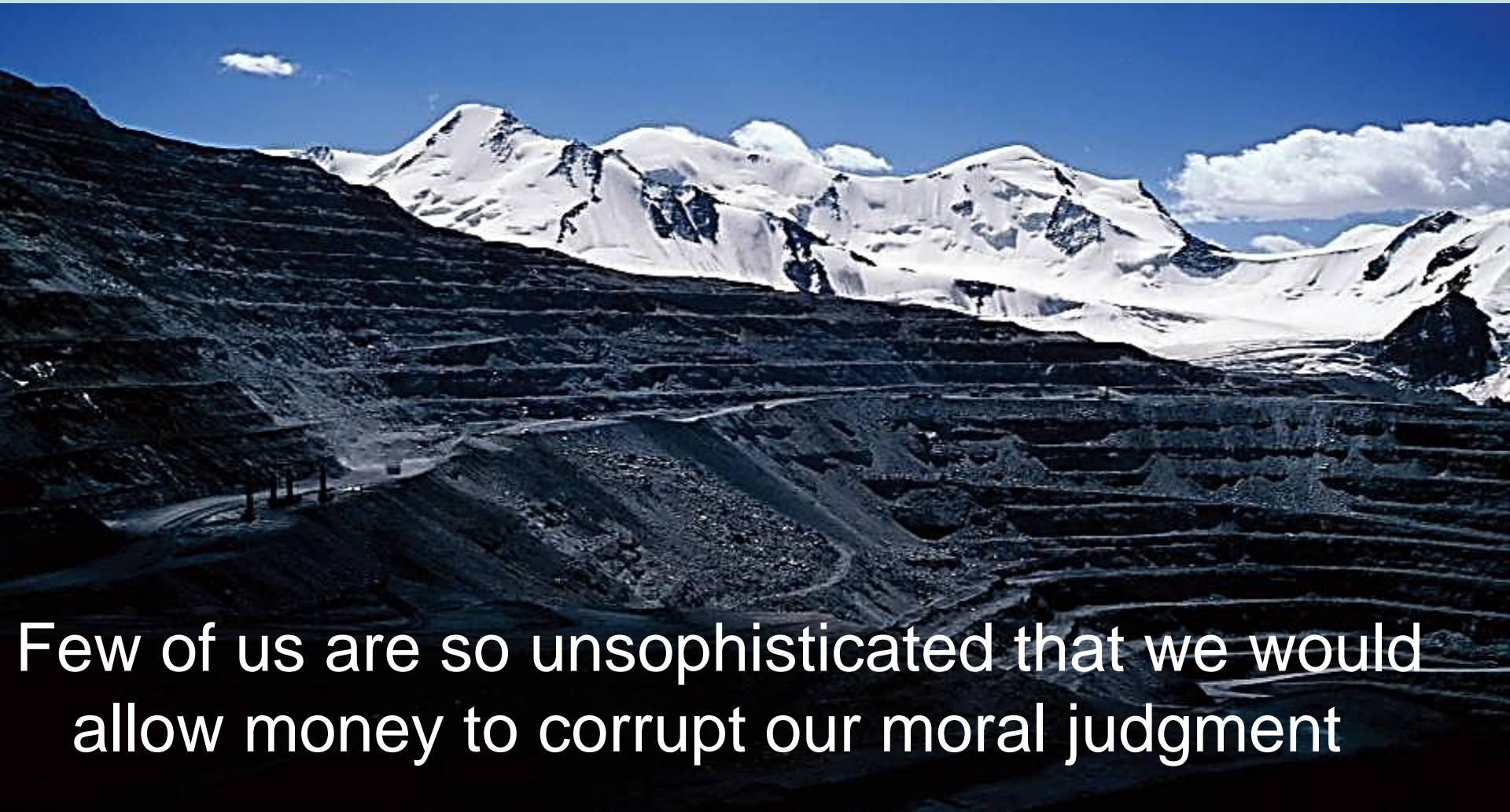


Front loading Biodiversity Management

A perspective from the NGO/not-for-profit
sector

Pippa Howard, Director, FFI

Conrad Savy, Conservation International



Few of us are so unsophisticated that we would
allow money to corrupt our moral judgment

It makes moral sense, public relations sense, and perhaps even long-term financial sense for companies to give back something, and to acknowledge their intimate relationship with the world outside.

