



Accounting for Natural Capital in Supply Chains
Presentation for the Global Partnership for Business and Biodiversity
Montreal, Canada

October 2, 2013

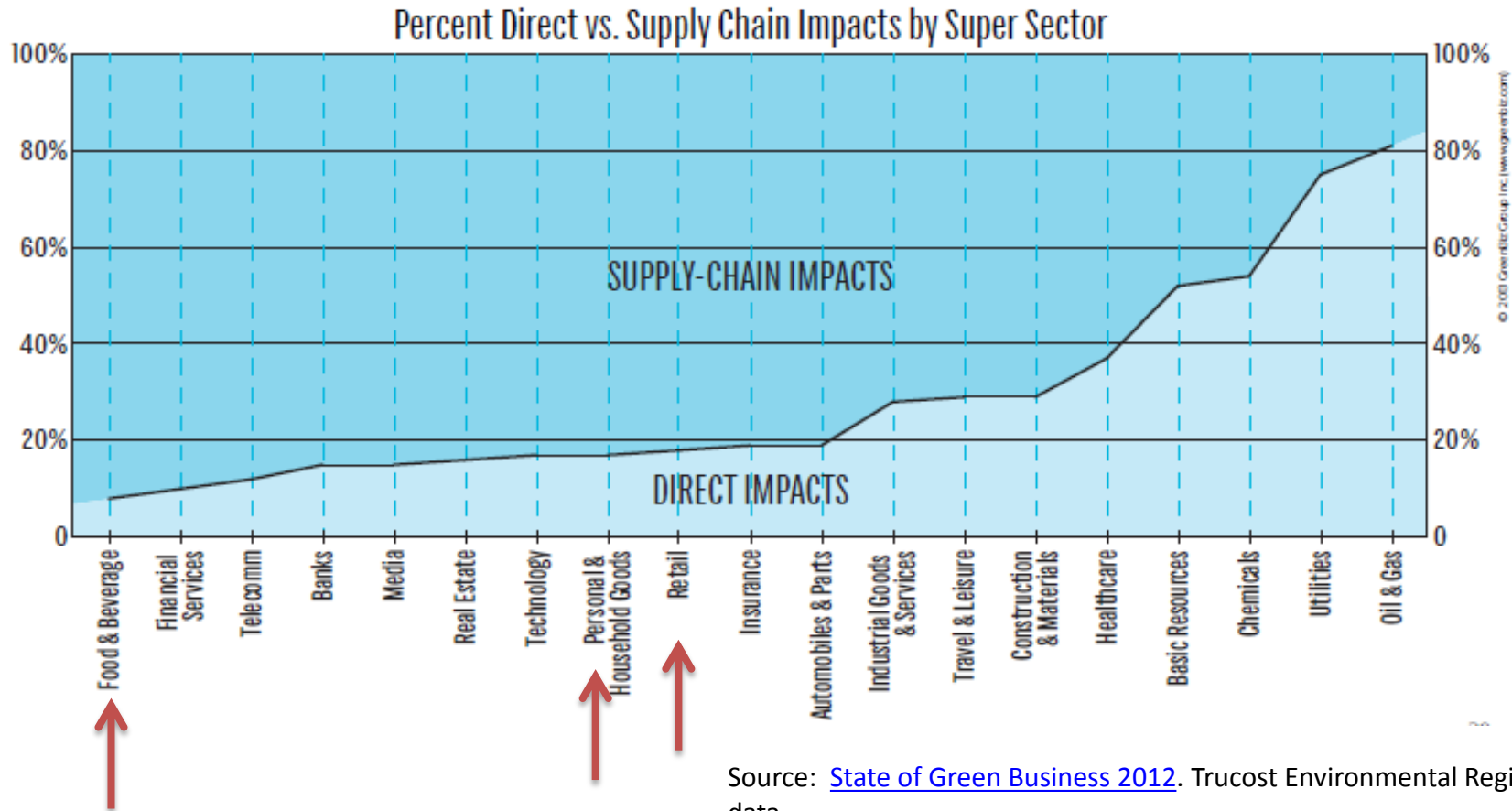
Libby Bernick
Sr. Vice President, Trucost



