporated in a benchmarking tool if it was to be developed.

- **It is easier to identify process based measures rather than performance measures:** the group discussed the potential for proxies or using certification schemes as a means of measuring performance. It was felt important to focus on a few, performance focused KPIs. Identifying these will be a significant challenge for any evaluation tool. In the absence of (or to complement) clearly defined indicators, process based measures might be required that demonstrate quality of supply chain management e.g. duration of relationships, length of contract, policy, strategy, certification and standards
- **Indicators should utilize existing data, where possible:** examples suggested included efficiency of resource use (hectares / cubic metres / gigajoules energy / water / fertilizer) in relation to 1 tonne profit / economic value added. Indicators should reflect business benefit in



terms of margin, rather than a product premium, therefore resource efficiency should be a focus and will be easier to report across the board. The World Resources Institute corporate ecosystem services review might offer a source of indicators and SRTP (Social responsibility in tobacco production) which sets a series of scenarios that should be met within a period of time – could offer a potential framework for evaluation.

- **Indicators of efficiency may not work for the whole sector:** the business model of the organic farming world is not based on intensification, the question was raised, how does the organic sector fit into this? It was felt that this may not be a significant issue. However, the need for a metric that, for example, sets out the percentage of land not being used for production and provides information on how that is being used was also discussed.
- **Data quality and verification:** integrating the relevant indicators into an existing audit system, for example, Linking Environment & Farming (LEAF) which is also considering the development of performance indicators might be one means of providing assurance over data quality.
- **Procurement models differ within the industry:** this must be factored in as the benchmark is constructed and levels of control and the nature of the questions asked will differ according to the procurement model, for example, direct contracting, multiple supermarket suppliers, commodity supply chain – in this instance, tracing the original supplier is challenging.
- **Models of measurement:** The model should start with reporting at the farm level and then cascade up. There is a need to create aggregates, but some considered evaluation of average performance rather than individual site performance to be more appropriate. However, the food and beverage industry is experiencing (in the UK and Ghana) a crisis in terms of recruitment. Young people are simply not attracted to the farming industry and concerns were expressed over the capacity for farmers to take on site level monitoring of key performance indicators.

In summary

The chair remarked that there is a strong belief amongst many (although not all) of the finance sector participants that a tool which can assist them in evaluating company performance in this area would be helpful. The food and beverage and tobacco sectors were less supportive, and clarity is required on the benefits to such companies of this approach. Some concerns remain regarding the value of focusing attention on a benchmark, as opposed to the improvement of practices on the ground. It will be a challenge to ensure that the NVI tool matches what the asset management and financial community want in terms of managing risk/opportunity without placing an additional burden on an already constrained agricultural sector. Fundamental questions remain regarding its nature and the indicators needed to measure performance. We thank all participants for their input.

The next steps for the initiative will be to gather further views at our workshop in Brazil in September. We will use the material from both meetings to inform and revise our strategy which we will communicate in the fourth quarter of 2007.

Ways for participants to get involved in the future:

- Attend the next workshop to be held in São Paulo, Brazil on 3rd September
- Volunteer to become a member of the steering committee (see contacts below)
- For finance institutions: pilot the benchmarking methodology
- For companies in the food and beverage/ tobacco industries – input examples of best practice approaches into the benchmark

Further information can be obtained from Annelisa.grigg@fauna-flora.org or susan.steinhagen@unep.ch



Appendix 1: Workshop Agenda: Developing a framework for analysing biodiversity and ecosystem services risks within the food and drink sector

Objectives of the day:

- 1) To extract examples of best practice management of biodiversity and ecosystem services risks within the food and drink sector
- 2) To inform the development of a benchmarking tool for the finance sector to enable a better understanding within the sector of biodiversity and ecosystem services impacts and risks

Session 1: SETTING THE SCENE: BIODIVERSITY AND ECOSYSTEM SERVICES RISK MANAGEMENT IN THE FINANCE SECTOR		
10:00-11:00	Opening remarks	Robert Barrington (Workshop Chair) , Director of Governance & Sustainable Investment F&C Management Ltd
	The UNEP FI Biodiversity and Ecosystem Services Workstream	Paul Clements-Hunt Head of Unit, UNEP Finance Initiative
	Risk and dependencies – the business case for biodiversity and ecosystem services management within the food and drink sector	Richard Burrett UNEP Finance Initiative Biodiversity and Ecosystem Services Workstream Chair, ABN Amro
	Overview of the Natural Value Initiative	Annelisa Grigg Director of Corporate Affairs, Fauna & Flora International
11:00-11:15	<i>Refreshment break</i>	
Session 2: APPROACHES TO RISK MANAGEMENT WITHIN THE FOOD AND BEVERAGE SECTOR		
11:15-12:00	Managing biodiversity and ecosystem risk – the company perspective:	Robert Barrington, (Workshop Chair) Director of Governance & Sustainable Investment F&C Management Ltd
	The Unilever perspective (15 minutes)	Jan-Kees Vis Director, Sustainable Agriculture, Unilever
	The Sainsbury perspective (15 minutes)	Alison Austin Sainsbury
12:00-12:45	Facilitated group discussion on: <ul style="list-style-type: none"> • The business case for managing biodiversity and ecosystem services – key risks perceived ▪ Communicating key risks and their management to investors • Key challenges/ barriers to management 	Annelisa Grigg Director of Corporate Affairs, Fauna & Flora International Kerry ten Kate Independent consultant Andrea Coulson Lecturer in Accounting, Strathclyde University
12:45-13:30	<i>Lunch</i>	
13:30-14:00		



	Feedback from group discussions	
Session 3:DEFINING THE NATURE AND SCOPE OF A TOOL TO EVALUATE BIODIVERSITY AND ECOSYSTEM SERVICES RISK		
14:00-15:30	<p>Managing biodiversity and ecosystem services risk – setting the scope and focus areas of the benchmarking methodology</p> <p>Facilitated group discussion on:</p> <ul style="list-style-type: none"> • What are the most meaningful measures of performance in this area? • Is a benchmarking tool useful for evaluating performance/ driving performance improvements? • If not, what alternative would you like to see? 	<p>Liz Crosbie Managing Director, Strategic Environmental Consulting</p>
16:00-16:30	Plenary and summing up	<p>Robert Barrington (Workshop Chair), Director of Governance & Sustainable Investment F&C Management Ltd</p>



PARTICIPANT LIST - 8th August 2007, F&C, London, UK

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Emma Stewart	BSR
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Robert Barrington	F&C
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Jack Foxall	Fauna & Flora International (FFI)
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Rob Hooper	Mack Multiples
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