Who makes up the Coalition?

The Coalition is purpose driven, bringing together a wide range of stakeholders who agree to collaborate on activities to help create a world where business conserves and enhances natural capital.
Harmonization

There are many different approaches to natural capital and a lot of work has been carried out already. The Natural Capital Protocol standardizes this into a single global framework.
We asked business what they needed

80+ businesses from 15 sectors and all geographic regions

8 Adoption Factors

- Accessible
- Flexible
- Aligned

Establish a clear framework that is...

...that conveys...

- Credibility
- Relevance

...and drives meaningful results...

- Comparable
- Decision-useful
- Unlocks value

6 Primary Uses

- Strategic planning and decision making
- Supply chain risk-assessment
- Capital allocation
- Investment decision making
- Operational decision making
- External reporting

4 Benefits

- Improved risk management
- Better decision making
- Increased competitive advantage
- Balanced and comparable reporting
DRAFT FOR CONSULTATION

NATURAL CAPITAL PROTOCOL

DRAFT FOOD AND BEVERAGE SECTOR GUIDE

Draft 05 November 2019
Version 0.0
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.
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. 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 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 Protocol is a framework designed to help business generate trusted, credible, and actionable information for business managers to inform decisions.

What is the value added of the Protocol?

Better understanding of connection between nature, business and society

- Improve risk management: Operational
  - Operational
  - Legal and regulatory
  - Financing
  - Reputational and marketing
  - Societal
- Increase competitive advantage
- Enhance corporate reporting
The Natural Capital Protocol Framework

**FRAME**

**Why?**

01

Get started

Why should you conduct a natural capital assessment?

**SCOPE**

**What?**

02

Define the objective

What is the objective of your assessment?

03

Scope the assessment

What is an appropriate scope to meet your objective?

04

Determine the impacts and/or dependencies

Which impacts and/or dependencies are material?

**MEASURE AND VALUE**

**How?**

05

Measure impact drivers and/or dependencies

How can your impact drivers and/or dependencies be measured?

06

Measure changes in the state of natural capital

What are the changes in the state and trends of natural capital related to your business impacts and/or dependencies?

07

Value impacts and/or dependencies

What is the value of your natural capital impacts and/or dependencies?

**APPLY**

**What next?**

08

Interpret and test the results

How can you interpret, validate and verify your assessment process and your results?

09

Take action

How will you apply your results and integrate natural capital into existing processes?

**PRINCIPLES:** Relevance, Rigor, Replicability, Consistency
The Stages are connected and iterative

Stage 1
FRAME
Why?

Stage 2
SCOPE
What?

Stage 3
MEASURE AND VALUE
How?

Stage 4
APPLY
What next?
How do the sector guides support the Protocol?

The sector guides...

✓ Provide context on why natural capital is relevant to businesses operating in the sector and how they benefit from it

✓ Develop the business case for natural capital assessments

✓ Identify natural capital impacts and dependencies relevant to businesses operating in the sector

✓ Use practical examples to demonstrate sector-specific business applications of the Protocol
What the Protocol does and does not do

**The Protocol...**

- Builds on existing tools, guides, methods and techniques
- Focuses on improving internal management decision making
- Provides a standardized process that is also flexible
- Provides a process to internally standardize the approach that you take

**The Protocol does not...**

- Seek to create new tools and methods
- Provide a framework for external financial reporting
- Explicitly promote specific tools, methodologies or approaches
- Necessarily produce results that are comparable within or between different businesses or applications
Developed the Protocol

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

A unique collaborative process
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
The Program aims to encourage the uptake of the Protocol by business, providing support, materials and shared learning to those applying it.

To join the Protocol Application Program go to

http://eepurl.com/b4YjN1

The Protocol Application Program will be led by CISL on behalf of the Coalition.
www.naturalcapitalcoalition.org