

# Making the business case for incorporating natural capital considerations into decision-making

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**NATURAL  
CAPITAL  
COALITION**

 @NatCapCoalition #NatCapProtocol



**NATURAL CAPITAL  
COALITION**



## The Coalition

The Coalition is a collaboration representing all parts of society. Represent c.250 organizations, all working on natural capital.



### Purpose

To mainstream the inclusion of natural capital in decision making, harmonizing approaches and getting them to scale, quickly.

### Our Vision

A world that conserves and enhances natural capital



**NATURAL CAPITAL PROTOCOL  
AND SECTOR GUIDE  
DEVELOPMENT**



# A unique collaborative process

Developed the Protocol



Developed two sector guides, and managed the business engagement and pilot testing



The Coalition is hosted by ICAEW.



NATURAL  
CAPITAL  
COALITION

## Leading companies tested the draft Protocol

Over 50 businesses contributed to the Protocol piloting program

### Deep Dives



*Piloted the  
entire  
Protocol*



### Piloting companies



*Piloted  
different  
steps of the  
Protocol*



Draft Protocol and sector guides released in November 2015 for consultation

- ❖ 3,230 comments
- ❖ 453 individuals
- ❖ 143 organizations
- ❖ 5 continents covered
- ❖ 22 countries covered



The consultation was carried out using the online collaboration tool Collaborase



## Uptake and application

Since July 2016, the Protocol has already been downloaded over 5,500 times – with many other copies shared.

Over 100+ business participants have joined the 'Protocol Application Program' plus 120+ from technical advisory, policy, scientific and academia institutions.



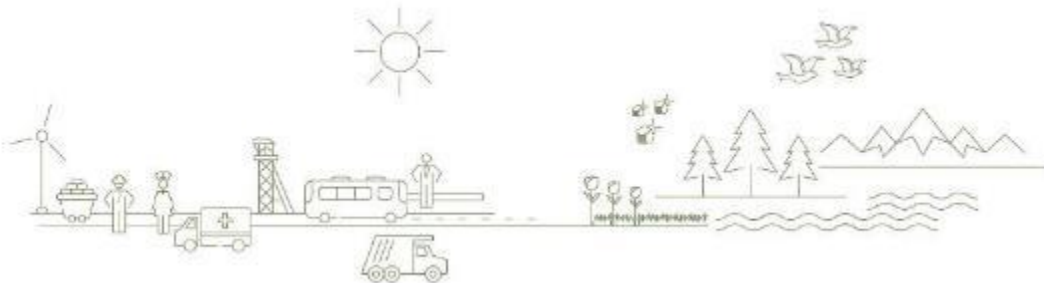


**NATURAL CAPITAL  
PROTOCOL**

## Introducing the Protocol



The **Natural Capital Protocol** is a **standardized framework** for **business** to **identify, measure and value** its direct and indirect **impacts and dependencies** on **natural capital**





## Definitions

The **Natural Capital** Protocol is a standardized framework for business to identify, measure and value its direct and indirect impacts and dependencies on natural capital

The **stock** of **renewable** and **non-renewable natural resources** (e.g. plants, animals, air, water, soils, minerals) that combine to yield a flow of benefits to people





The **Natural Capital Protocol** is a **standardized framework** for **business** to **identify, measure and value** its direct and indirect **impacts and dependencies** on **natural capital**

Internationally applicable across **all business sectors, geographies and scopes**; leverages **existing approaches**





## Definitions

The **Natural Capital Protocol** is a **standardized framework** for **business** to **identify, measure and value** its direct and indirect **impacts and dependencies** on **natural capital**

Aimed at informing business **decision making** with trusted, credible and actionable information



## Definitions

The **Natural Capital Protocol** is a **standardized framework for business** to identify **measure and value** its direct and indirect **impacts and dependencies** on **natural capital**

- **To measure:** determine the **amounts, extent and condition** of natural capital, in physical terms, e.g. m<sup>3</sup>, tons
- **To value:** estimate the **relative importance, worth, or usefulness** of natural capital to people / business, in a particular context. Can be **qualitative, quantitative or monetary**





