

Accounting for Ecosystem Services via Sustainability Frameworks in Canada

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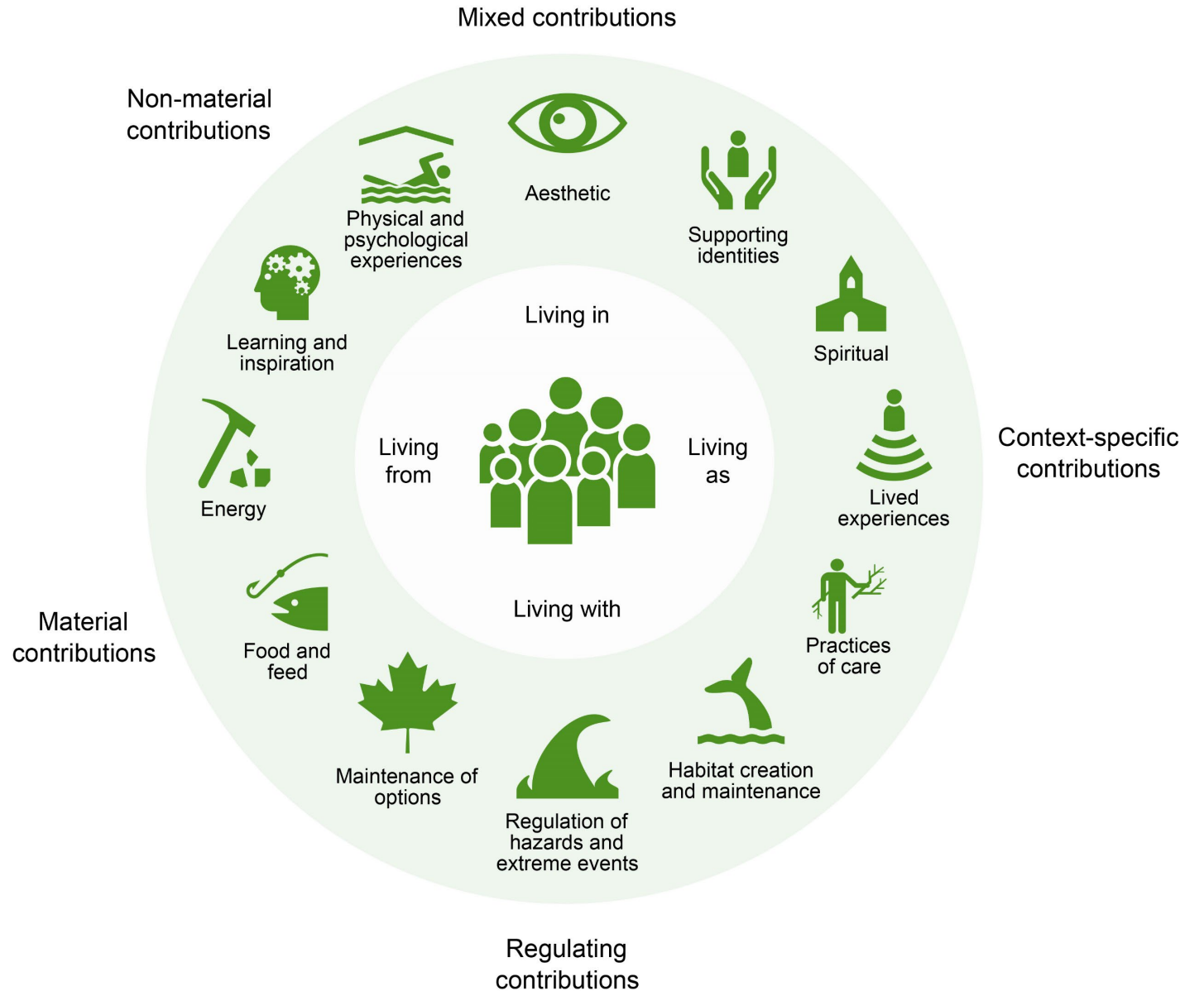
Agenda

- I. Introduction to Formal Analysis Frameworks
 - i. Triple Bottom Line
 - ii. Environmental Social Governance
 - iii. B Corps Certification
 - iv. Multiple Account Evaluations (MAE)
- II. Consideration of Ecosystem Services within Analysis Frameworks
- III. Moving Forward & Conclusions

