

**NATURAL
CAPITAL
COALITION**

 [@NatCapCoalition](https://twitter.com/NatCapCoalition) [#NatCapProtocol](https://twitter.com/hashtag/NatCapProtocol)



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COALITION

The Coalition

The Coalition is a collaboration of organizations representing all parts of society. They develop and deliver projects together through the Coalition.



What needs to be achieved?





**NATURAL CAPITAL
PROTOCOL**



The Natural Capital Protocol Story





A unique collaboration

Protocol Development



Sector guides / business engagement



Coalition hosted by ICAEW



Piloting

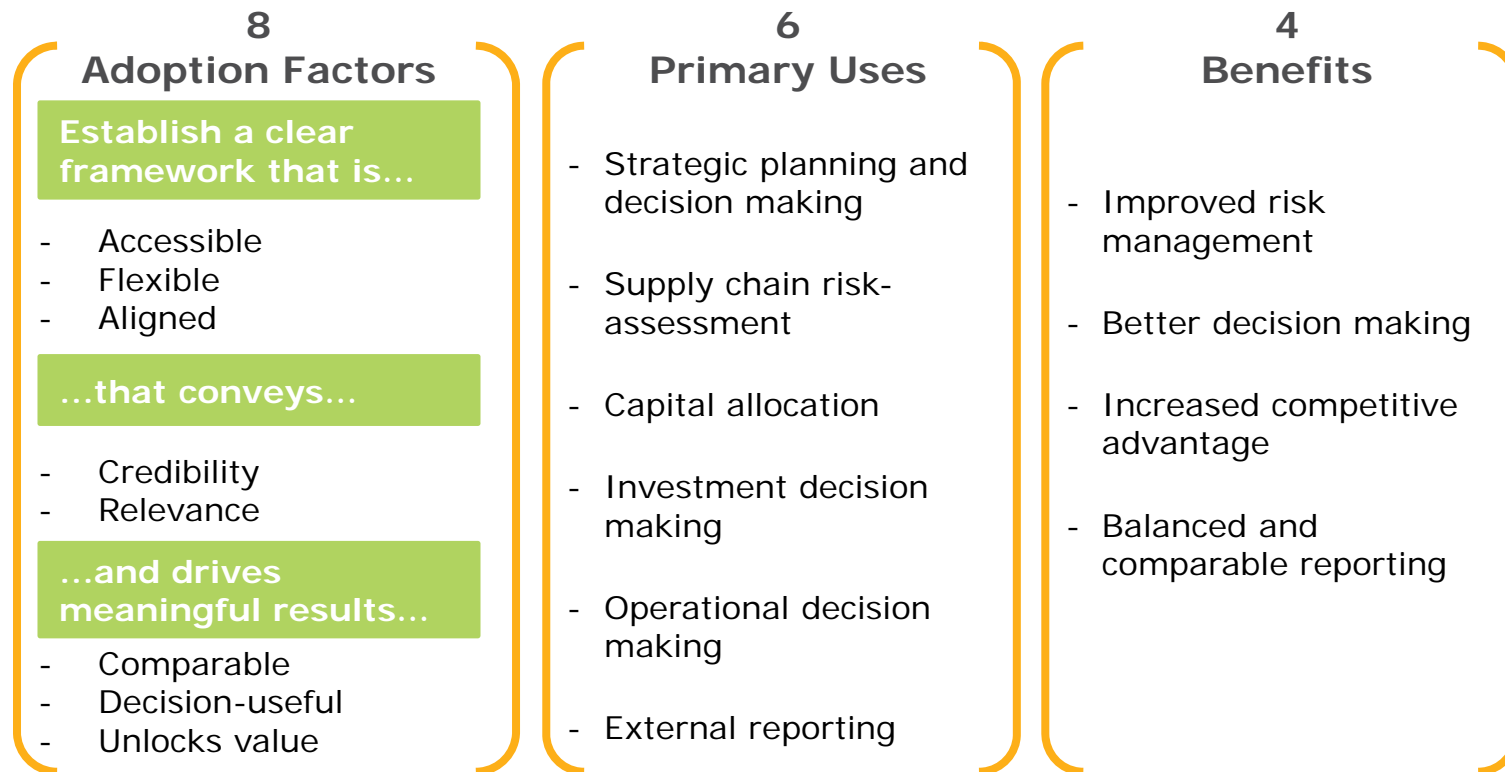


Plus over 450 other organizations contribution through consultation



