



Putting nature and people at the centre of food system transformation

Training

The Economics of Ecosystems and Biodiversity
for Agriculture and Food
(TEEBAgriFood):
Operational Guidelines for business



**CAPITALS
COALITION**

Module 2

Stage 2 Scope: what would be an appropriate objective and scope for my capitals assessment?

Structure

1. Introduction & Module 2 learning objectives
2. Your business case
3. WHAT - Scope stage: Define the objective
4. WHAT - Scope stage: Scope the assessment
5. WHAT - Scope stage: Determine the impacts and/or dependencies to value
6. Summary of lessons learned





Module 2

Chapter 2.1

**Introduction & Module 2
Learning objectives**



**CAPITALS
COALITION**

Overall course learning objective

By the end of the course, you will:

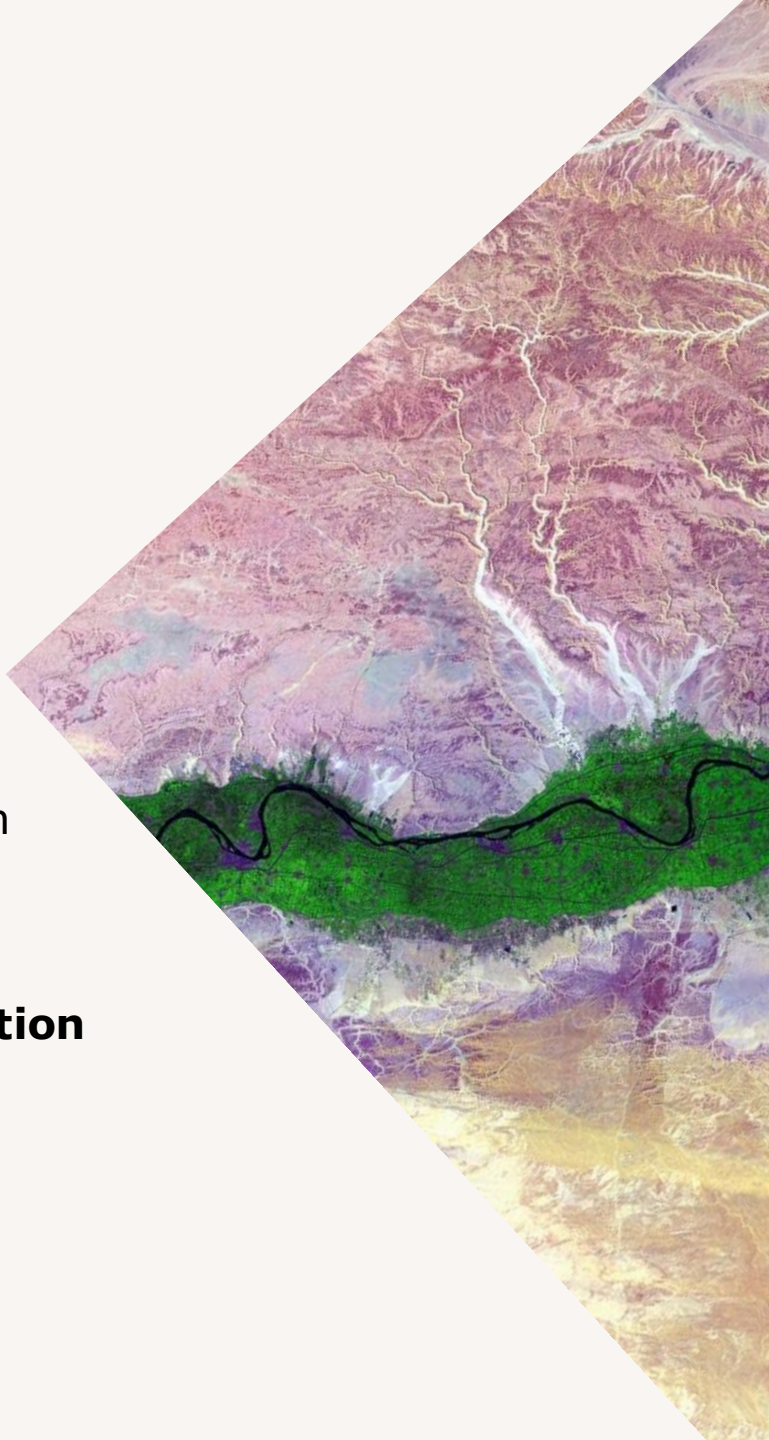
- Understand how the capitals approach provides direction for better **business decision-making**.
- Be familiarized with how to assess **business risks and opportunities** based on natural, social, human capital.
- Have a basic understanding on how to assess, **measure and value your impacts and dependencies** on nature and people across operations and **value-chains**.
- Be familiarized with the process of a **capitals assessment** and be equipped with the tools to start an assessment in your company.
- Be inspired to **drive change** within your organization, by sharing data, setting targets and **transforming business actions**.



Learning objective module 2

By the end of this module, you will:

- Be introduced to the Guidelines second stage: **Scope (WHAT?)**
- Learn how to **set an objective** for your business' capitals assessment
- Learn how to identify the target audience and **stakeholders** of your assessment
- Understand the different ways businesses can **impact and depend** on nature, people and society and understand the steps of an impact and dependency **pathway**
- Learn how to prioritize impacts and dependencies using the **prioritization matrix template**





Module 2

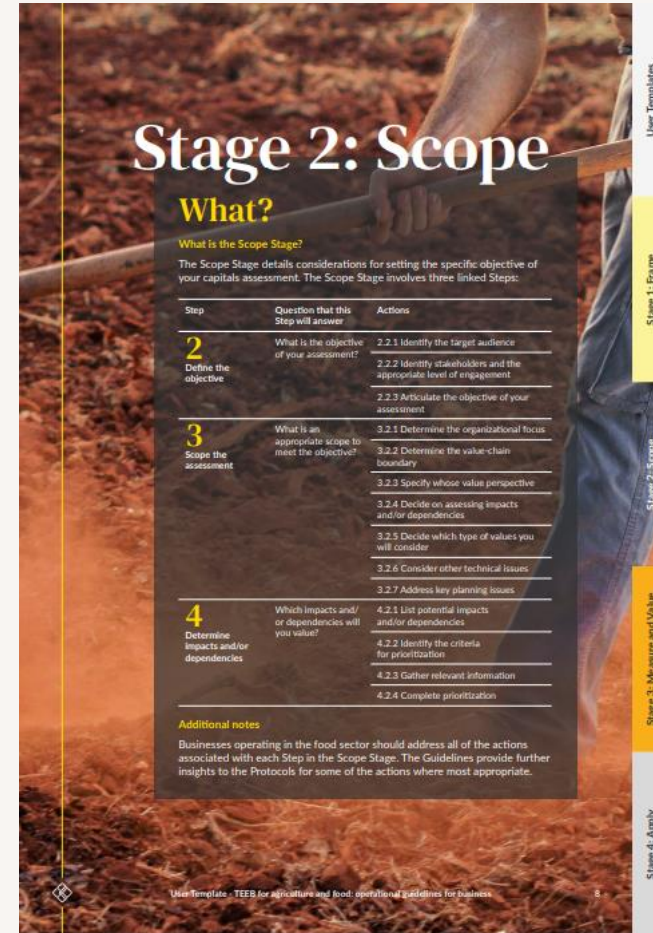
Chapter 2.2

Your business case



CAPITALS
COALITION

User Template



Your business case

2 Define the objective

Outputs that you should achieve from this step:

- ◆ A clear objective for the assessment which you will have defined by taking into account:
- ◆ Your audience.
- ◆ A stakeholder list and appropriate level of engagement.
- ◆ The specific benefits you anticipate from the assessment.

Your business case

3 Scope the assessment

Outputs that you should achieve from this step:

- ◆ A well-defined scope that is appropriate for your assessment and objective.

Your business case

4 Determine the impacts and/or dependencies

Outputs that you should achieve from this step:

- ◆ A list of prioritized impact drivers and dependencies.
- ◆ The outlines of prioritized impacts drivers and dependencies pathways, to understand the changes in capital and consequence of that change as preparation for the Measure & Value Stage.



Module 2

Chapter 2.3

WHAT

Scope stage:

Define the objective



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Stage 2: Scope

What?

What is the Scope Stage?

The Scope Stage details considerations for setting the specific objective of your capitals assessment. The Scope Stage involves three linked Steps:

Define the objective

Step	Question that this Step will answer	Actions
2 Define the objective	What is the objective of your assessment?	<ul style="list-style-type: none">2.2.1 Identify the target audience2.2.2 Identify stakeholders and the appropriate level of engagement2.2.3 Articulate the objective of your assessment

Scope the assessment

3

Scope the assessment

What is an appropriate scope to meet the objective?

