

NSB¹-led Standardisation in the field of Natural Capital

What are NSB standards?

The British Standards Institution (BSI) is the UK's National Standards Body (NSB) providing the infrastructure for shaping better business practices internationally, across Europe and in the domestic market. Standards represent the condensed knowledge of communities of experts, coming together to define and create good practice for industry, thus enabling trade and building confidence in an organization's people, products and processes, and its vision for the future.

As the UK's NSB, BSI represents UK interest in the international standardization organizations ISO and IEC, and in European standards organizations that address business needs in the European Single Market (CEN, CENELEC and ETSI). In this role, BSI leads the international standardization effort on environmental management, and sustainability in general. In 1992 BSI created the first environmental management standard, BS 7750, which went on to become ISO 14001 – the most widely used and globally recognised environmental management systems standard. Today, we continue to expand our work in environmental management to include standards on climate change (e.g. greenhouse gas management), biodiversity (risk and opportunities assessment and management), etc. in response to pressing societal and industry needs.

BSI and natural capital standardization

As a frontrunner in NSB-led environmental management, and more generally, sustainability standardization, BSI have been involved in conversations relating to natural capital for the past two decades, and from 2015 also as a members of the Natural Capital Coalition.

Broadly described as the limited stock of natural assets (air, water, land, habitats), made up of eco-systems (providing renewable resources and services), and non-renewable deposits of fossil fuels and minerals, natural capital and its preservation have been at the centre of BSI's standardization activities (for more information, see <http://www.bsigroup.com/en-GB/Sustainability-Standards-Navigator/>).

With our ever-evolving understanding and influence over the wider sustainability standardization landscape, we subscribe to the growing realization of the need for business to truly understand its dependency and impact on natural capital, and the real value of natural

¹ NSB stands for National Standards Body, which is the role BSI has been assigned by HMG.



assets. The debate around Natural Capital Valuation (how to price/value natural capital and apply it in business decision-making) is gaining momentum and interest from within the global business community. Harmonized, standards-based approaches to defining and accounting for natural capital, taking account of wider environmental and sustainability considerations (such as social impact and social value creation), will therefore in the future enhance and promote existing effort, and make the consideration of natural capital an integral part of everyday, future-focused business decision-making.

We also believe that natural capital does not and should not be looked at in isolation. We are therefore constantly striving to emphasise other trusted standards approaches, as well as new impactful themes and trends, in any standardization conversation on the subject of natural capital. These include but are not limited to environmental management standards, biodiversity management approaches, social value creation initiatives, and the drive toward a circular economy.

Recent standards development with a focus on natural capital

In February 2016 work began on a new international standard (ISO) for valuation of natural capital – *ISO 14008, Monetary valuation of environmental aspects and impacts*. This standard looks to describe key elements for assessing monetary values of environmental impacts caused by environmental aspects. The standard is intended to support cost-benefit analysis, risk management, and life cycle assessments for all kind of organizations. ISO standards typically take three years to develop and so this standard is expected to publish in the first quarter of 2019.

Following from the above development, and in the context of wider environmental management and sustainability standardization work, BSI has identified the need for a broader international standard that can support and enhance organizations' natural capital valuation effort. Such a standard would offer guidance to organizations on how to determine and communicate the environmental costs and benefits associated with their environmental aspects, impacts and dependencies on natural resources and ecosystem services. The standard, provisionally referred to as *ISO 14007, Determining environmental costs and benefits*, is currently being balloted for approval to the ISO national member bodies. A decision on the future of the proposed standard is expected by 13 July 2016. If approved, the work will begin in August 2016 with expected publication around the fourth quarter of 2019.

If you would like to know more, or are interested in joining the work, please contact [us](mailto:sustainability@bsigroup.com) at sustainability@bsigroup.com.