We asked business what they needed

80+ businesses from 15 sectors and all geographic regions



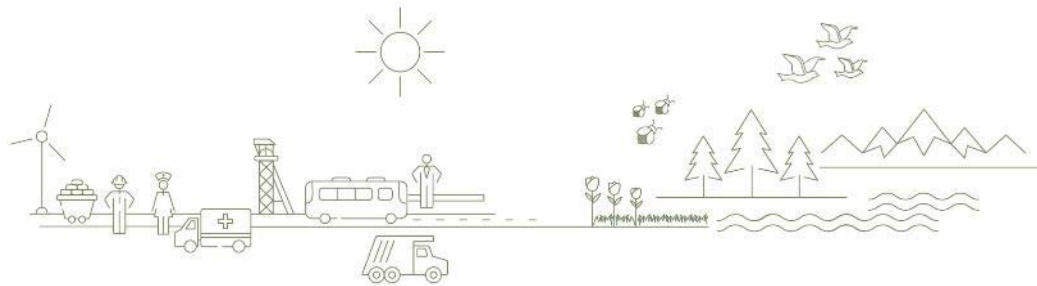


Introducing the Protocol

8



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 **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**



The **Natural Capital Protocol** is a
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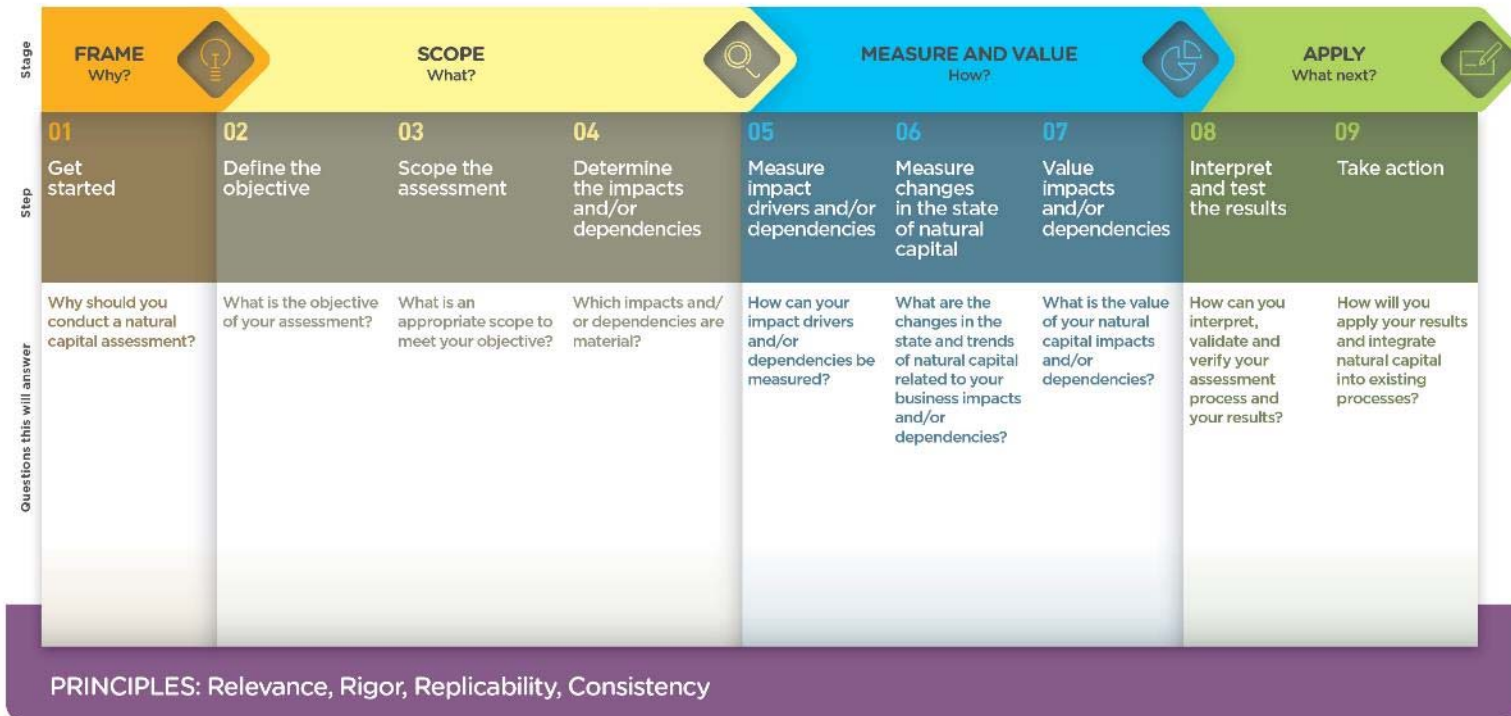
- **To measure:** determine the **amounts, extent and condition** of natural capital, in physical terms, e.g. m³, tons
- **To value:** estimate the **relative importance, worth, or usefulness** of natural capital to people / business, in a particular context. Can be **qualitative, quantitative or monetary**