Yet, on the other hand, I can also understand the view espoused by the late Nobel Laureate Milton Friedman, who argued rather eloquently that the social responsibility of the corporation is to grow profit and build shareholder value. By doing so, corporations create wealth, jobs, better products, tax revenues for government, and greater vitality for the economy and society in general.

Profit and growth, according to the Friedman argument, is the legal and fiduciary role of the corporation.

What are the Drivers?

- The right thing to do
- The business case
 - Costs
 - Resources
 - Reputation
 - Operational efficiencies
 - Finance
 - Sustainability – water and energy
 - Social licence to operate

How are companies recognising BES Risk?

There are two levels at which risk is recognised

1. High level corporate level

- Reputation
- Access to land and finance
- Licence to operate etc...

2. Operational level

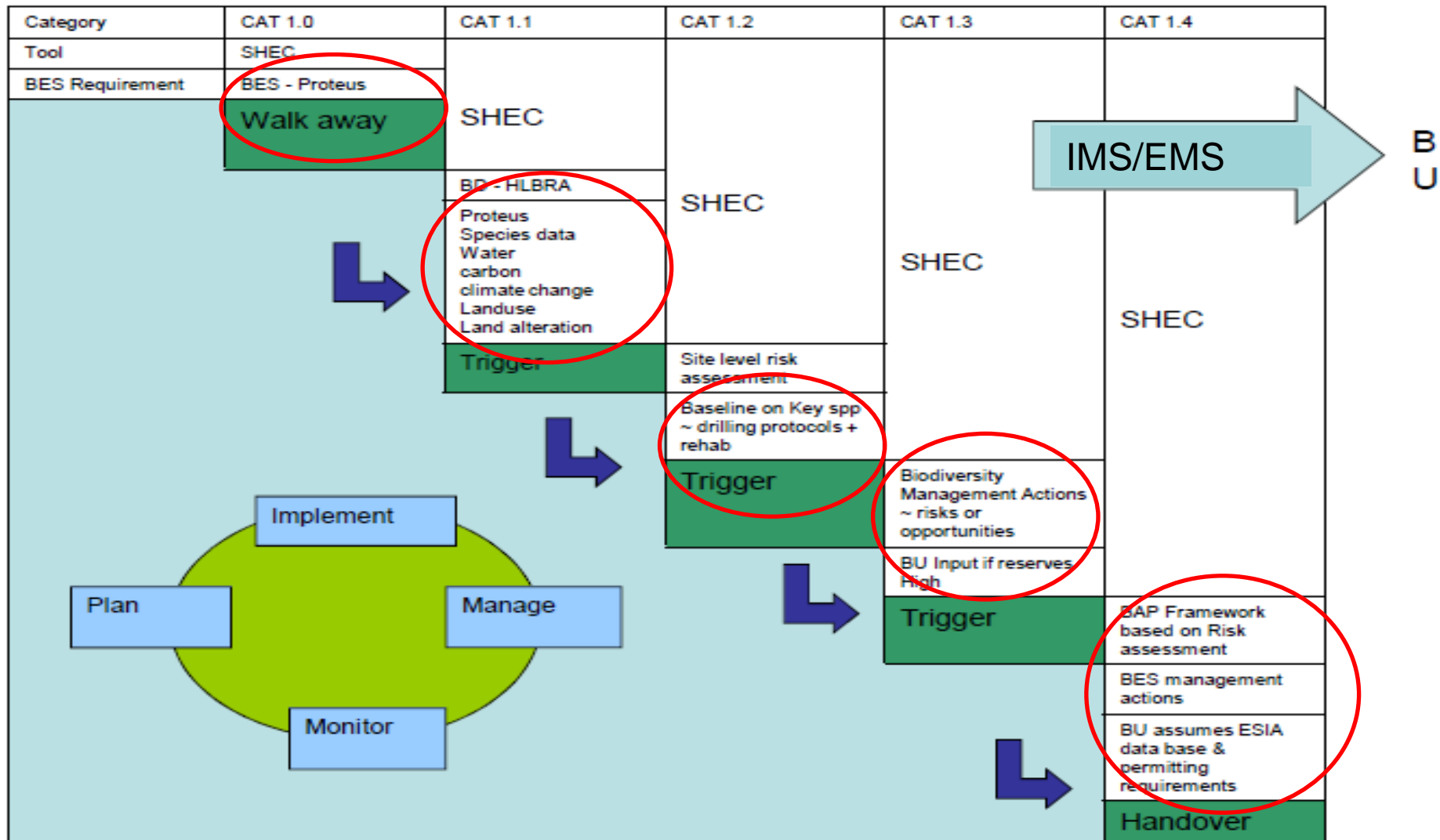
- Dependencies
- Access to finance, land,
- Compliance etc...