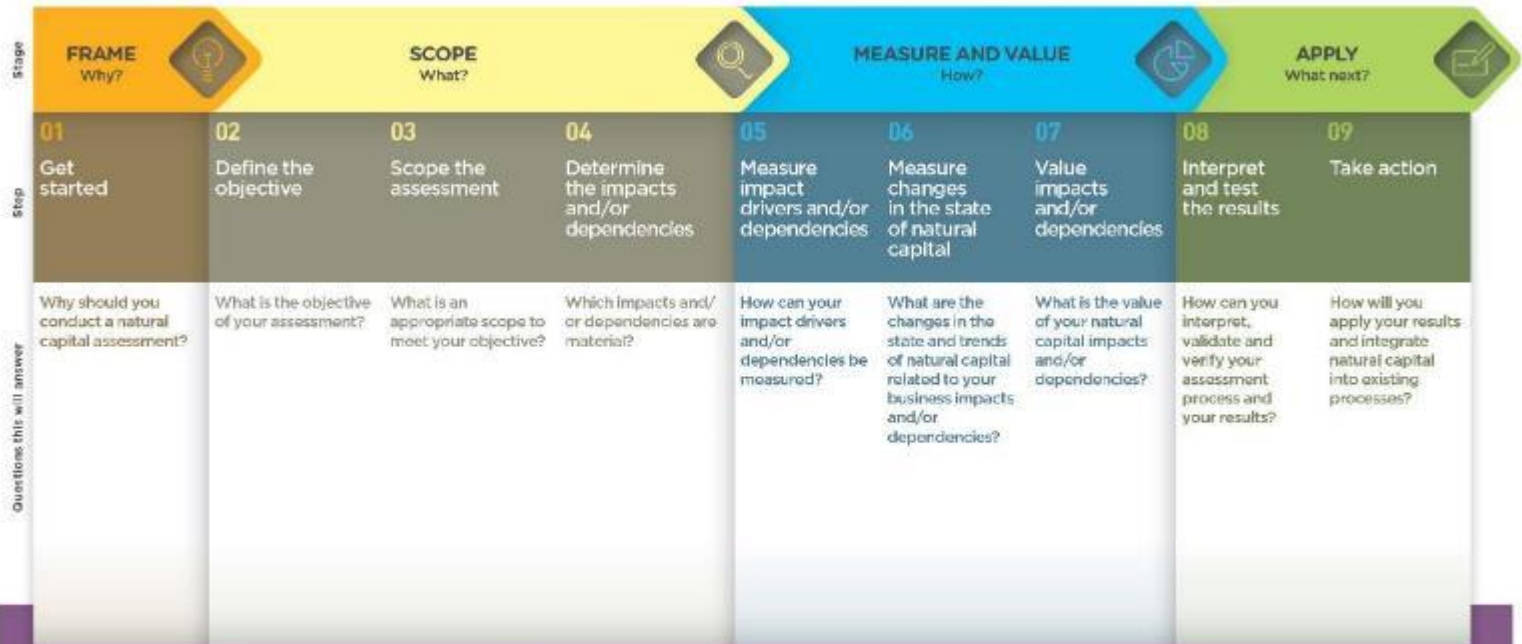
The **Natural Capital Protocol** is a  
**standardized framework for business**  
to **measure and value** its direct and indirect  
**impacts and dependencies**  
on **natural capital**

- **Impact:** negative or positive effect of business activity on natural capital
- **Dependency:** A business reliance on or use of natural capital





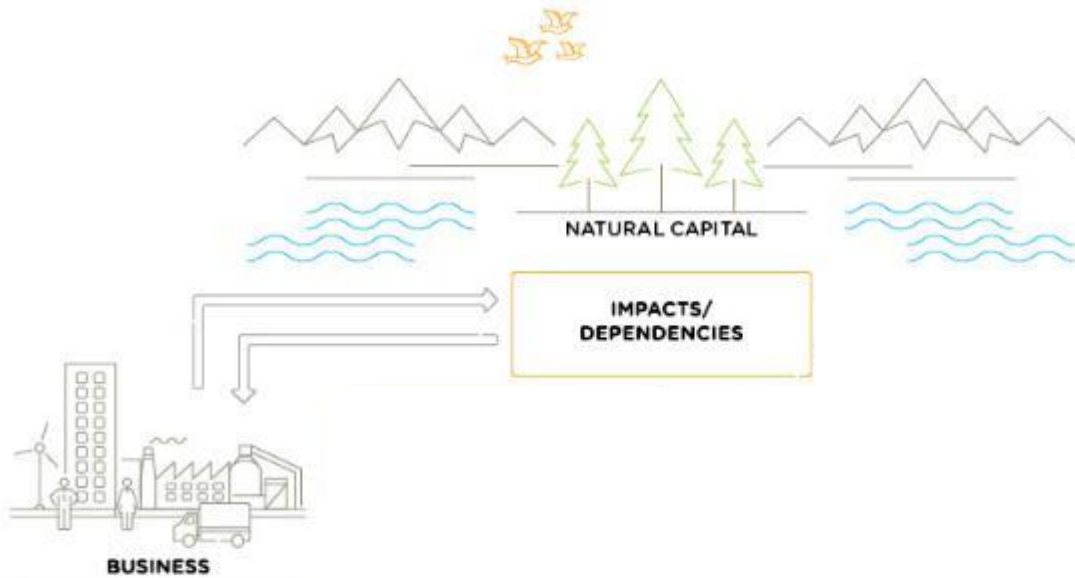
# The Natural Capital Protocol Framework



