



NATURAL
CAPITAL
COALITION

NATURAL CAPITAL
PROTOCOL
PRINCIPLES AND
FRAMEWORK

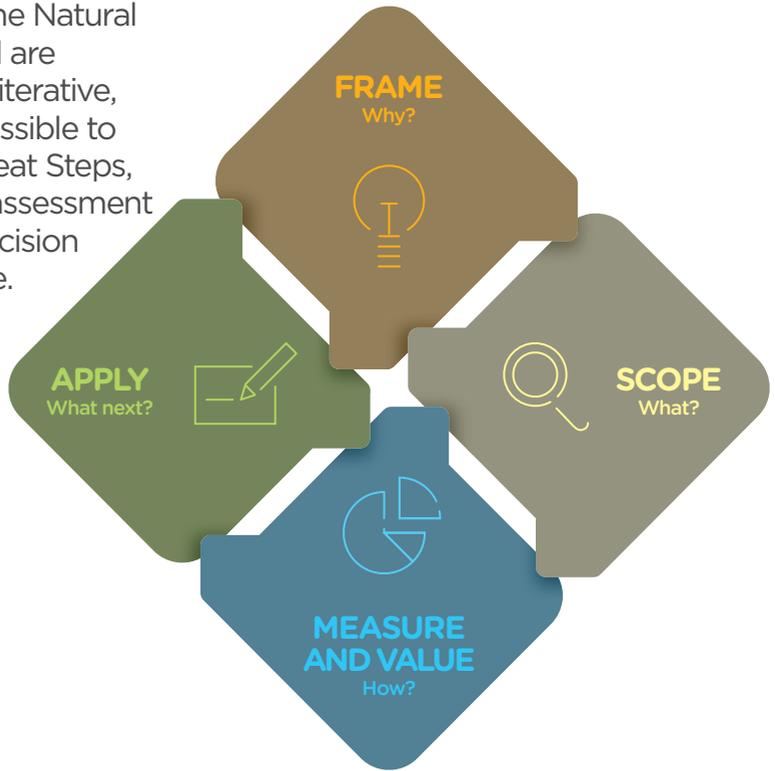


The Natural Capital Protocol is a framework designed to help generate trusted, credible, and actionable information that business managers need to inform decisions.

Until now, natural capital has for the most part been excluded from decisions and when it is included it has been largely inconsistent, open to interpretation or limited to moral arguments.

The Protocol responds by offering a standardized framework to identify, measure and value impacts and dependencies on natural capital.

The Stages of the Natural Capital Protocol are connected and iterative, meaning it is possible to retrace and repeat Steps, to ensure your assessment is fit for your decision making purpose.



Principles

We suggest that the four following principles are followed when conducting a natural capital assessment:

Relevance	Rigor	Replicability	Consistency
Ensure that you consider the most relevant issues throughout your natural capital assessment including the impacts and/or dependencies that are most material for the business and its stakeholders.	Use technically robust (from a scientific and economic perspective) information, data and methods that are also fit for purpose.	Ensure that all assumptions, data, caveats, and methods used are transparent, traceable, fully documented, and repeatable. This allows for eventual verification or audit, as required	Ensure the data and methods used for an assessment are compatible with each other and with the scope of analysis, which depends on the overall objective and expected application
Adapted from CDSB 2015 and WRI and WBCSD 2004.		Adapted from GRI 2013.	Adapted from WRI and WBCSD 2004 and IIRC 2013.

NATURAL CAPITAL PROTOCOL FRAMEWORK

The Framework guides the user through four logical Stages and nine Steps. Once you reach the end, the results may lead you to reconsider one or more of the Steps, or to ask another question.

Stage	FRAME Why? 		SCOPE What? 	
Step	01 Get started	02 Define the objective	03 Scope the assessment	04 Determine the impacts and/or dependencies
Questions this will answer	Why should you conduct a natural capital assessment?	What is the objective of your assessment?	What is an appropriate scope to meet your objective?	Which impacts and/or dependencies are material?