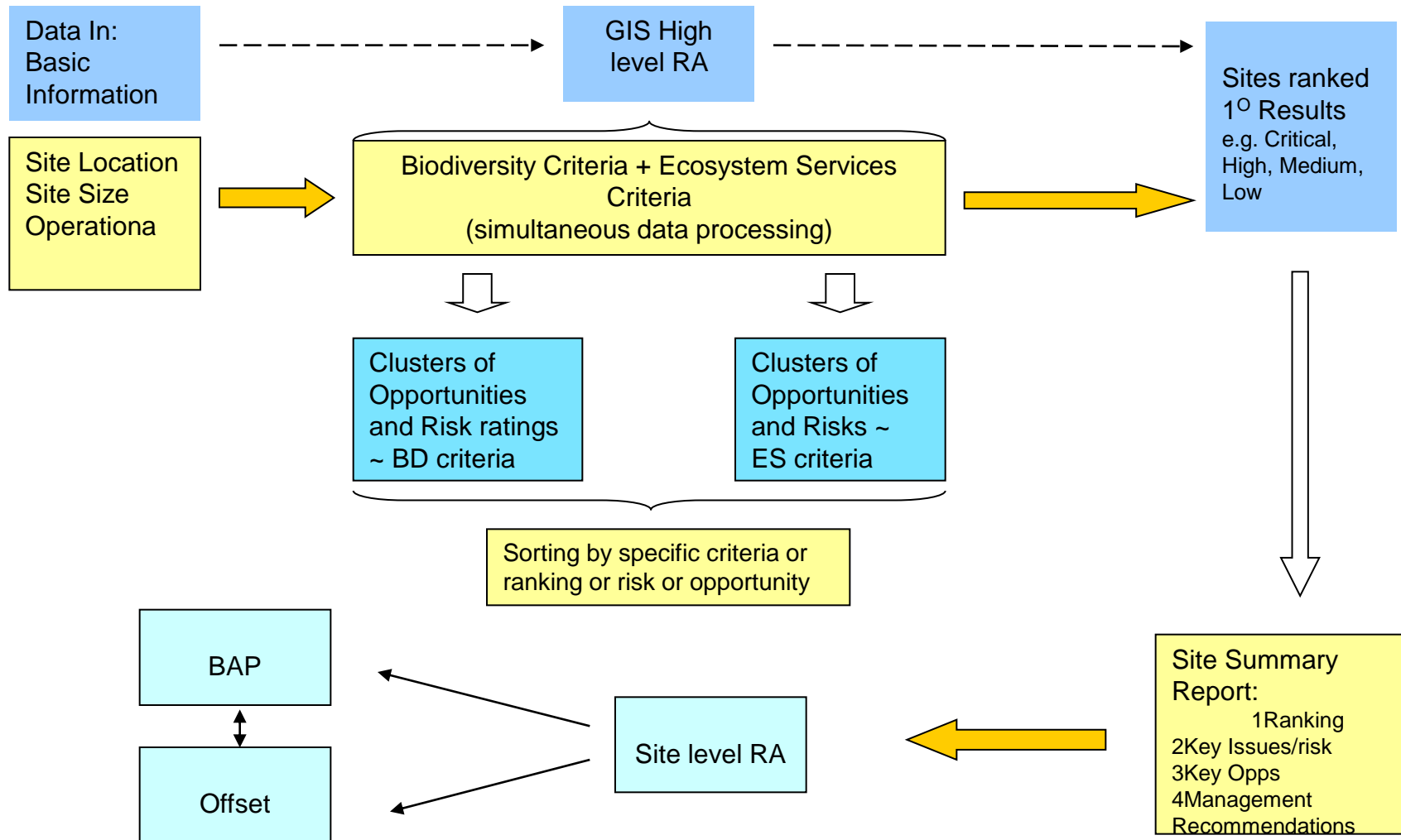
BES RISK Management progress



RISK MANAGEMENT



Generic process for risk assessment

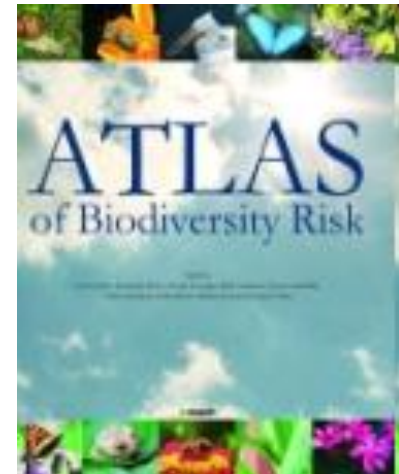


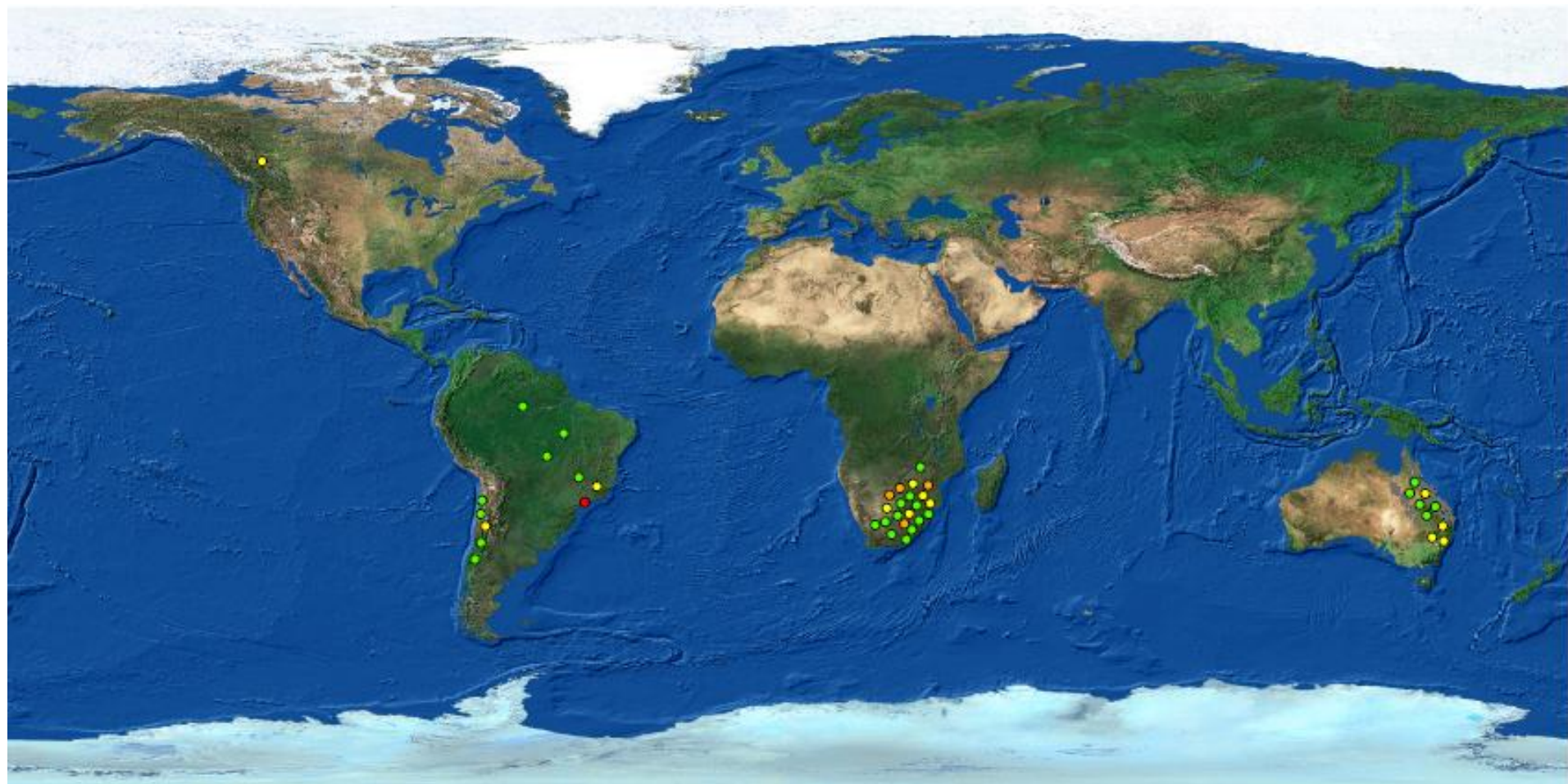
RISK MANAGEMENT

Likelihood	Consequence				
	1 - Minor	2 - Medium	3 - Serious	4 - Major	5 - Catastrophic
A - Almost Certain	Moderate	High	Critical	Critical	Critical
B - Likely	Moderate	High	High	Critical	Critical
C - Possible	Low	Moderate	High	Critical	Critical
D - Unlikely	Low	Low	Moderate	High*	Critical
E - Rare	Low	Low	Moderate	High*	High*