3.2.1 Determine the organizational focus

3.2.2 Determine the value-chain boundary

3.2.3 Specify whose value perspective

3.2.4 Decide on assessing impacts and/or dependencies

3.2.5 Decide which type of values you will consider

3.2.6 Consider other technical issues

3.2.7 Address key planning issues

Determine impacts and/or dependencies

4

Determine impacts and/or dependencies

Which impacts and/or dependencies will you value?

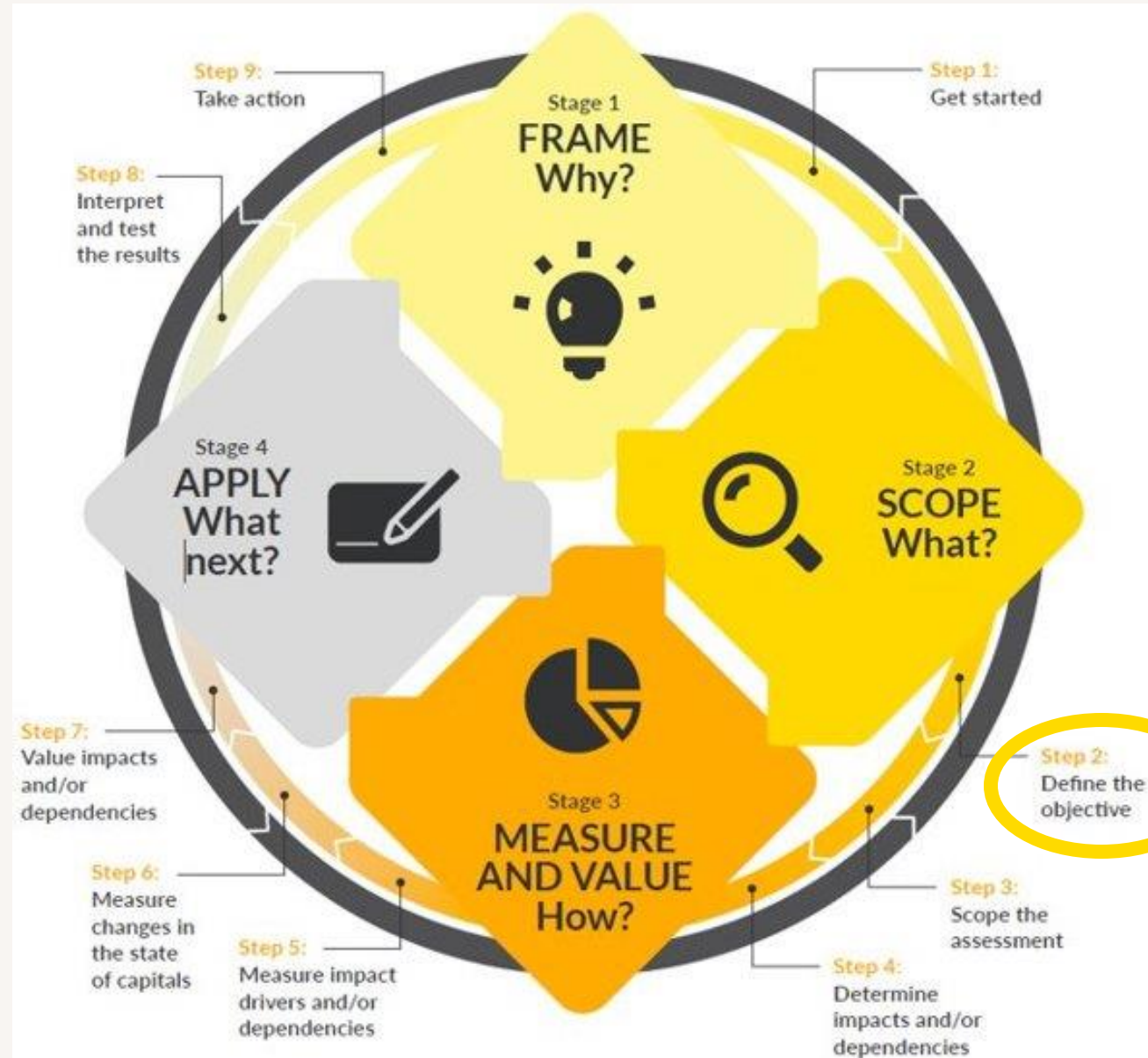
4.2.1 List potential impacts and/or dependencies

4.2.2 Identify the criteria for prioritization

4.2.3 Gather relevant information

4.2.4 Complete prioritization

Step 2



**Question:
What is the
objective of your
assessment?**

Step 2:
Define the
objective

You are here

SCOPE STAGE: What?

Target Audience

= The users of the assessment outputs, so the business decision-makers

Why should you think about your target audience?

- Influence the way the assessment is conducted, type of outputs and desired outcomes
- Determine how results are communicated and weather data need validation/verification

Examples

- **Internal:** Shareholders, Senior executives or C-suite, Employee
- **External:** Investors, Suppliers, Civil Society

SCOPE STAGE: What?

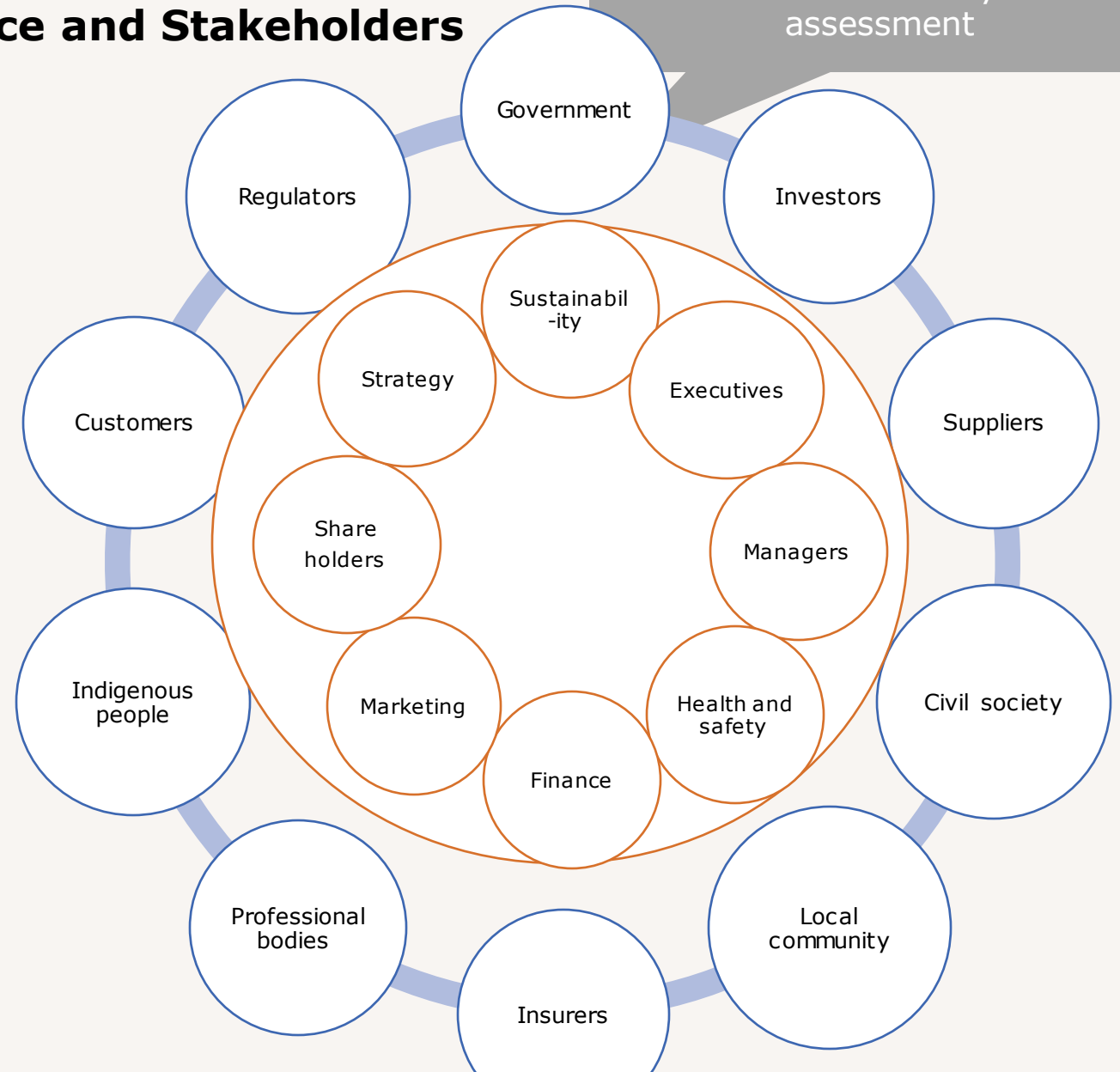
Target Audience and Stakeholders

Identify target audience and stakeholders for your assessment

Stakeholders may affect or be affected by the results

They can:

- Provide information for the assessment
- Influence the assessment
- Help verify, validate and interpret



SCOPE STAGE: What?