Reporting & Analysis Frameworks

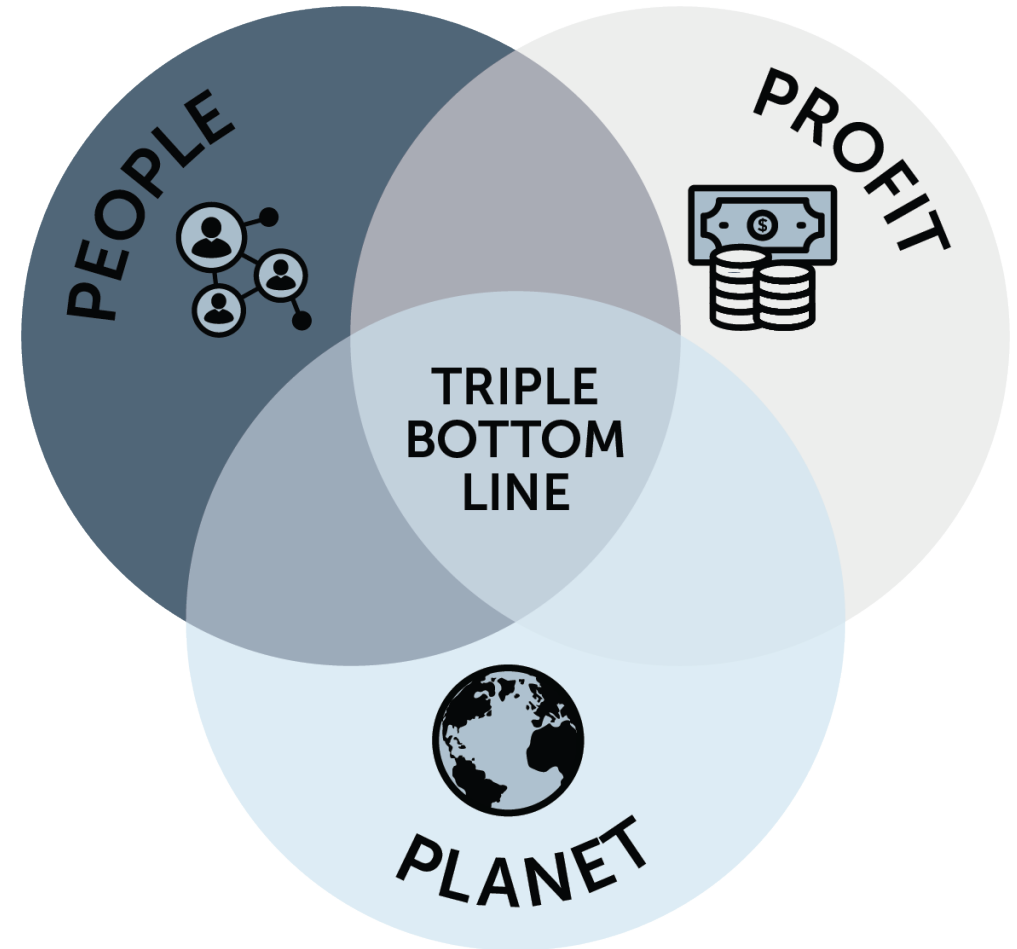
- ❖ Triple Bottom Line
- ❖ Environmental Social Governance
- ❖ B Corps Certification
- ❖ Multiple Account Evaluation

Ecosystem Services and Their Benefits



Triple Bottom Line (TBL)

- ❖ Expansion of traditional “bottom line” concept
- ❖ Used by variety of corporations
- ❖ Way of thinking about business more than a framework



Social (People)

Labor Practices

Community Impacts

Human Rights

Product Responsibility

Environmental (Planet)

Air Quality

Water Quality

Energy Usage

Waste Produced

Economic (Profit)