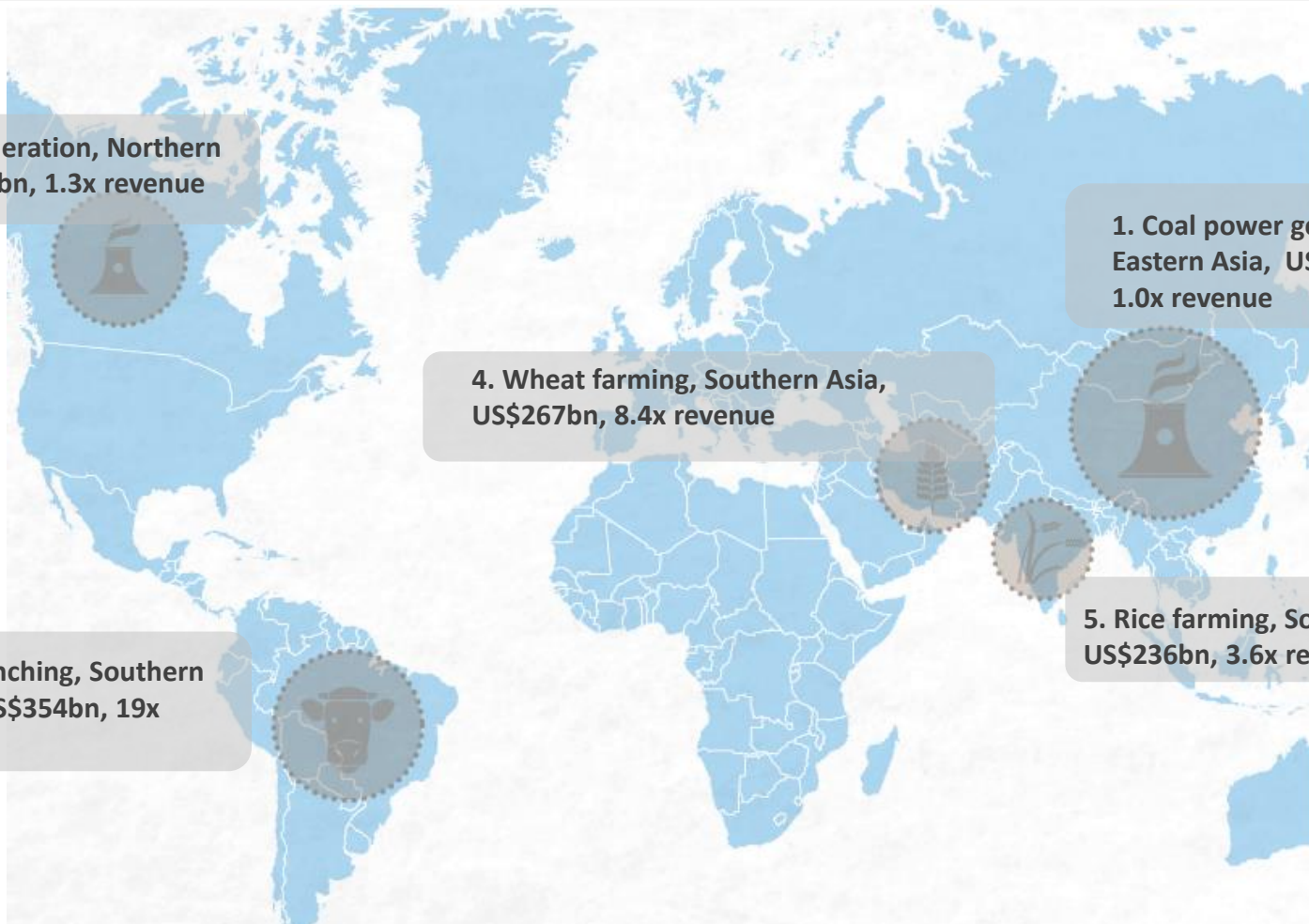
Trucost helps organisations understand the true cost of business in order to use resources more efficiently, today and tomorrow.

NATURAL CAPITAL IN SUPPLY CHAINS

ON AVERAGE, ABOUT 60% OF COMPANIES' NATURAL CAPITAL IMPACTS ARE CONCEALED WITHIN SUPPLY CHAINS



Natural Capital Costs of Primary Processing Industries = \$7.3T



3. Coal power generation, Northern America, US\$317bn, 1.3x revenue

1. Coal power generation, Eastern Asia, US\$453bn, 1.0x revenue

4. Wheat farming, Southern Asia, US\$267bn, 8.4x revenue

2. Cattle ranching, Southern America, US\$354bn, 19x revenue

5. Rice farming, Southern Asia, US\$236bn, 3.6x revenue

Framework for Natural Capital Accounting in Supply Chains



PUMA'S ENVIRONMENTAL PROFIT & LOSS ACCOUNT world's first E P&L

	Water use \$ million	GHGs \$ million	Land use \$ million	Other air pollution \$ million	Waste \$ million	TOTAL \$ million	% of total
	33%	32%	26%	7%	2%	100%	
TOTAL	47	47	37	11	3	145	100%
PUMA operations	•	●	•	•	•	8	6%
Tier 1	•	●	•	•	•	13	9%
Tier 2	•	●	•	•	•	14	10%
Tier 3	●	•	•	•	•	27	19%
Tier 4	●	●	●	•	•	83	57%