**PRINCIPLES: Relevance, Rigor, Replicability, Consistency**

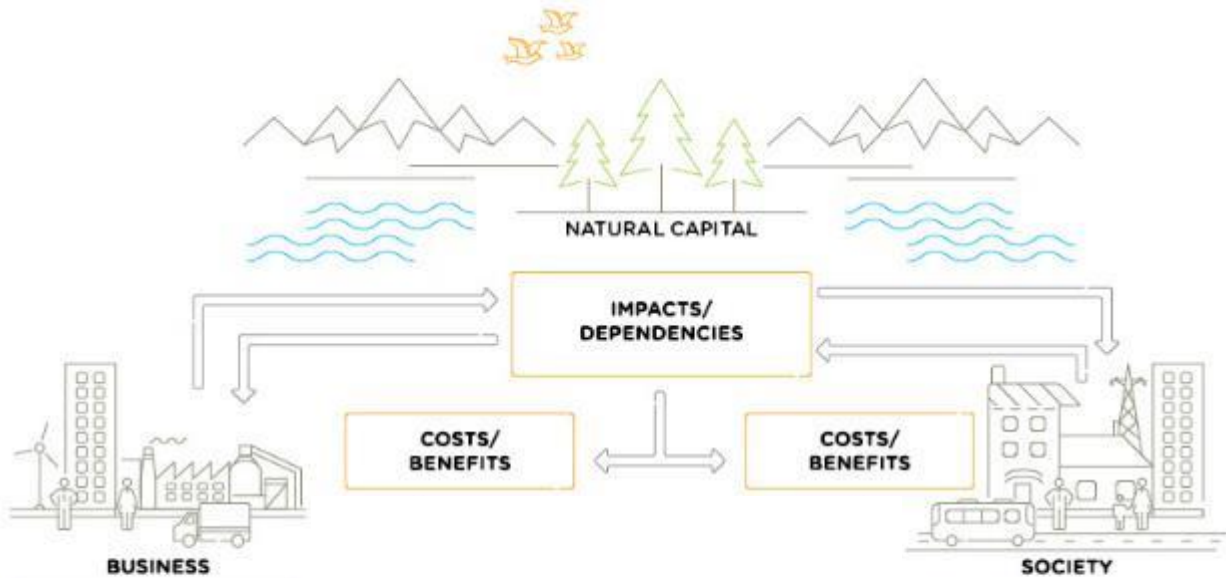


# Get started: Conceptual model



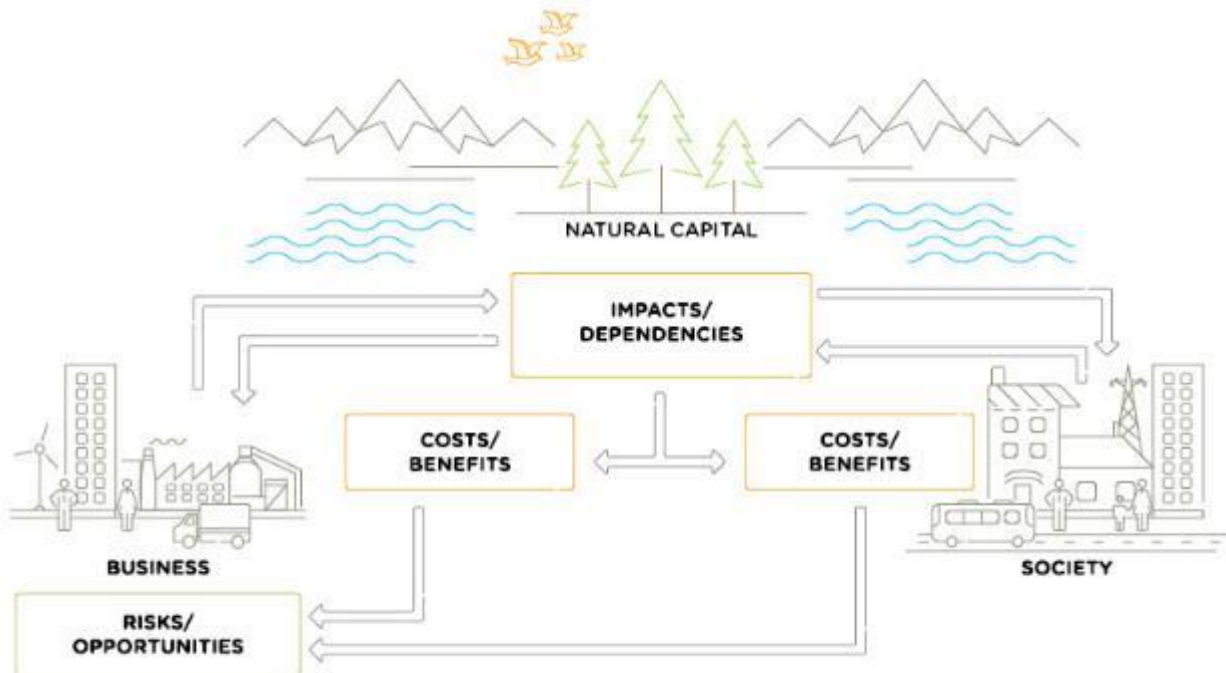


# Get started: Conceptual model





# Get started: Conceptual model





**CASE STUDIES AND  
EXAMPLES**



## Businesses who have applied the Natural Capital Protocol



For more case studies, and to read their stories, visit the [Coalition website](#).

# The Protocol Applied – Water Utility



APPLY STAGE: So what?

## Outcomes

AECOM assisted Yorkshire Water to apply the Natural Capital Protocol.

Option appraisal to upgrade Rivelin Water Treatment Works.

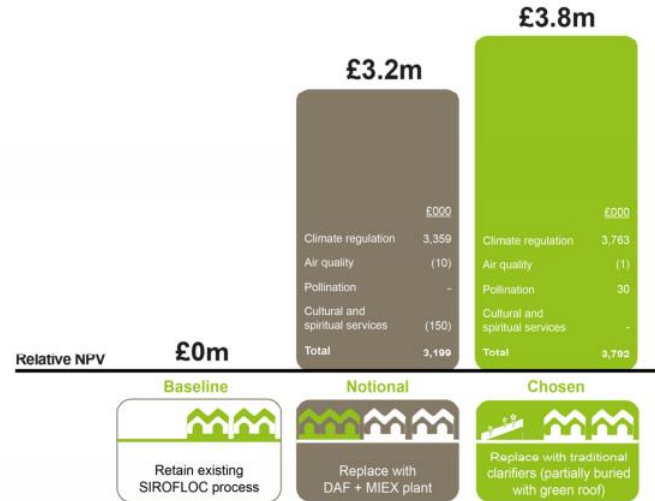


Figure 6: Summary of the Net Present Values (NPV) of the three solutions



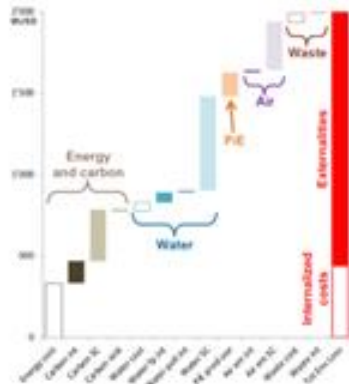
## Scope

Greenhouse gas (GHG); water footprint of materials supply chain; Air emissions of energy supply chain; Pharmaceuticals in Environment (PiE) micro-pollutant impact in water of product use (customers); Energy, water and waste costs (already internalized costs)

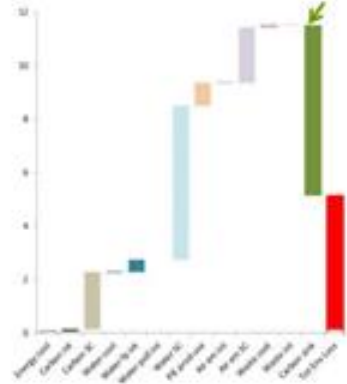
## Outcomes

Benefits from forest sink projects reach similar or greater returns than from carbon sequestration alone (protection of watersheds and increasing biodiversity)

Footprint of Novartis Group and Supply Chain 2015, Globally uniform prices (MUSD)



Footprint of Novartis Operations Argentina 2015, Globally uniform prices (MUSD)



\*Green bar indicates positive impact of forest sink

Figure 1. Novartis natural capital valuation and comparison with forest sink project work





**SECTOR GUIDES AND  
SUPPLEMENTS**

## Sector Guides and Supplements



Food &  
Beverage



Apparel



Built  
Environment



Forest  
products



Finance



Oceans



Biodiversity

Sector Guides

Supplements



*The Coalition will develop new guides in partnership with sector initiatives and associations*

## Get involved

All Coalition projects are collaborative and open



Do you have a project that you would like to propose and **lead**?

Would you welcome a technical **advisory role** to any of the projects mentioned here?

Would you wait until they are available to **consult and pilot**, and **share** your experiences?

Do you want to simply **stay informed**?

We welcome all forms of engagement



[www.naturalcapitalcoalition.org](http://www.naturalcapitalcoalition.org)