Sales, Profits, ROI

Taxes Paid

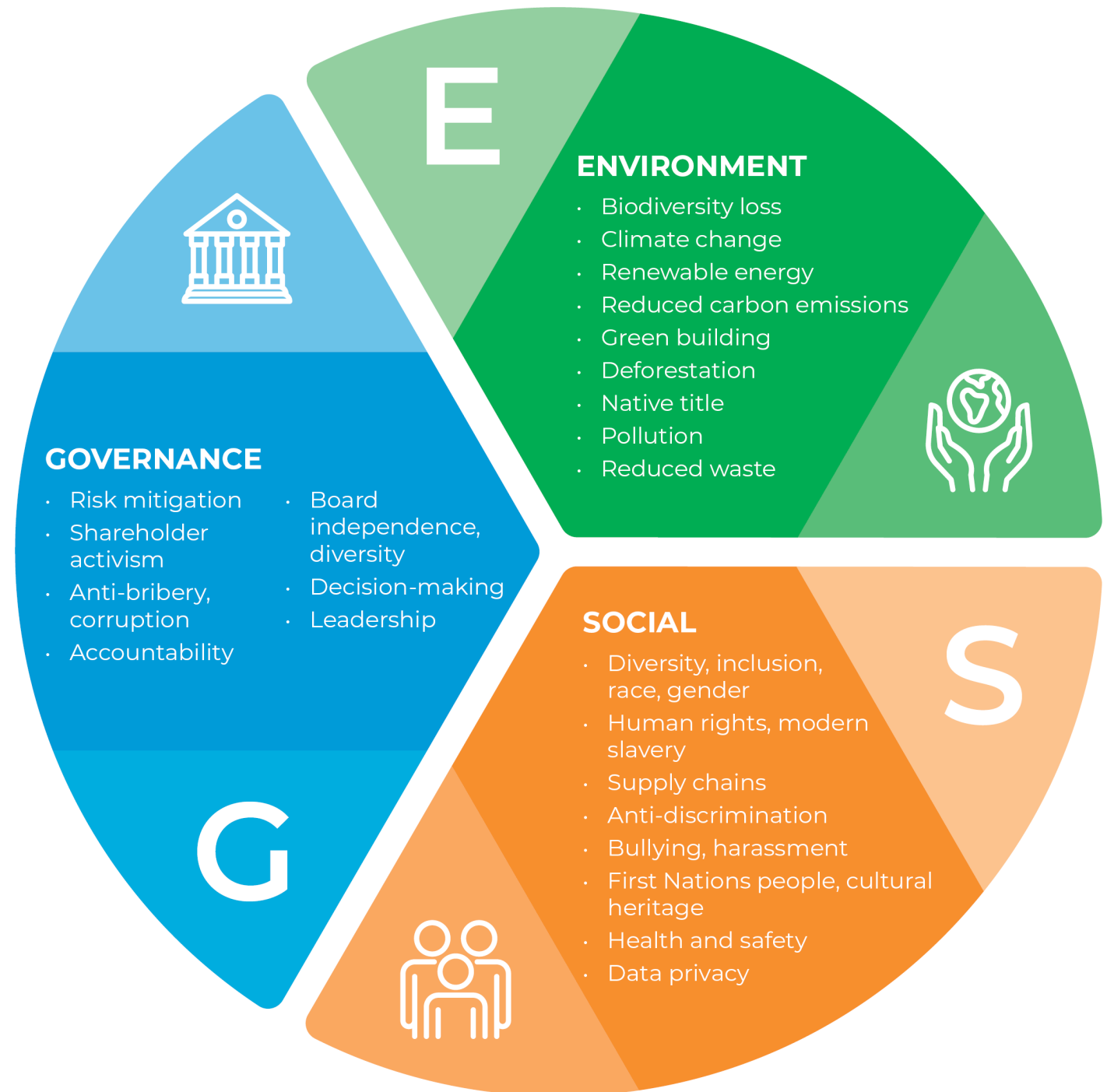
Monetary Flows

Jobs Created

Environmental Social Governance (ESG)

❖ Investment analysis tool

❖ Flexible concept





B Corporation Certificate

- ❖ Corporations pledge to standards of social and environmental ethics
- ❖ Standards are enforced



Environmental Stewardship & Circularity

ESC1 – The company knows its (potential) impacts on the environment

ESC2 – The company has a strategy to address its actual and potential negative environmental impacts, and to pursue efforts to stay within ecological thresholds