Target Audience and Stakeholders

- **Stakeholders are central** to many aspects of a capitals assessment and can play various roles.
- Engaging with stakeholders in the initial stages can help you **prioritize** material topics. They ensure you have **framed** and **scoped** your assessment correctly.
- Engaging with stakeholders throughout the assessment can be an **essential source of data** (for example, interviews and focus groups).
- **Stakeholders can also be the target audience** (the decision-makers), or the group which are affected by impacts and can act for final value creation.



SCOPE STAGE: What?

Choosing your specified objective

Specific a targeted objective will give focus to your assessment

Measurable measuring changes in capitals and their impacts and dependencies



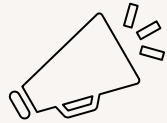
Attainable be realistic with what you can assess given the resources available

Relevant choose an objective that answers a question interesting to your business

Time-bound set a schedule for the assessment and plan each step accordingly




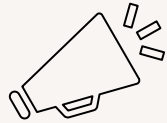
Scope STAGE: What?

Choosing your specified objective

Business application (Stage 1)	Target audience	Stakeholders	Anticipated benefit	Example objective
Assess impact on stakeholders 	Internal management, employees	Community	Improved risk management	Business wants to know who was affected by chemical discharge from sugarcane farming
Compare options 	Head of operations, head of health and safety, suppliers	Employees, investors	Increased competitive advantage	Landowner compares consequences of different cropping system to choose best option for soil fertility and worker health
Communicate 	Finance department, Communication	Shareholders	Enhanced reporting and communication	Business uses assessment to inform Integrated Profit and Loss account leading to enhanced engagement with investors

Scope STAGE: What?

Choosing your specified objective

Business application (Stage 1)	Target audience	Stakeholders	Anticipated benefit	Example objective
 Assess impact on stakeholders	Internal management, employees	Community	Improved risk management	 ... who was erge
 Compare options	Head of operations, head of health and safety, suppliers	Employees, investors	Increased competitive advantage	Land ... consequently ... different cropping system to choose best option for soil fertility and worker health
 Communicate	Finance department, Communication		Enhanced reporting and communication	Business uses assessment to inform Integrated Profit and Loss account leading to enhanced engagement with investors

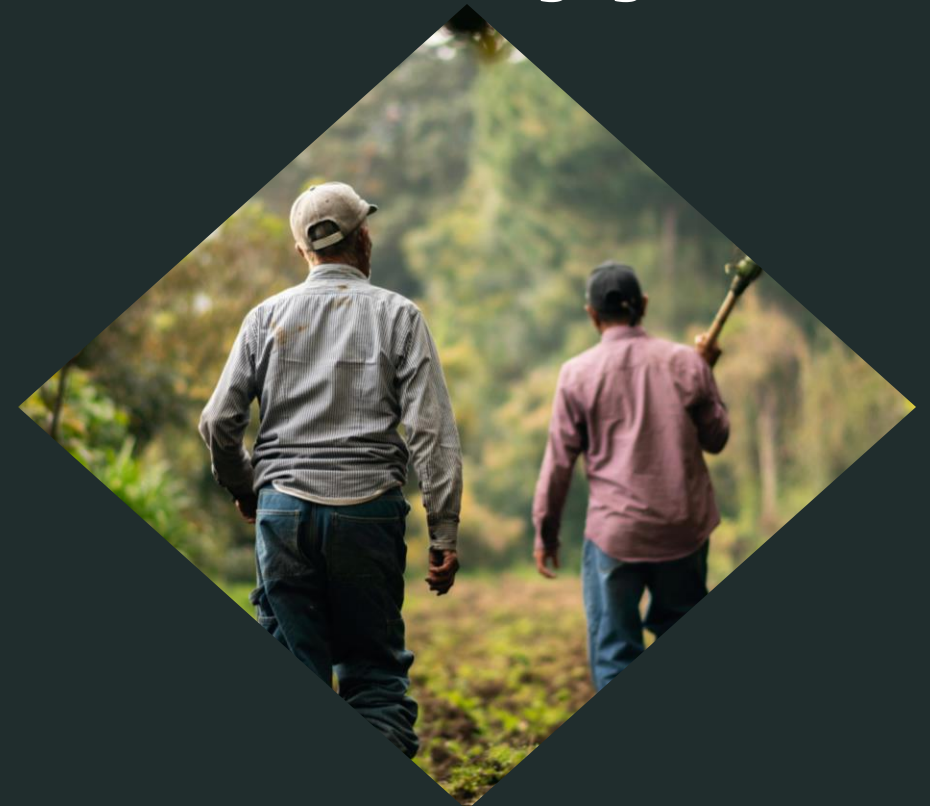
Mitigating reputational, and financial risks



Aires de campo - Mexico

Sustainability beyond organic certification - Stakeholder engagement to assess social and human capital

Aires de Campo engages in the commercialization of organic products, including poultry, coffee, dairy, eggs, honey, oil, vegetables, and seeds. By producing organic, the business has had a strong focus on natural capital. However, the business is improving their strategy regarding economic, environmental, and social sustainability. They wanted to gain a deeper understanding of their social capital impacts and dependencies.



Aires de campo - Mexico



Frame: WHY

Through training, the Agriculture Livelihood project enhances stakeholders' knowledge and skills in production, organic fertilization, crop diversification, access to finance, safety, and nutrition, among others.

Scope: WHAT

The objective is to identify social and human capital impacts and dependencies to better monitor and report business sustainability efforts. The data were collected through an annual survey. Both internal (management, employees, investors) and external stakeholders (beneficiaries, clients, consumers) provided insights to the business sustainability strategy.

Reflection exercise



Open your workbook to apply
your new knowledge



Potential objective: 10 min

Write a potential **objective** along with potential target audience, stakeholders to involve and anticipated benefit for your capitals assessment

Business application (Stage 1)	Target audience	Stakeholders	Anticipated benefit	Potential objective
---------------------------------------	------------------------	---------------------	----------------------------	----------------------------

*What would be a good business application?
See workbook exercise from module 1*

Who will use the assessment results and make final decisions?

Who you can consult and who will be affected by the assessment?

Details benefits of an assessment

Write a potential assessment objective



Module 2

Chapter 2.4

WHAT

Scope stage:

Scope the assessment



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Step 3

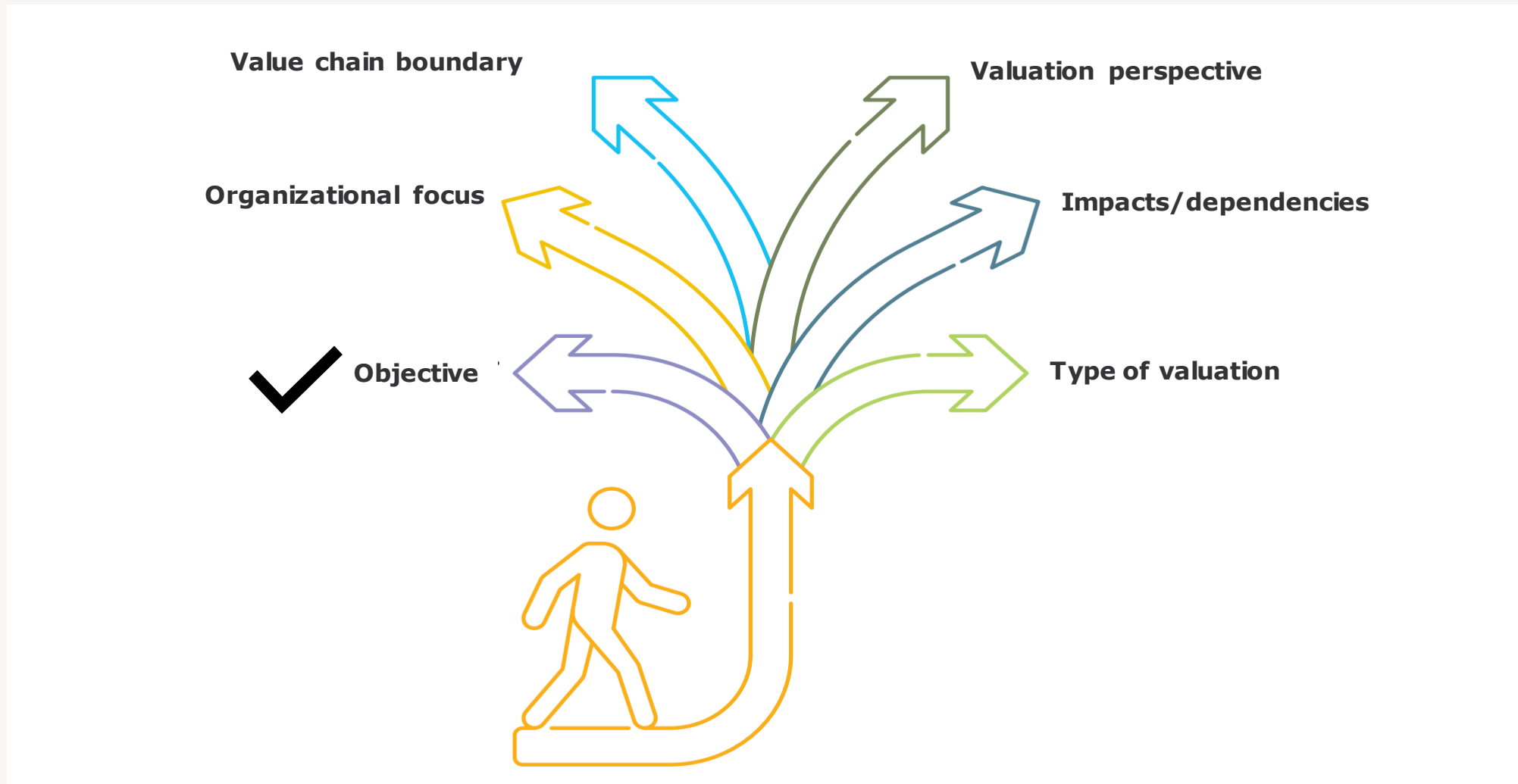


Question:
What is an appropriate scope to meet the objective?

You are here

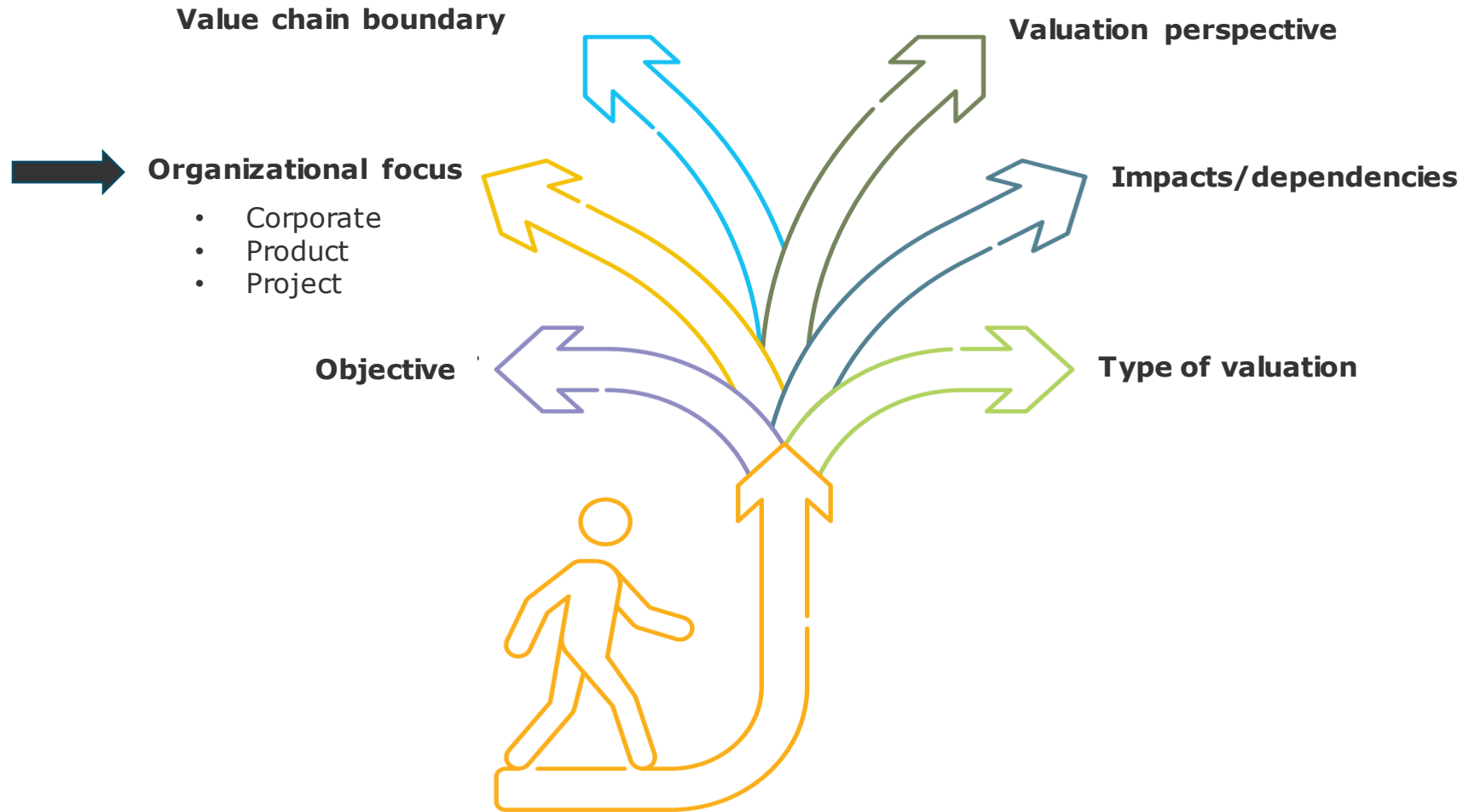
SCOPE STAGE: What?

What is the appropriate scope to meet your objective?



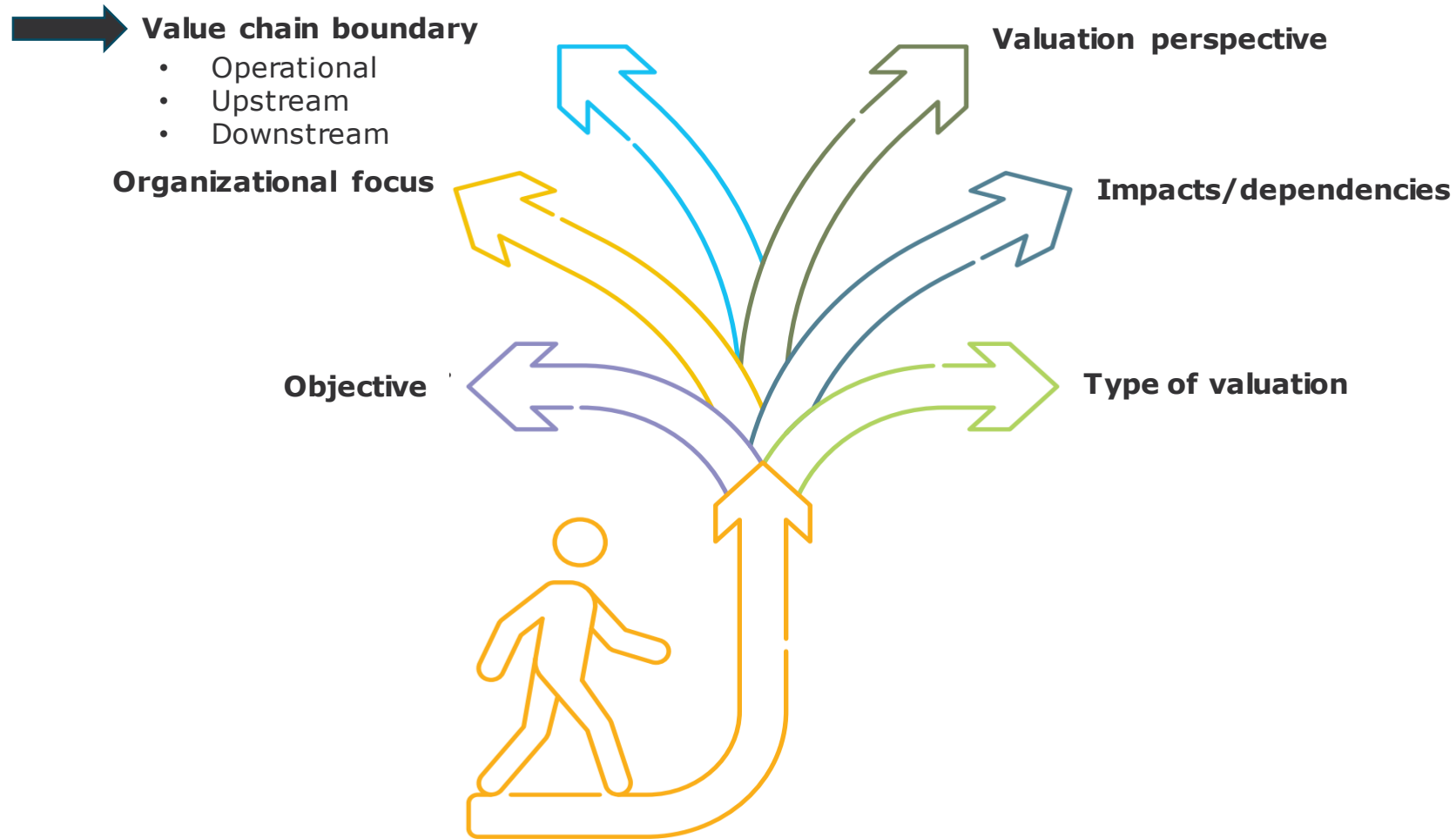
SCOPE STAGE: What?

