



“Way Beyond Paris, Indeed”

Session – The Bio-circular Economy:
Climate Targets, Global Supply Chains, and
Way Beyond Paris

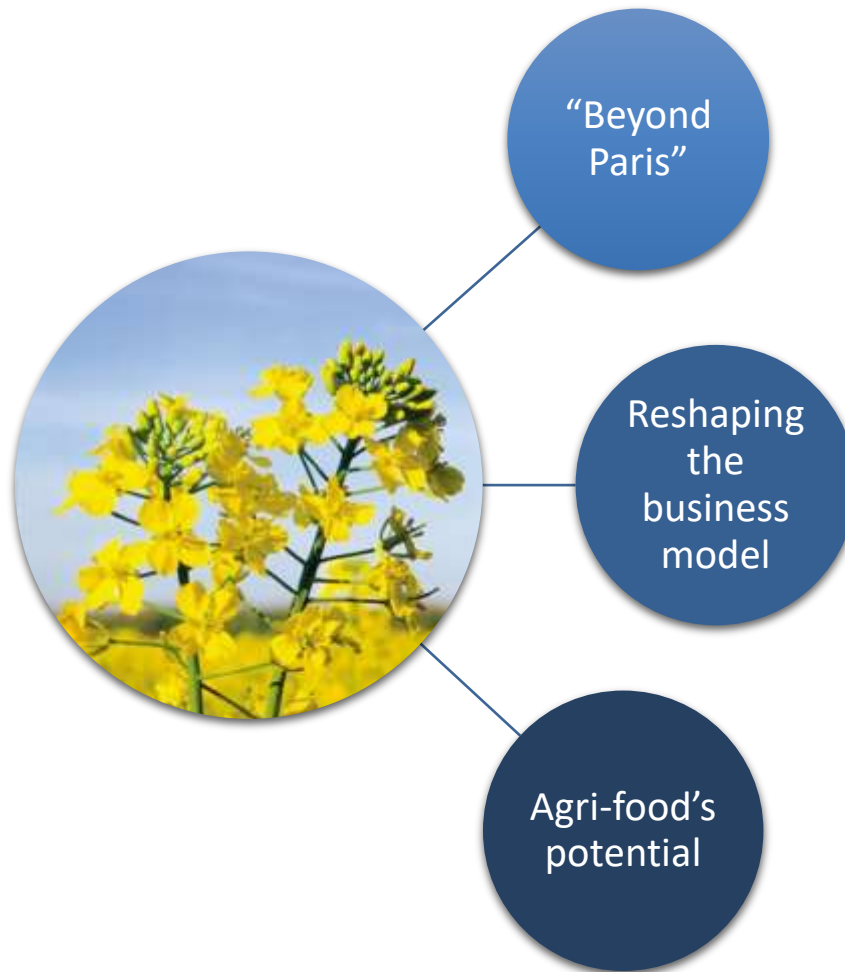
Scaling Up Conference, Ottawa

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DMci Strategies

Prospects for agri-food's future



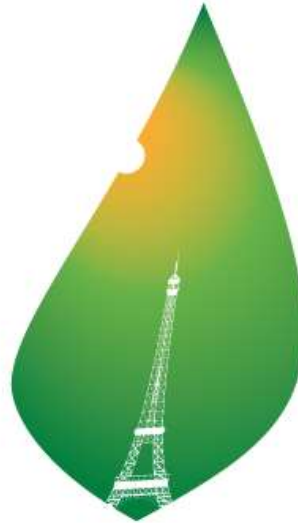
“Beyond Paris”



“Beyond
Paris”

- Great shift underway: the rise of a global inclusive agenda

From global action on GHGs...



PARIS2015
CONFÉRENCE DES NATIONS UNIES
SUR LES CHANGEMENTS CLIMATIQUES
COP21·CMP11

...To 17 Sustainable Development Goals



... A highly-integrated agenda with **169** supporting targets – by 2030

Lots of attention...



Agriculture, food & biotech: definitely part of this storyline



Reshaping the global business model

Reshaping
the
business
model

- From “corporate social responsibility” to “corporate value responsibility”
– recognizing realistic drivers of risks & revenues

Not just a “UN thing” ...



*...the catastrophic impacts of climate change
go beyond the business & political cycle*

- Mark Carney, Governor, Bank of England

G20 / central bankers:

lenders, insurers, pension fund investors to disclose climate change financial/credit risks

Rethinking the value of “capital”



NATURAL
CAPITAL
COALITION

- **Pricing & profits** insufficient to cover social & environmental impacts.
- A movement underway to assign a value to **natural capital**: soil, water, biodiversity

By-products of not pricing natural capital include:
climate change, resource depletion, diet-related chronic diseases