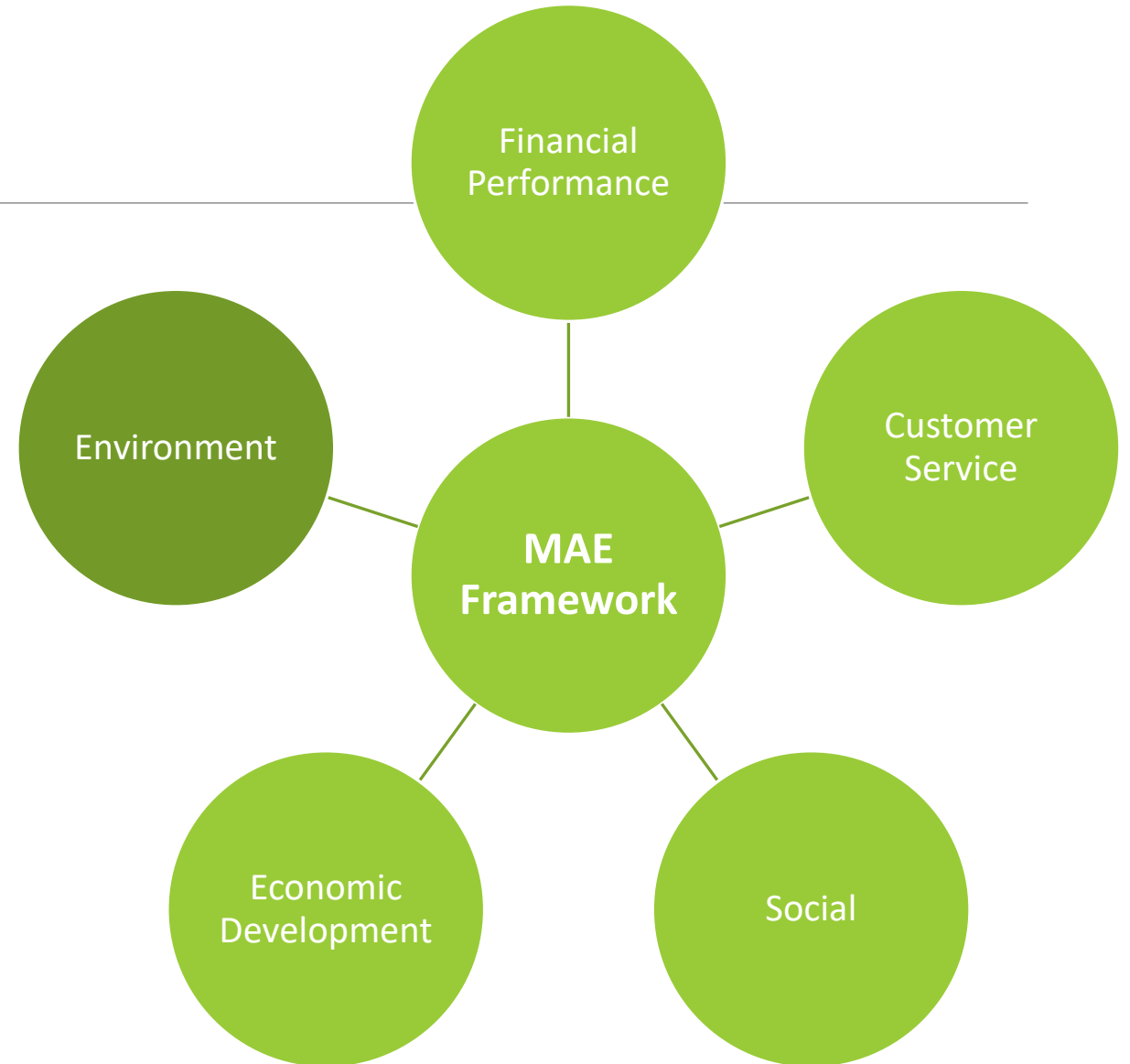
ESC3 – The company has a circular economy strategy

ESC4 – The company prevents and mitigates its actual and potential negative environmental impacts

ESC5 – The company works with suppliers to achieve its environmental objectives and to attain traceability in the supply chain

Multiple Account Evaluations (MAE)

- ❖ Systematic analysis of alternative plans and projects to determine their implications
- ❖ Customizable
- ❖ Overview analysis
- ❖ Developed for Crown Corporations
- ❖ Required in some areas of Canada



Ecosystem Services within Analysis Frameworks

| Analysis Framework | Concept | Required in Canada? | ECOSYSTEM SERVICES |
|--------------------|--|--|---|
| TBL | Philosophical way of thinking about a business | No - ecologically & socially conscious businesses may voluntarily use this concept | Potential for consideration within “Planet” (water quality, air quality) |
| ESG | Investment Analysis Tool | Yes – eligible Canadian banks, insurance companies and financial institutions must report ESG disclosures on climate-related risks | Focused on the impact of a business on the environment (pollution, biodiversity, energy use) |
| B Corps | Corporation Standards | No – those who choose to become B cop certified must meet certain standards & are regulated | Focused on the impact of a business on the environment (pollution, biodiversity, energy use) |
| MAE | Analysis of Impacts of Alternatives | Yes – crown corporations in British Columbia and other jurisdictions are required to conduct an MAE for proposed projects | Consideration within environmental account (biodiversity, natural resource use, human health) |

Ecosystem Services within Analysis Frameworks

BIG TAKE AWAYS

- ❖ These frameworks encourage, if not require, analysis of ecosystem services
- ❖ There is great flexibility in which ecosystem services are analyzed

MOVING FORWARD

- ❖ Allow for flexibility while still ensuring key ecosystem services are considered
- ❖ Require reporting
- ❖ What framework or combination of frameworks best captures impacts, both positive and negative, to ecosystem services?

Questions?