The **Natural Capital Protocol** is a
standardized framework for business
to **measure and value** its direct and indirect
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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 Stages are connected and iterative





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Impact pathway

Business activities at a chemical manufacturing plant produce air emissions, which are an **impact driver**

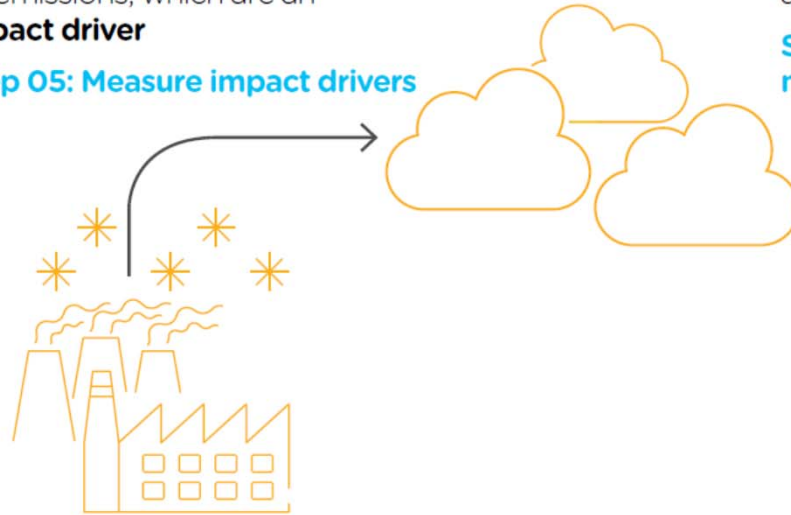
Step 05: Measure impact drivers



Impact pathway

Business activities at a chemical manufacturing plant produce air emissions, which are an **impact driver**

Step 05: Measure impact drivers



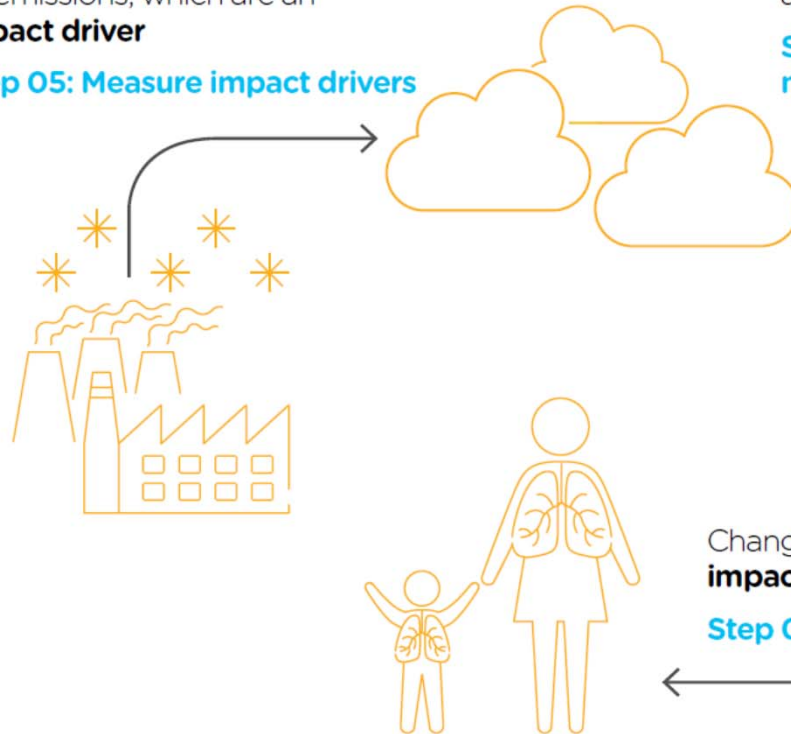
Impact drivers lead to **changes in natural capital**, in this case reduced air quality