PRINCIPLES: Relevance, Rigor, Replicability, Consistency



MEASURE AND VALUE

How?



APPLY

What next?



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?

08

Interpret and test the results

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

09

Take action

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

FRAME

Why?



01 Get started

Why should you conduct a natural capital assessment?

Step 01 will help you identify which natural capital impacts and/or dependencies are relevant to your business, the risks and/or opportunities that a natural capital assessment can help address, and the potential uses of assessment results.

Actions to take

Familiarize yourself with the basic concepts of natural capital

Apply these concepts to your business context

Prepare for your natural capital assessment

SCOPE

What?



02 Define the objective

What is the objective of your assessment?

Step 02 will help you to identify the audience for your natural capital assessment, the people you should involve, and an articulated objective.

Actions to take

Identify the target audience

Identify stakeholders and the appropriate level of engagement

Articulate the objective of your assessment

SCOPE

What?



03 Scope the assessment

What is an appropriate scope to meet your objective?

Step 03 helps you to plan for your assessment by setting out some of the key scoping considerations that may affect the results.

Actions to take

Determine the organizational focus

Determine the value-chain boundary

Specify whose value perspective

Decide on assessing impacts and/or dependencies

Decide which types of value you will consider

Consider other technical issues (i.e., baselines, scenarios, spatial boundaries, and time horizons)

Address key planning issues

SCOPE

What?



04 Determine the impacts and/or dependencies

Which impacts and/or dependencies are material?

Step 04 helps you decide which impacts and/or dependencies are most relevant for inclusion in your natural capital assessment.

Actions to take

List potentially material natural capital impacts and/or dependencies

Identify the criteria for your materiality assessment

Gather relevant information

Complete the materiality assessment

MEASURE AND VALUE

How?



05 Measure impact drivers and/or dependencies

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

Step 05 helps you to measure your relevant impact drivers and/or dependencies by providing examples of a range of appropriate indicators and methods for analysis.

Actions to take

Map your activities against impact drivers and/or dependencies

Define which impact drivers and/or dependencies you will measure

Identify how you will measure impact drivers and/or dependencies

Collect data

MEASURE AND VALUE

How?



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?

Step 06 explains how external factors can affect natural capital, and the necessary considerations when measuring or estimating these changes.

Actions to take

Identify changes in natural capital associated with your business activities and impact drivers

Identify changes in natural capital associated with external factors

Assess trends affecting the state of natural capital

Select methods for measuring changes

Undertake or commission measurement

MEASURE AND VALUE

How?



07 Value impacts and/or dependencies

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

Step 07 describes the main valuation techniques and helps you select the most appropriate one(s) for your assessment.

Actions to take

Define the consequences of impacts and/or dependencies

Determine the relative significance of associated costs and/or benefits

Select appropriate valuation technique(s)

Undertake or commission valuation

APPLY

What next?



08 Interpret and test the results

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

Step 08 helps you to interpret and test the results of your assessment, including guidance on validation and formal verification.

Actions to take

Test key assumptions

Identify who is affected

Collate results

Validate and verify the assessment process and results

Review the strengths and weaknesses of the assessment

APPLY

What next?



09 Take action

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

Step 09 considers how to act upon the results, how to communicate them to inform decisions and engage stakeholders, and also how to build natural capital assessments into your company's policies and processes on an ongoing basis.

Actions to take

Apply and act upon the results

Communicate internally and externally

Make natural capital assessments part of how you do business

The Natural Capital Coalition brings together leading initiatives and organizations under a common vision of a world where business conserves and enhances the natural capital that safeguards thriving societies and prosperous economies.

It is a collaboration between research, science, academia, business, advisory, membership, accountancy, reporting, standard setting, finance, investment, policy, government, conservation and civil society. Its strength comes from this diversity, and from a shared belief that we can achieve more together than we could alone.

www.naturalcapitalcoalition.org

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