What is your organizational focus?



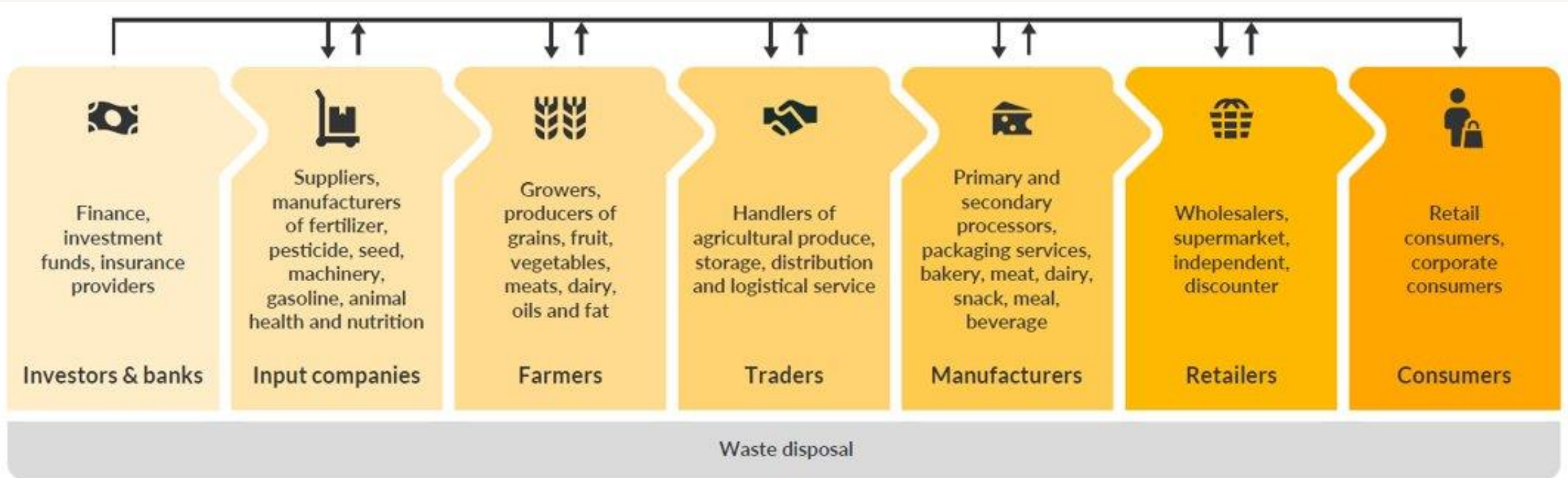
SCOPE STAGE: What?

Determine the value chain boundary



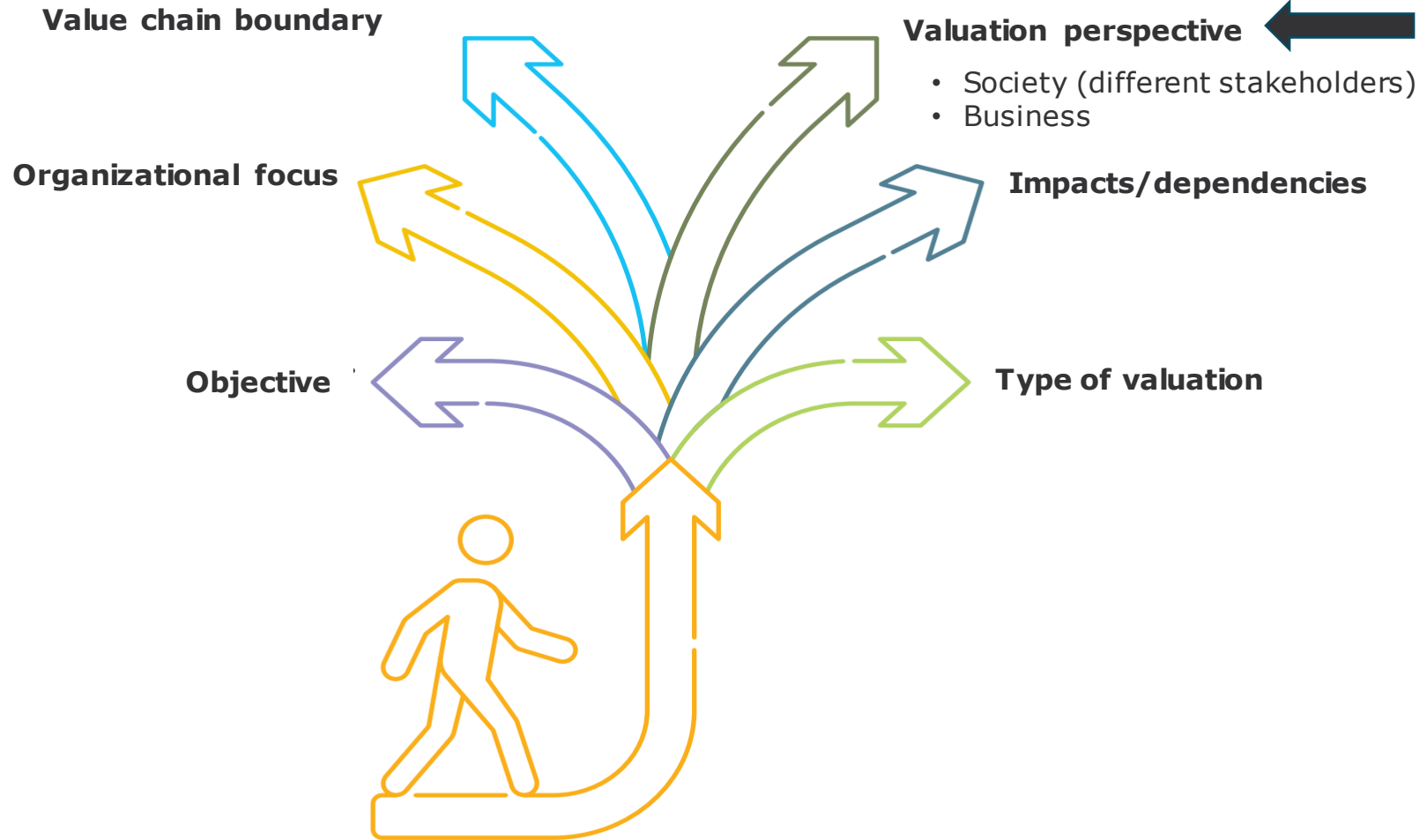
SCOPE STAGE: What?

Determine the value chain boundary



SCOPE STAGE: What?

Specify whose value perspective

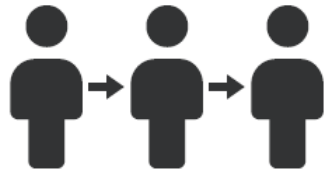


SCOPE STAGE: What?