Step 06: Measure changes in natural capital

Impact pathway

Business activities at a chemical manufacturing plant produce air emissions, which are an **impact driver**

Step 05: Measure impact drivers



Impact drivers lead to **changes in natural capital**, in this case reduced air quality

Step 06: Measure changes in natural capital

Changes in natural capital result in **impacts**, in this case health problems

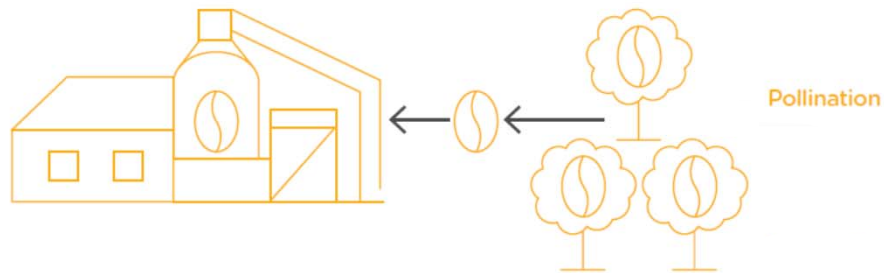
Step 07: Value impacts



Dependency pathway

Business activities at a coffee production plant have a **dependency** on the pollination of coffee plants

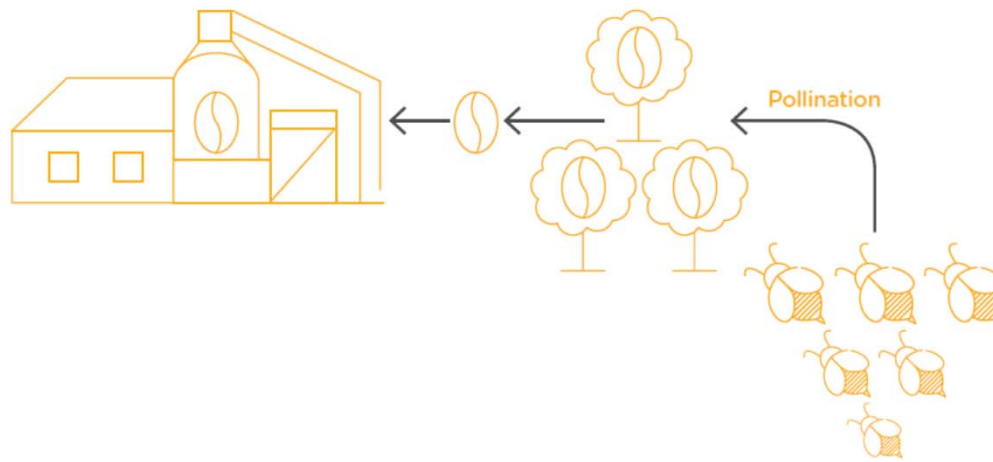
Step 05: Measure dependencies



Dependency pathway

Business activities at a coffee production plant have a **dependency** on the pollination of coffee plants

Step 05: Measure dependencies



Changes in natural capital cause the bee population to decline, due to:

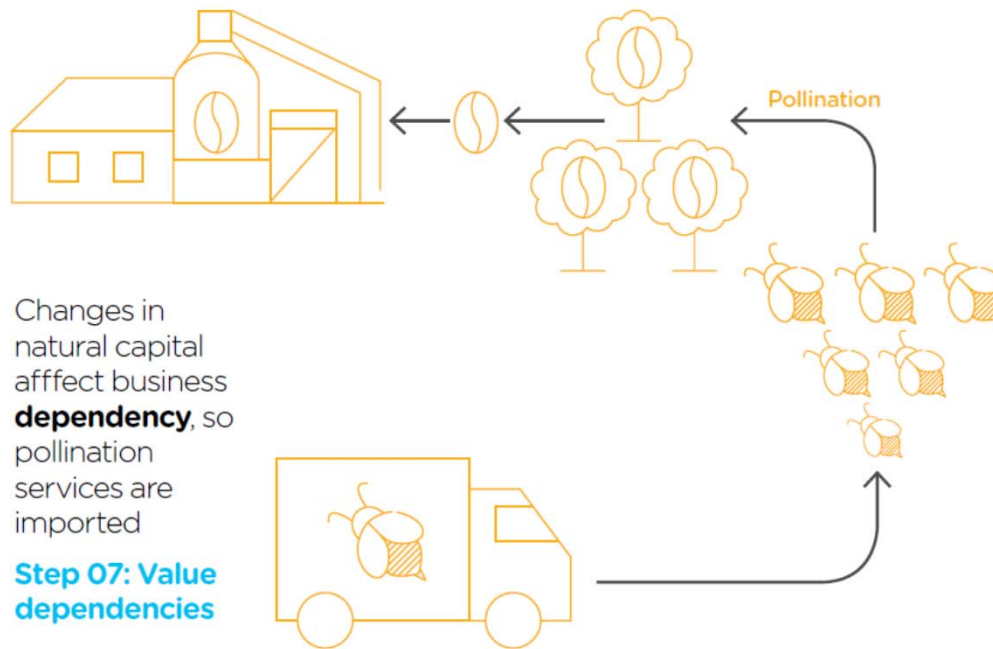
- The business itself, e.g. overuse of pesticides
- Natural changes e.g. extreme weather events
- Human-induced changes, including due to the activity of other businesses, e.g. habitat change

Step 06: Measure changes in natural capital

Dependency pathway

Business activities at a coffee production plant have a **dependency** on the pollination of coffee plants

Step 05: Measure dependencies



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Step 06: Measure changes in natural capital



**HOW THE PROTOCOL WILL
BE APPLIED**



The business case

Operational

- Reduce costs & risks of interruption to supply from extreme weather
- Realize efficiency gains

Legal and Regulatory

- Identify future legislation
- Reduce compliance cost and risks of fines

Financing

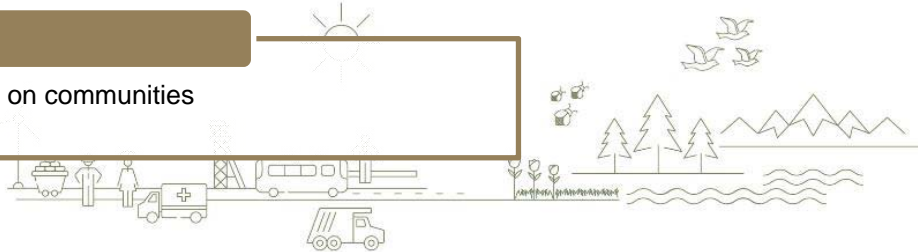
- Reduce financing costs and increase margins
- Improve access to finance

Reputational and Marketing

- Identify new revenue streams
- Improve ability to attract and retain employees

Societal

- Identify benefits and negative impacts on communities
- Support a social license to operate