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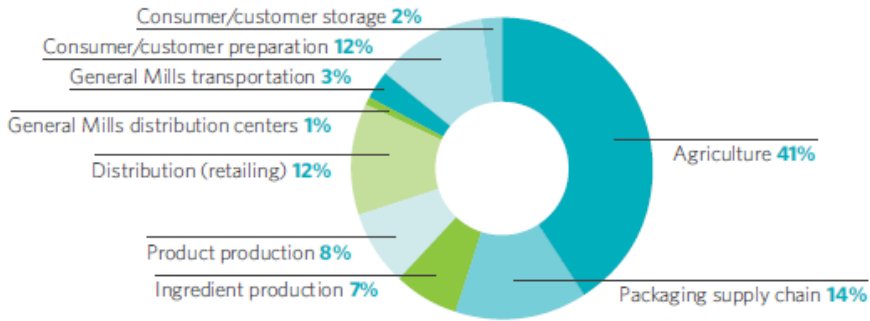
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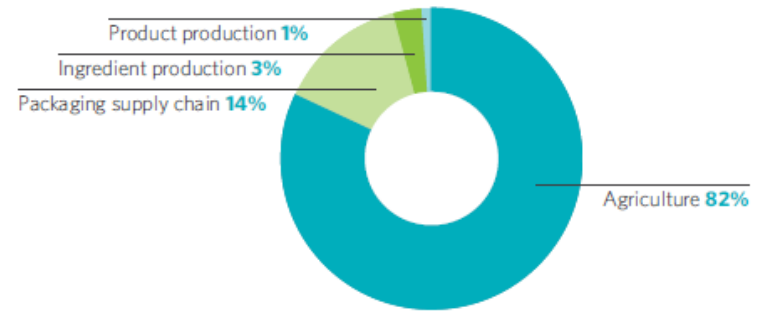
COMMODITY & PRODUCT CATEGORY Supply Chain Analysis