Specify whose value perspective



Workers in a
business workforce



Workers in the
value chain



Affected
communities



End users –
customers and
consumers



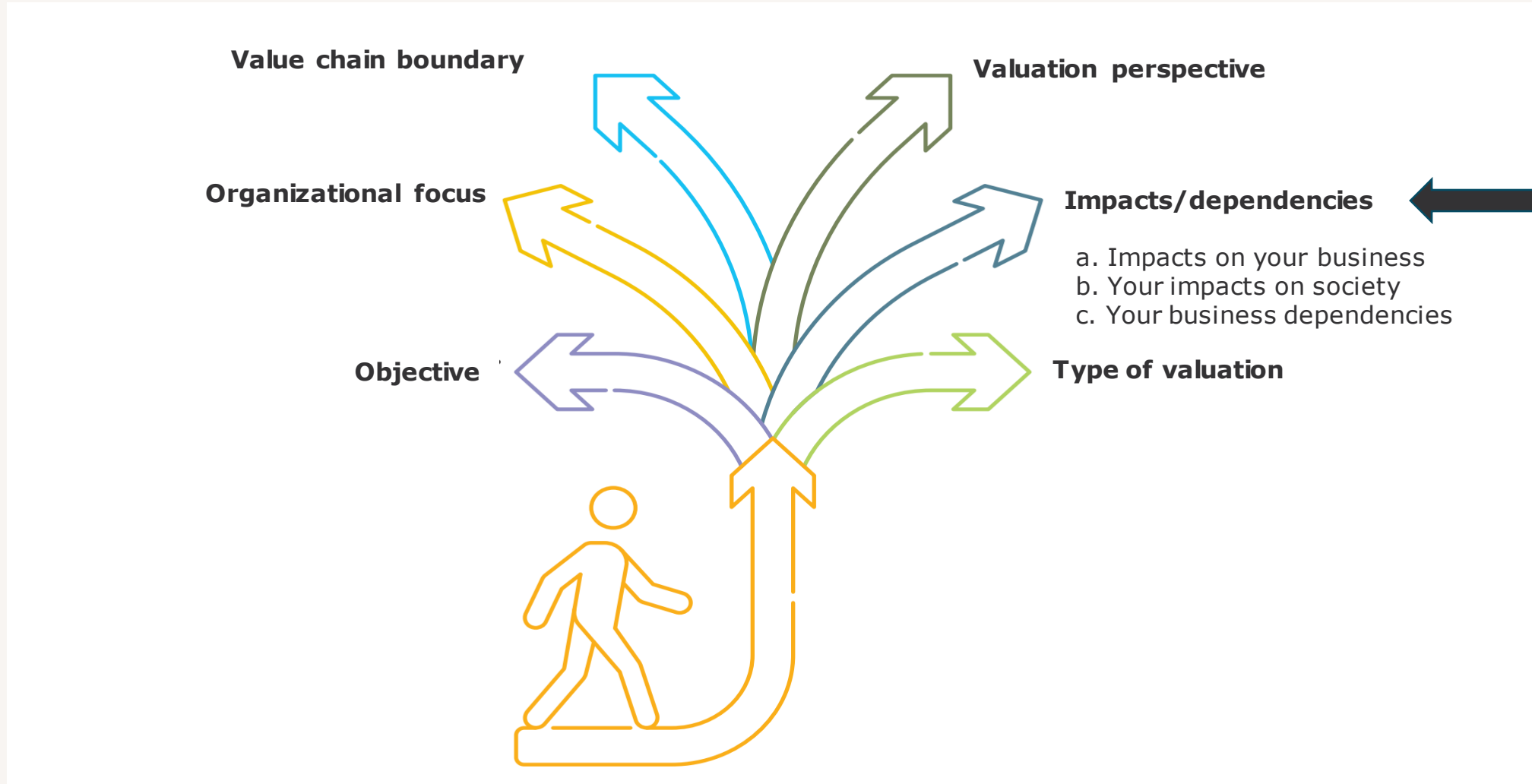
The business
itself and financial
beneficiaries

Society's perspective

Business's perspective

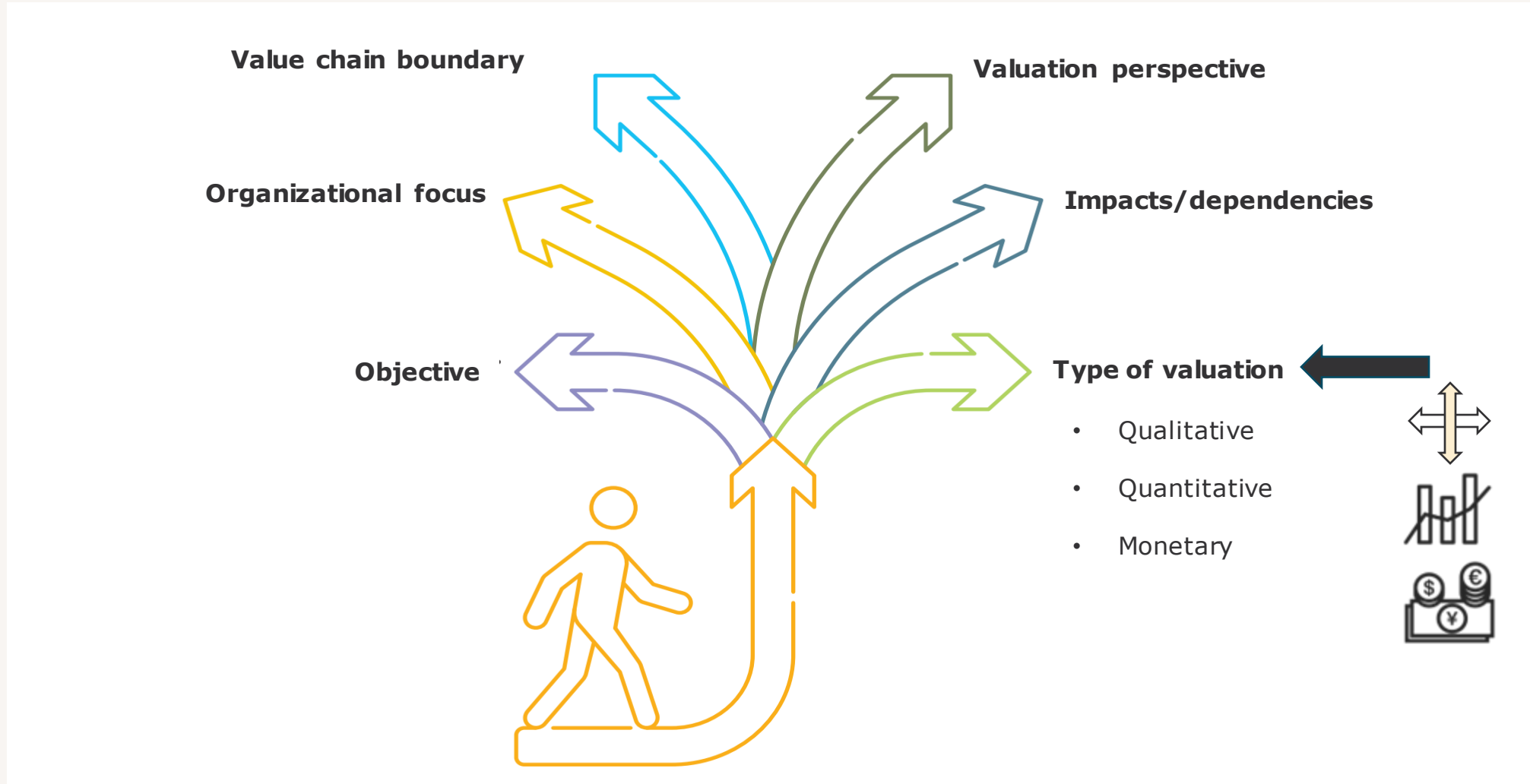
SCOPE STAGE: What?

Decide on assessing impacts and/or dependencies



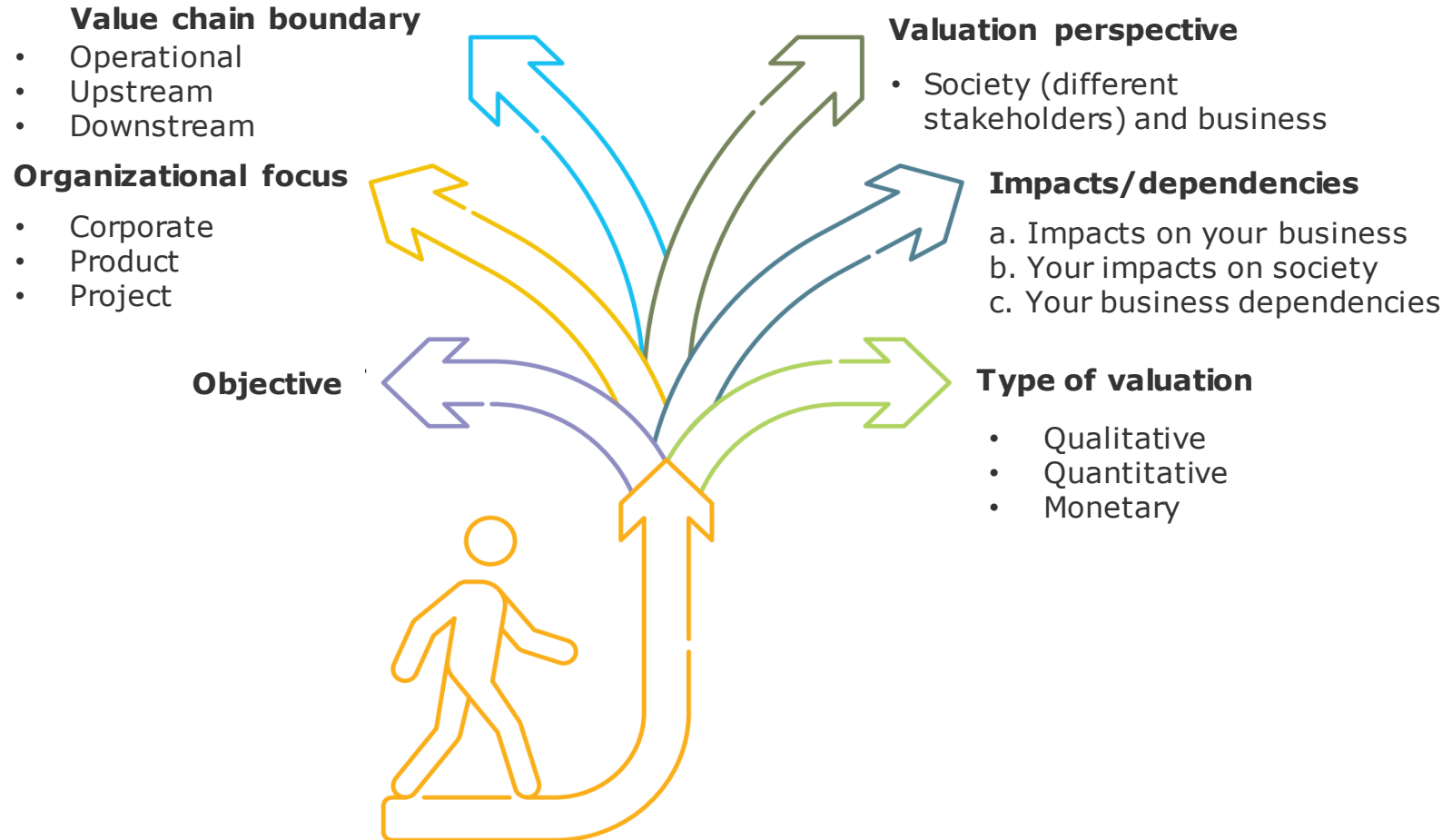
SCOPE STAGE: What?