Tools and Methodologies

- HRA – prioritisation at high level
- BAP Guidance Documents
- BROA – Biodiversity Risk & Opportunity Assessment
- Ecosystem services valuation tools
 - EVI, WRI, ESR, NVI etc...
- BBOP & other NNL, NPI tools
- EMS, IMS, IBOW etc...





Tread lightly

**Biodiversity and ecosystem services risk and opportunity management in
the extractive sector**

Pippa Howard, Director, Business & Biodiversity

Fauna & Flora International

20th October 2011

© Juan Pablo Moreiras/FFI

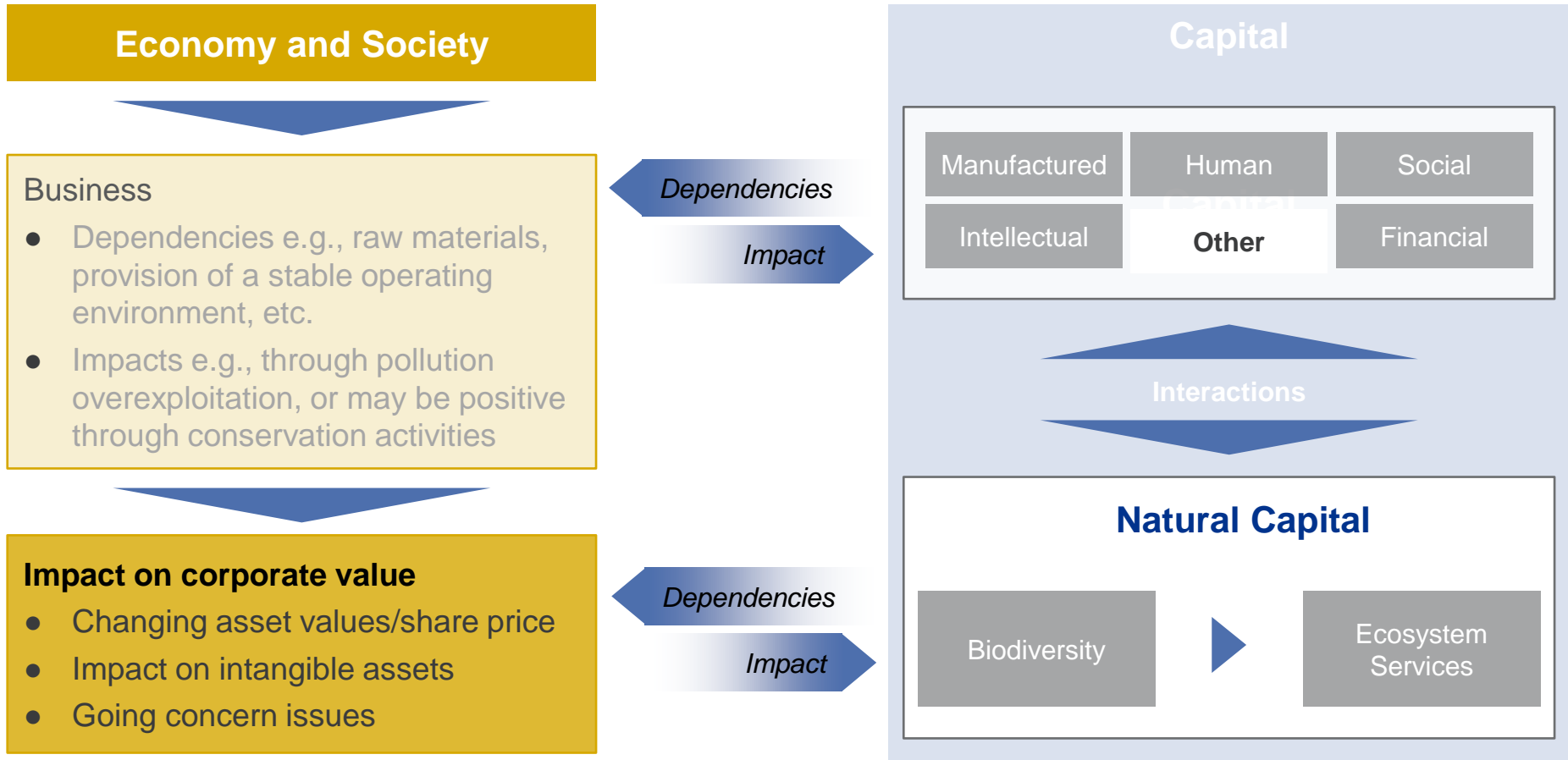


Can biodiversity be a material issue for companies?

- Barriers, challenges and how to overcome them
- 7 September 2012



Biodiversity, ecosystem services and corporate performance



Links between natural capital, biodiversity, ecosystem services and corporate value

Case Studies

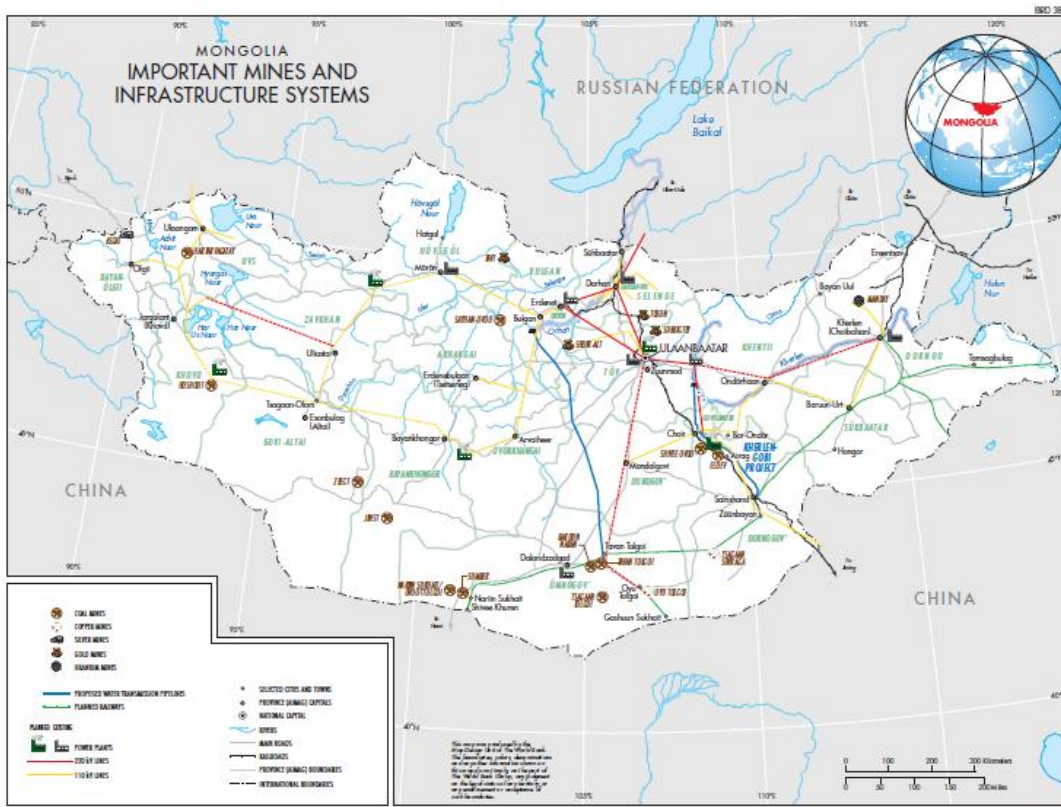
Best Practice in the Mining Sector:

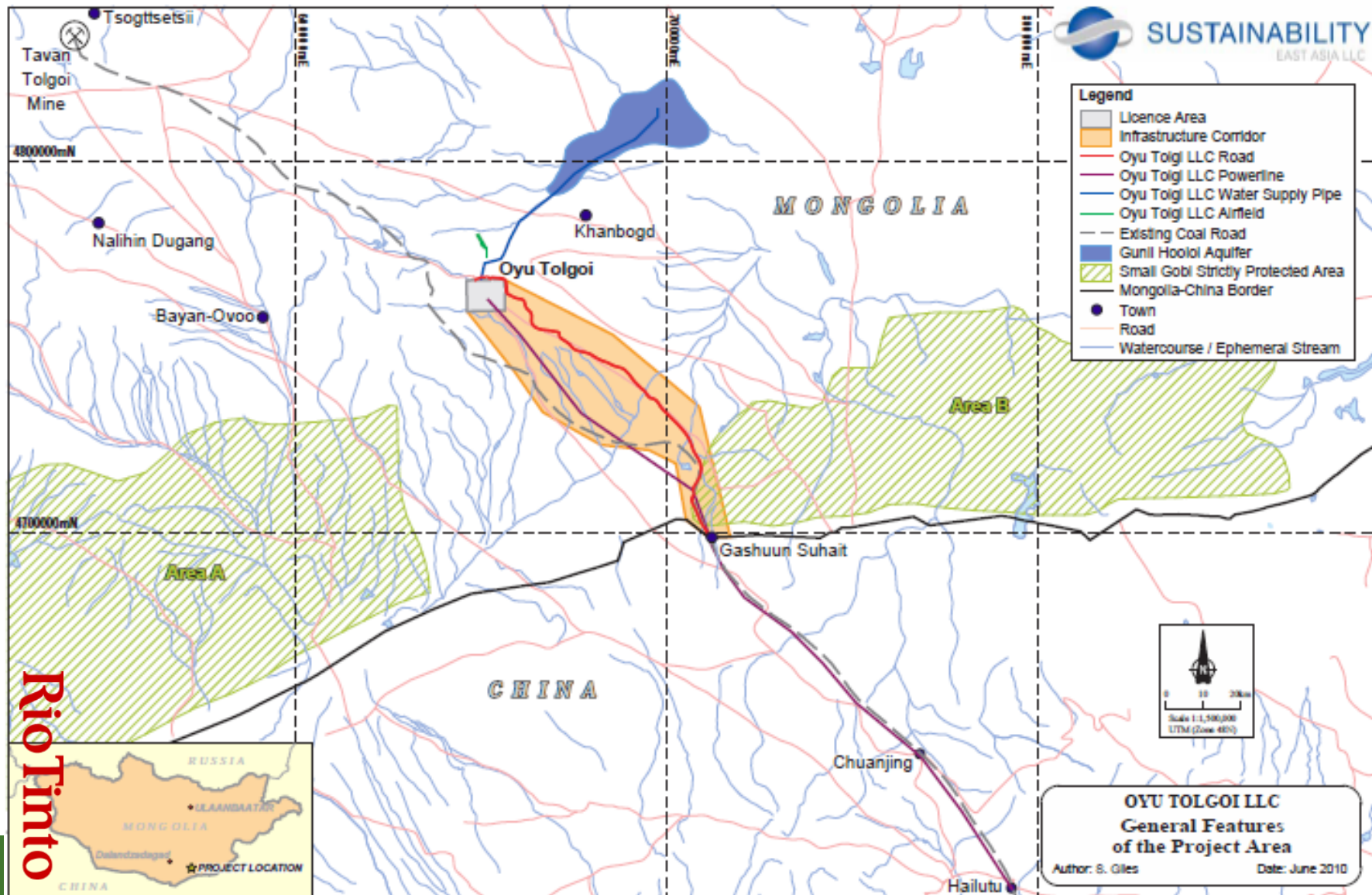
- Rio Tinto's NPI Commitment at Oyu Tolgoi, Mongolia
- Eni's Villano Block in Ecuador



Oyu Tolgoi

- Largest Porphyritic Copper Deposit in the World - >100 yr life of mine
- Very remote
- Land-locked
- Green-field development
- Construction
 - 14,000 workers
 - £7 million per day
 - 2 - 3 years
 - Infrastructure
 - Power
 - Water
 - Components
 - First ore June 2013





RioTinto



Why is this of interest to FFI?
Why were we asked to assist
the project



Asiatic Wild Ass



Houbara Bustard



Black Tailed Gazelle



Bactrian Camel



- International Lender Institutions
 - International Finance Corporation
 - European Bank of Reconstruction & development
 - European Development Bank
 - Inter American Development Bank
- Performance Standards
 - Biodiversity
 - Ecosystem services and Social Performance

Worth \$4.7 Billion to Oyu Tolgoi

Asiatic Wild Ass



Houbara Bustard



Black Tailed Gazelle



Bactrian Camel



So how do we get companies to manage biodiversity to NPI?



Thank you!