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The business applications

23

Assess risks and opportunities

Compare options

Assess impact on stakeholders

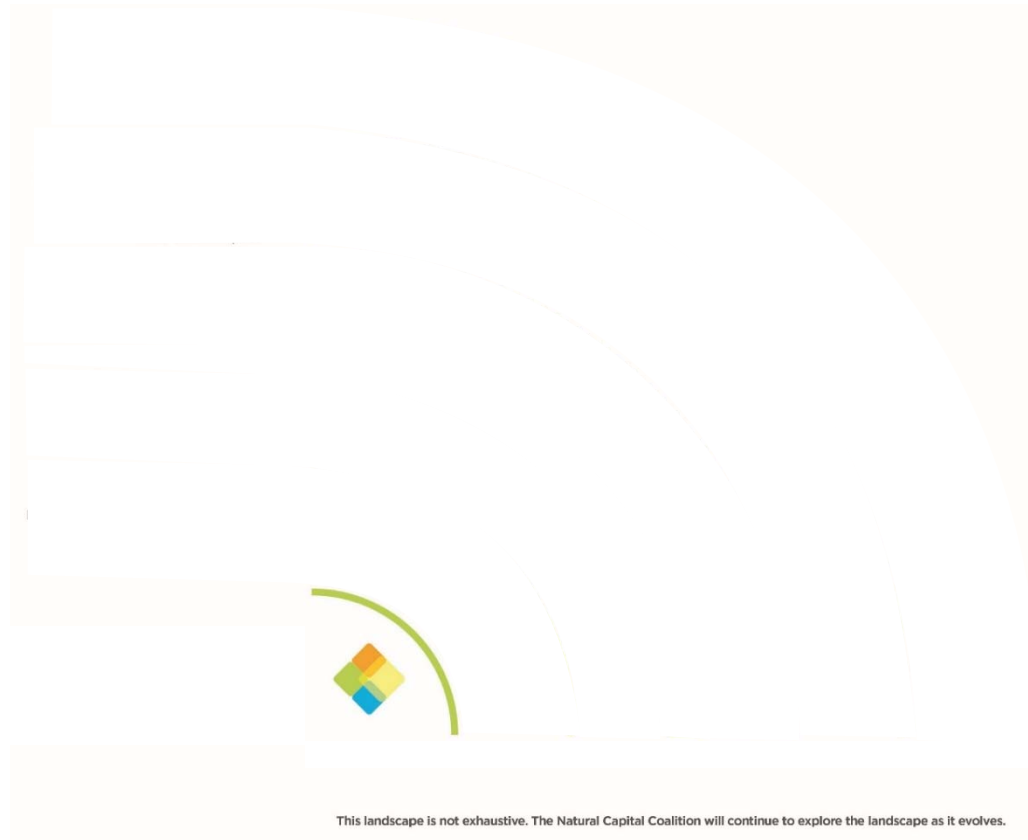
Estimate total and/or net impact

Communicate internally or externally



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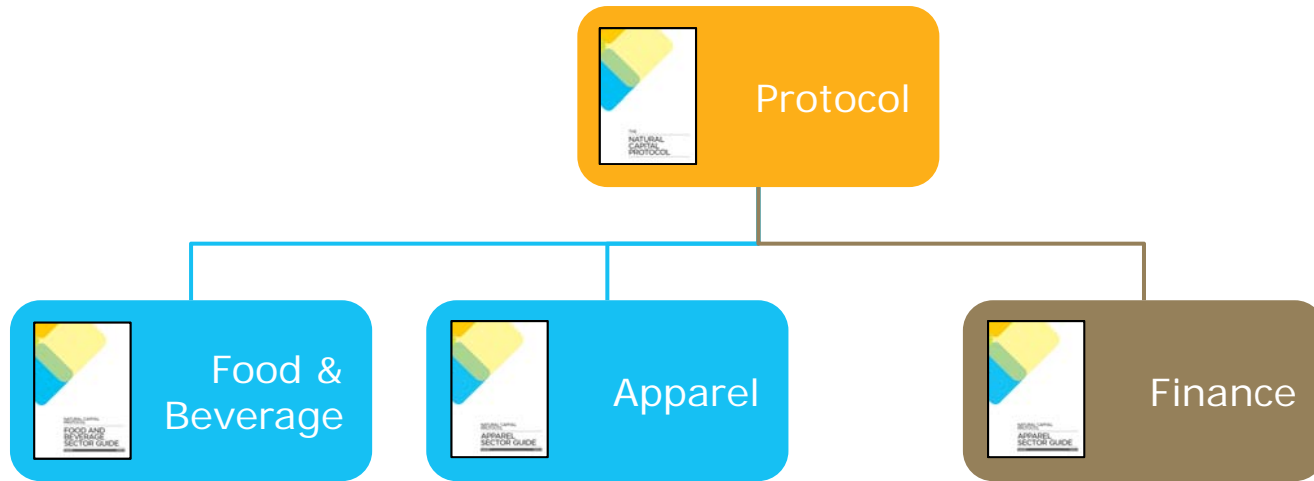
The context