Decide which type of values you will consider



SCOPE STAGE: What?

What is the appropriate scope to meet your objective



Reflection exercise



Open your workbook to apply
your new knowledge



Scope of interest: 10min

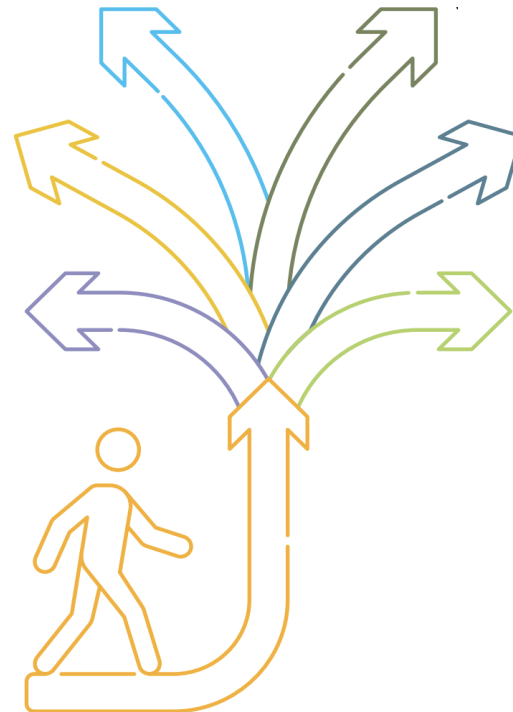
Highlight in yellow the scoping elements that are relevant to you to meet your objective

Value chain boundary

- Direct operation
- Upstream
- Downstream

Organizational focus

- Corporate
- Product
- Project



Objective

Valuation perspective

- Society (inform which stakeholders)
- Business

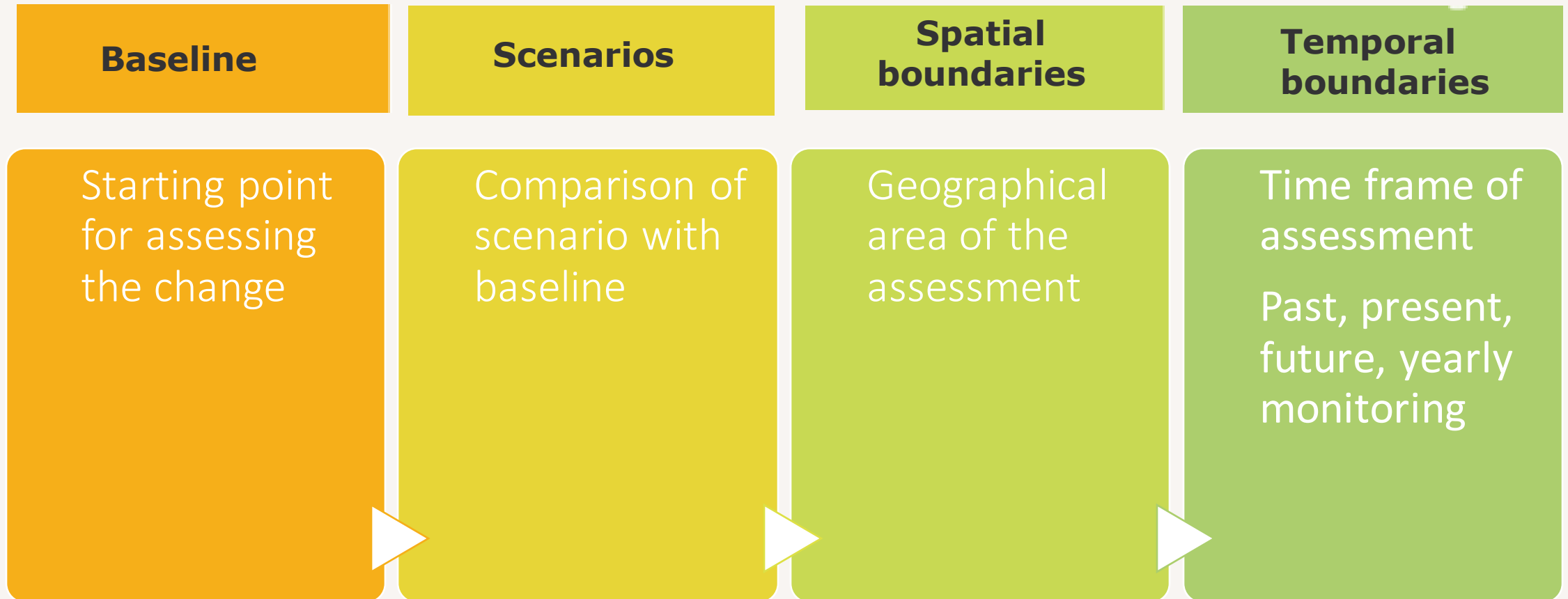
Impacts/dependencies

- Impacts on your business (from external factors)
- Your impacts on society (externalities)
- Your business dependencies (use or input)

Type of valuation

- Qualitative
- Quantitative
- Monetary

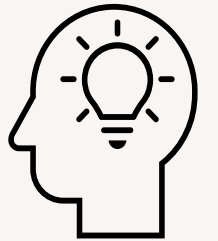
SCOPE STAGE: What?



SCOPE STAGE: What?

Key planning issues

- ❖ **Timescale:** How quickly does the assessment need to be completed?
- ❖ **Funding/resources:** What budget and human resources are available?
- ❖ **Capacity:** What skills are available within the business to undertake an assessment? What additional skills, if any, are needed?
- ❖ **Data availability and accessibility:** What data are available and what constraint are anticipated?
- ❖ **Stakeholder relationships:** To what extent do you need to identify and establish relationships with stakeholders to conduct the study, and potentially implement solutions?



Binatani - Indonesia

Human and social capital enhancement to support farmers' prosperity

Binatani is the corporate social responsibility foundation of PT East-West Seed in Indonesia, committed to farmers' well-being, the creation of shared prosperity, and environmental stewardship.

Existing risks such as water scarcity, pests, and extreme climate events have led to declines in agricultural production, enhancing farmers' vulnerability. To remediate this, the Agriculture Livelihood Project established an integrated approach to train farmers to create successful small businesses and ensure a stable supply chain.



Binatani - Indonesia



Frame: WHY

Through training, the Agriculture Livelihood project enhances stakeholders' knowledge and skills in production, organic fertilization, crop diversification, access to finance, safety, and nutrition, among others.

Scope: WHAT

The objective of the assessment is to show the project's positive contribution to social and human capital, with the hope of extending available funding.

Binatani - Indonesia

Project and assessment timeline: example of **baseline and scenarios**





Module 2

Chapter 2.5

WHAT

Scope stage:

**Determine the impacts
and/or dependencies to
value**



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Step 4



**Questions:
Which impacts
and/or
dependencies are a
priority for
valuation?**

You are here

SCOPE STAGE: What?

Which impact drivers or dependencies are a priority?

A business has many potential impacts and dependencies on nature and people.