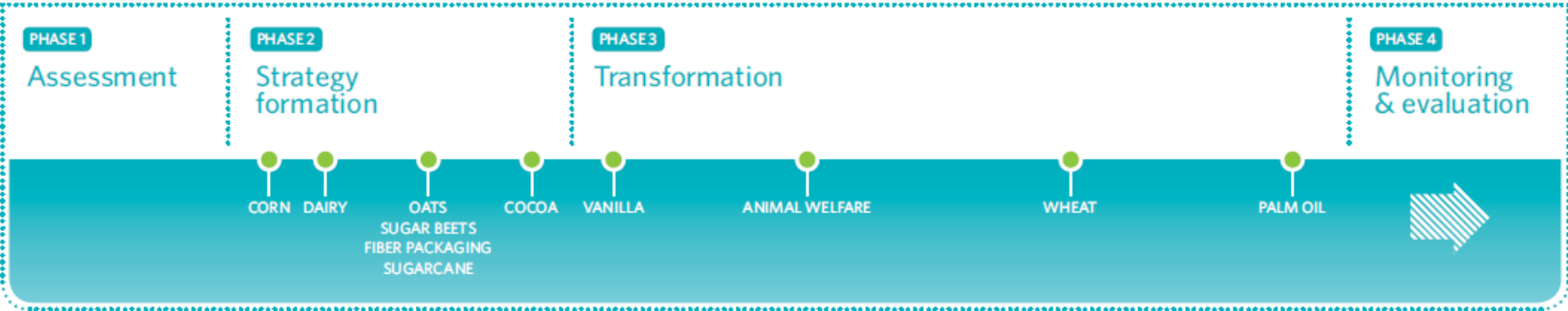
Greenhouse gas emissions



Water consumption



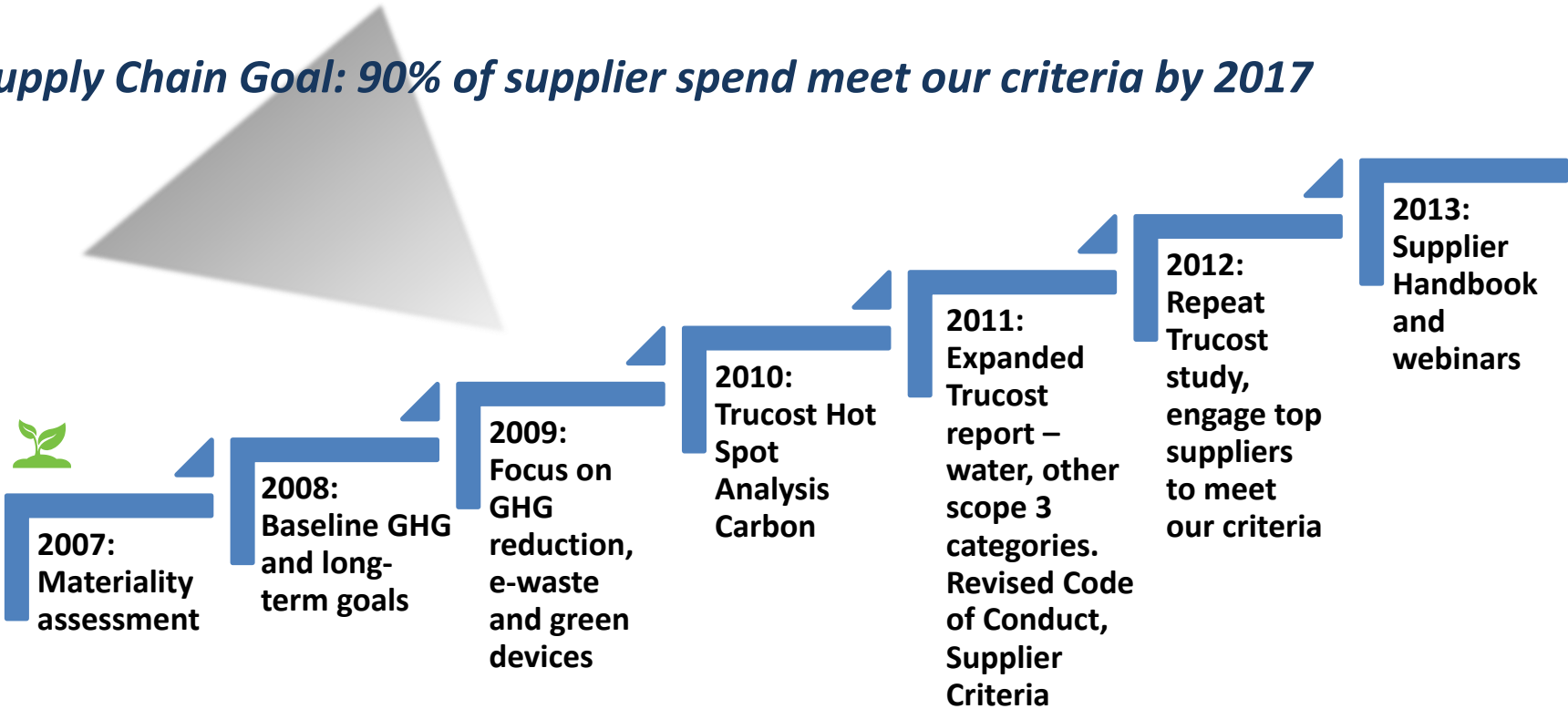
Performance dashboard



Green Procurement and Supplier Engagement



Supply Chain Goal: 90% of supplier spend meet our criteria by 2017



Challenges and Barriers

- What is most material to business performance?
- Companies are measuring and valuing natural capital impacts as a proxy for biodiversity but there is a need for clearly defined metrics or standards that cross industry sectors
- Our knowledge and decision-support capabilities (i.e., tools) exceed the availability of good data, especially with regard to commodity sources and supplier locations
- Green procurement: boil the ocean or prioritize engagement?

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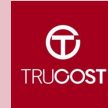
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About Trucost



Since 2000, Trucost has been researching, standardising and validating the world's most comprehensive **corporate natural capital valuation** metrics



Trucost has analysed the **supply chain natural capital risks** of >500,000 suppliers representing >100 B expenditure



Over **15 academic institutions** (including Stanford, Harvard, Yale & Oxford University) use Trucost data as part of their research and curricula, and Trucost research is supported by an **International Academic Advisory Panel**.



Trucost wrote the UK Government's **environmental reporting guidelines** for business and provides **thought leading research** to organizations like TEEB, WWF, and the UN.



Trucost natural capital data drives **\$582 M AUM** in environmentally optimised funds and has conducted environmental footprint analysis of funds worth \$2.7 T

Trucost EBoard

Natural capital metrics for investment decision making

NATURAL CAPITAL ANALYZER

Tools to analyse and manage natural capital impacts in corporate supply chains

Environmental Register

World's most comprehensive database of corporate natural capital and environmental metrics

ACADEMIC RESEARCH PORTAL

Tools to integrate natural capital analysis into teaching curricula and research

Trucost provides commercial tools and databases for corporations, investors, and researchers as well as bespoke research services that draw on the latest environmental and business systems for measuring natural capital and environmental performance.