**SECTOR GUIDANCE
AND FINANCE**

Sector guidance





CASE STUDIES



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The Protocol Applied – Built Environment

28



Sir Robert M^cAlpine, a construction company, and Hammerson plc, a major owner, manager and developer of retail property. Report by TruCost



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The Protocol Applied – Apparel

29



HUGO BOSS

comparing the impacts against one another and identifying the major environmental hot spots of supply chains



The value of the services delivered by England's woods and forests is estimated to be £11.9 bn.

Over 95% of this value is as a result of the benefits it provides to society, for example through recreation and climate regulation.

This value is not captured in traditional financial accounts.

AECOM assisted Yorkshire Water to apply the Natural Capital Protocol.

Option appraisal to upgrade Rivelin Water Treatment Works.

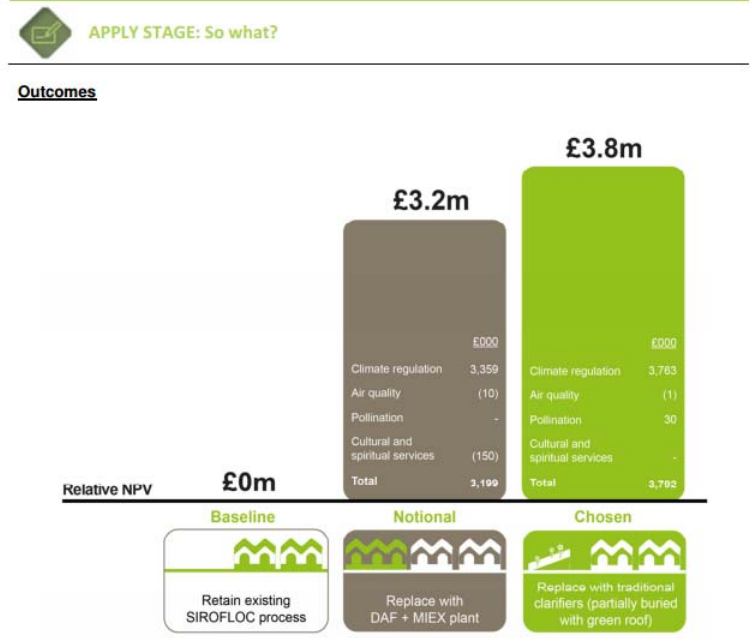


Figure 6: Summary of the Net Present Values (NPV) of the three solutions



Natural Capital Hub

- Providing a link to everything natural capital
- Searchable database of events, case studies, news stories and much, much more.

The screenshot shows the Natural Capital Hub website. At the top left is the logo and the text 'NATURAL CAPITAL COALITION'. To the right are navigation links: 'JOIN US | EVENTS | CONTACT US'. Below these is a search bar with a magnifying glass icon and social media icons for RSS, Twitter, and LinkedIn. A secondary navigation bar contains 'HOME | NATURAL CAPITAL | PROTOCOL - | WHO - | PROJECTS - | HUB', with 'HUB' underlined. The main heading is 'Natural Capital Hub'. Below this is a search bar with the text 'search the hub', a dropdown menu for 'by category: All Categories', and 'Clear' and 'Search' buttons. The main content area features a large banner image of metal safes with the title 'Finance Sector Supplement to the Natural Capital Protocol Announced'. To the right of the banner is a 'Categories' sidebar with links: 'Events', 'Case Studies', 'Data Tools & Methodologies', 'Enabling Environment', 'Featured', 'Huffington Post Series', 'Natural Capital Coalition', and 'Why Natural Capital?'. Below the banner are two article cards. The first card has a blue header and reads 'The Natural Capital Protocol Recognised by the Council of the European Union', dated '9th December 2016', with 'Published under: Enabling Environment, Featured'. The second card has a brown header and reads 'Mark Gough Talks Harmonization & the Natural Capital Protocol at 'Making Nature Count'', dated '7th February 2017', with 'Published under: Featured, Natural Capital Coalition'.



www.naturalcapitalcoalition.org