Sustainable exchanges

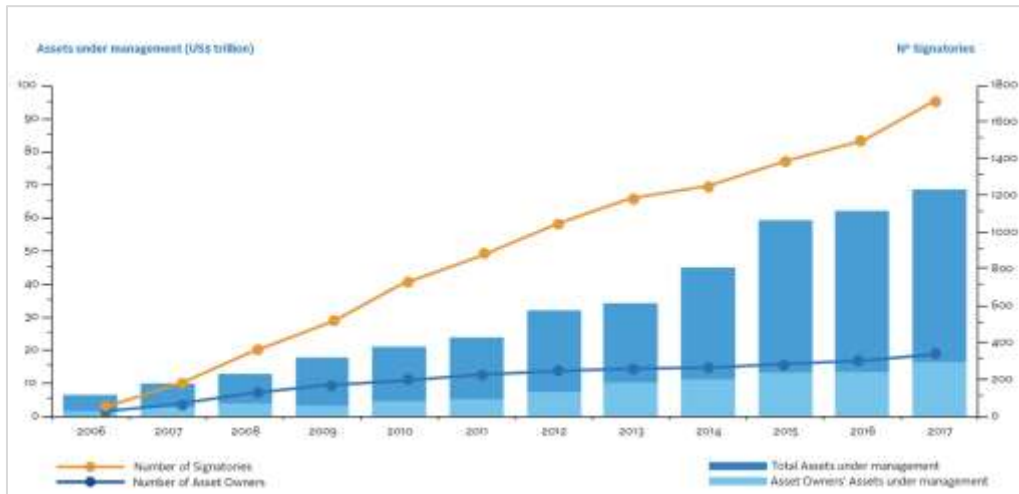


- Capital market “infrastructure”
- **82** stock exchanges: more sustainable capital markets
- Transparency & benchmarking

...but are investors there?

Your pension will be tied to sustainable capital

- Achieving a zero-carbon future (& the SDGs) requires **capital**
- 1,800 institutional investors managing **\$70 trillion** signed on to “Responsible Investing Principles”



But, only **10%** of investment managers include climate change into asset allocation strategies

Sustainable accounting



- Understanding climate change impacts
- Borrowers' financial statements linked to **“chronic factors that affect revenue or operating costs”**
- Make transparent to investors

Sustainable credit



- Up to 90% of global trade (WTO) depends on trade finance
- To incent sustainable production/exports: bank **Letters of Credit** – scale-up potential
- Palm oil pilot



Sustainable supply chains



- Proliferation of sustainable **sourcing targets** across many sectors & companies
- E.g., **zero net deforestation by 2020**

Representing 400 companies with combined procurement power of over \$3 trillion

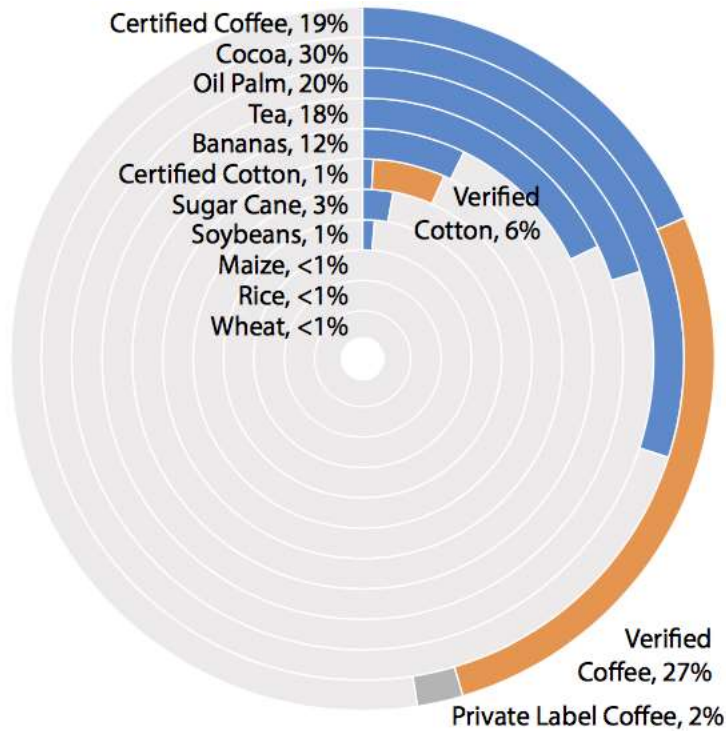
Denying market access

EU banning unsustainable palm oil to meet EU biofuel targets



Self-regulatory supply chain schemes deemed insufficient

Tracking change



- **48%** of coffee “sustainable”
- **< 1%** for wheat

Source: ITC, FIBL, SSI, FAOstat data, SSI

Key commodities: standard compliant production as % of global trade (2014), adjusted for multiple certifications

Benchmarking performance

Sustainability



133 EU companies

Health



22 global food companies

Animal welfare



99 agri-food companies

Human rights



>170 Canadian food companies

Celebrating opportunity, too



- **9,000 companies**
- **UN Global Compact** supporting progress on human rights, labour, environment, anti-corruption – & the SDGs

*E.g., Seeing the potential of **biotechnology to enrich the soil***

Agri-food's (and biotechnology's) potential

Agri-food's
potential

- Successfully feeding a more demanding world – through science & technology – will be based on meeting rising expectations around **“trust”**.

We're going way beyond Paris...

- 1. Value & risk:** matching revenue with social impact
- 2. Metrics & targets:** connecting sustainability, health, ethics, etc.
- 3. Governance & transparency:** ramping up standards
- 4. “Supply chains” to “system links”:** taking an integrated approach
- 5. Institutional investors:** enabling capital flows

Thank you!

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