As it's not possible to measure all, establishing a priority list of the most important (or material) impacts and dependencies is crucial. The Guidelines recommend the following process:

1. List potential impact and/or dependencies

See the useful list on the next slide

2. Identify the criteria for prioritization.

This criteria can be based on your risk and opportunities categories

3. Gather relevant information

To establish a priority list, you might have to gather data on the consequences, consult stakeholder and experts

4. Complete prioritization

Use the guidelines matrix

List of potential impacts and/or dependencies

Capitals	Dependencies
Natural	Water supply
	Water purification
	Soil quality
	Pollination
	Pest control
	Genetic material
	Rainfall pattern regulation
	Land
	Energy
	Human
Experience	
Workforce availability	
Health of workers	
Agricultural practices	
Nutritional security	
Social	Social networks and cooperation
	Property rights
	Social acceptance and trust
	Law and regulation
	Food security
Produced	Accessibility to infrastructure and technology

Capitals	Impact drivers
Natural	Water use
	Terrestrial ecosystem use
	GHG emissions
	Pesticide and herbicide use
	Fertilizer use
	Soil use
	Waste generation
	Animal welfare conditions
	Genetic modified organisms
	Human
Use of substances harmful to consumers	
Food safety practices	
Employee health and safety conditions	
Salaries and benefits	
Workers' living conditions	
Labor rights	
Child and slave labor laws	
Propriety rights	
Gender rights	
Workers' representation	
Social	Food security
	Food loss or waste
	Integration of workforce into communities
	Benefit sharing with indigenous communities

Reflection exercise



Open your workbook to apply
your new knowledge



Potential impacts & dependencies – 5 min

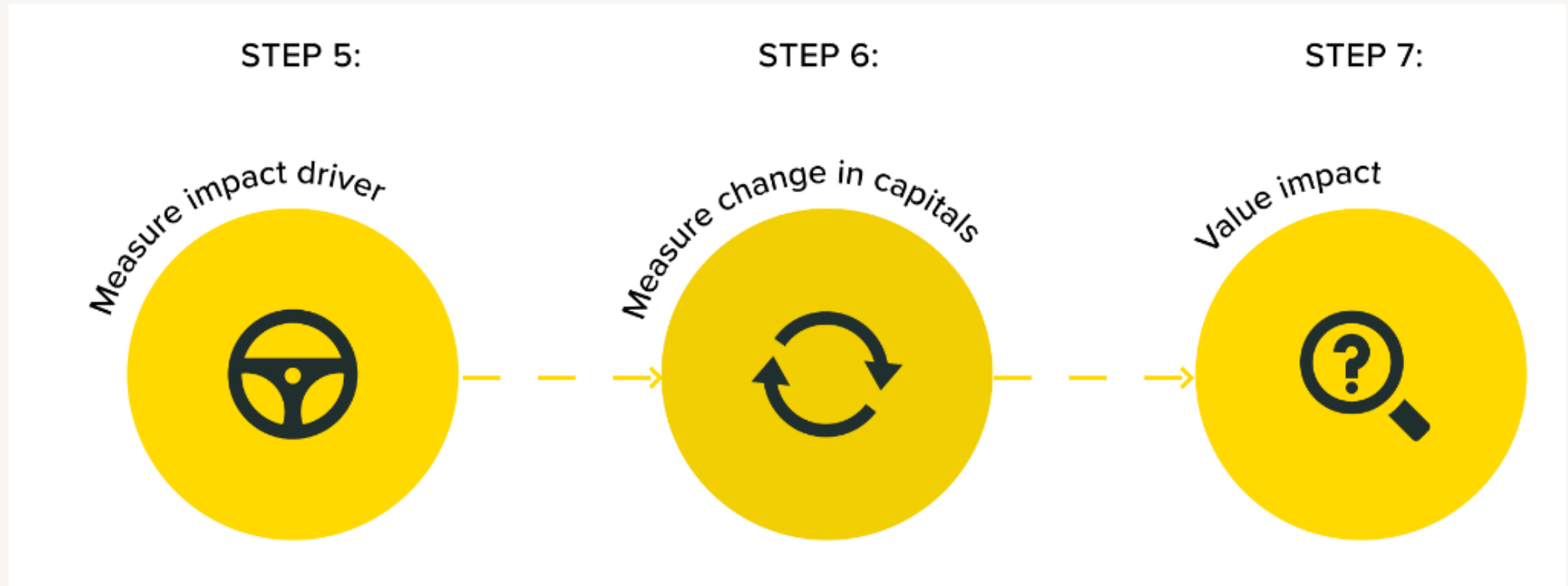
Highlight in yellow the impacts and dependencies that are potentially relevant to assess

Capitals	Dependencies
Natural	Water supply
	Water purification
	Soil quality
	Pollination
	Pest control
	Genetic material
	Rainfall pattern regulation
	Land
	Energy
	Human
Experience	
Workforce availability	
Health of workers	
Agricultural practices	
Nutritional security	
Social	Social networks and cooperation
	Property rights
	Social acceptance and trust
	Law and regulation
	Food security
Produced	Accessibility to infrastructure & technology

Capitals	Impact drivers
Natural	Water use
	Terrestrial ecosystem use
	GHG emissions
	Pesticide and herbicide use
	Fertilizer use
	Soil use
	Waste generation
	Animal welfare conditions
	Genetic modified organisms
	Human
Use of substances harmful to consumers	
Food safety practices	
Employee health and safety conditions	
Salaries and benefits	
Workers' living conditions	
Labor rights	
Child and slave labor laws	
Propriety rights	
Gender rights	
Social	Workers' representation
	Food security
	Food loss or waste
	Integration of workforce into communities
	Benefit sharing with indigenous communities

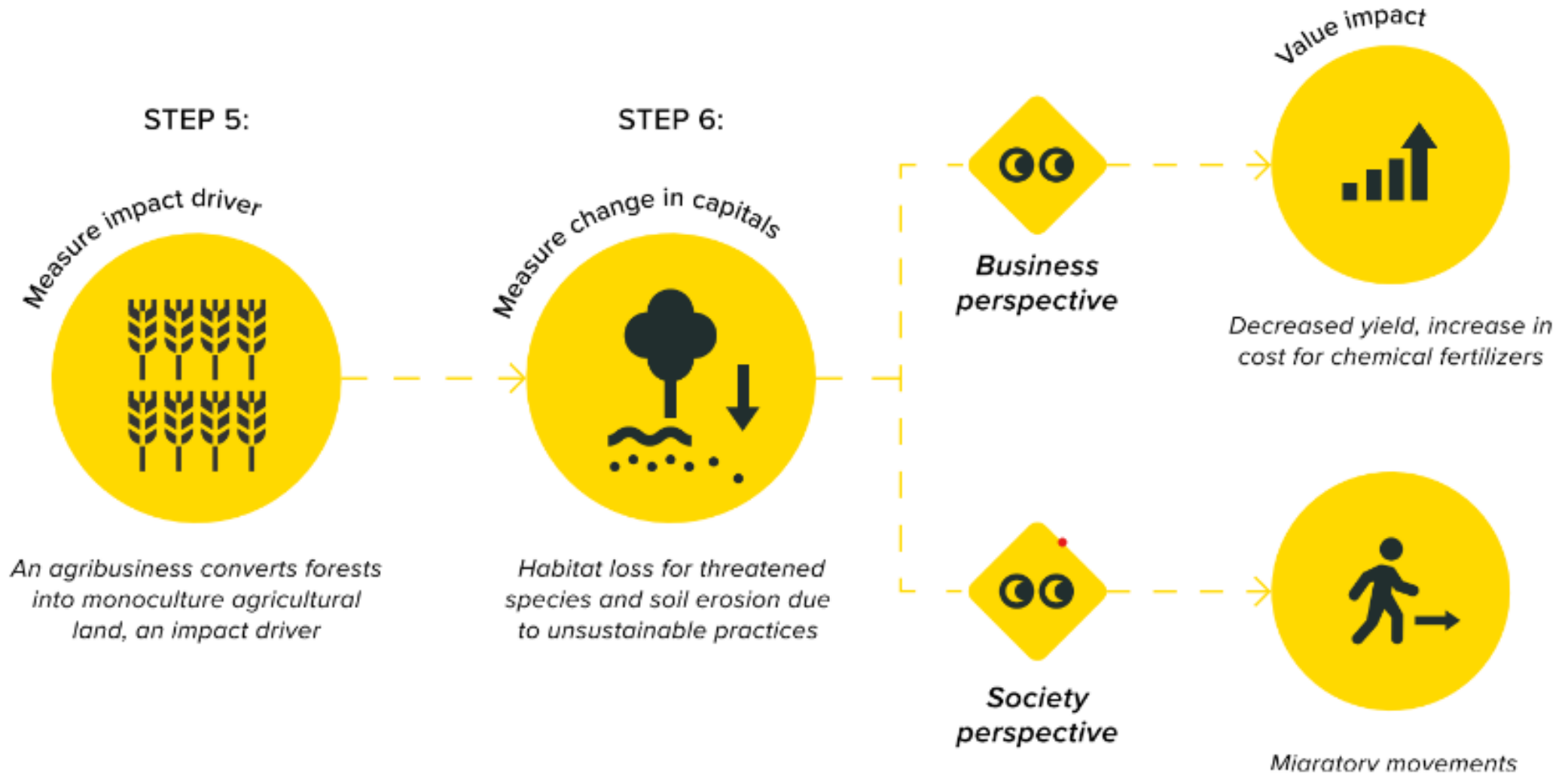
SCOPE STAGE: What?

Impact pathway



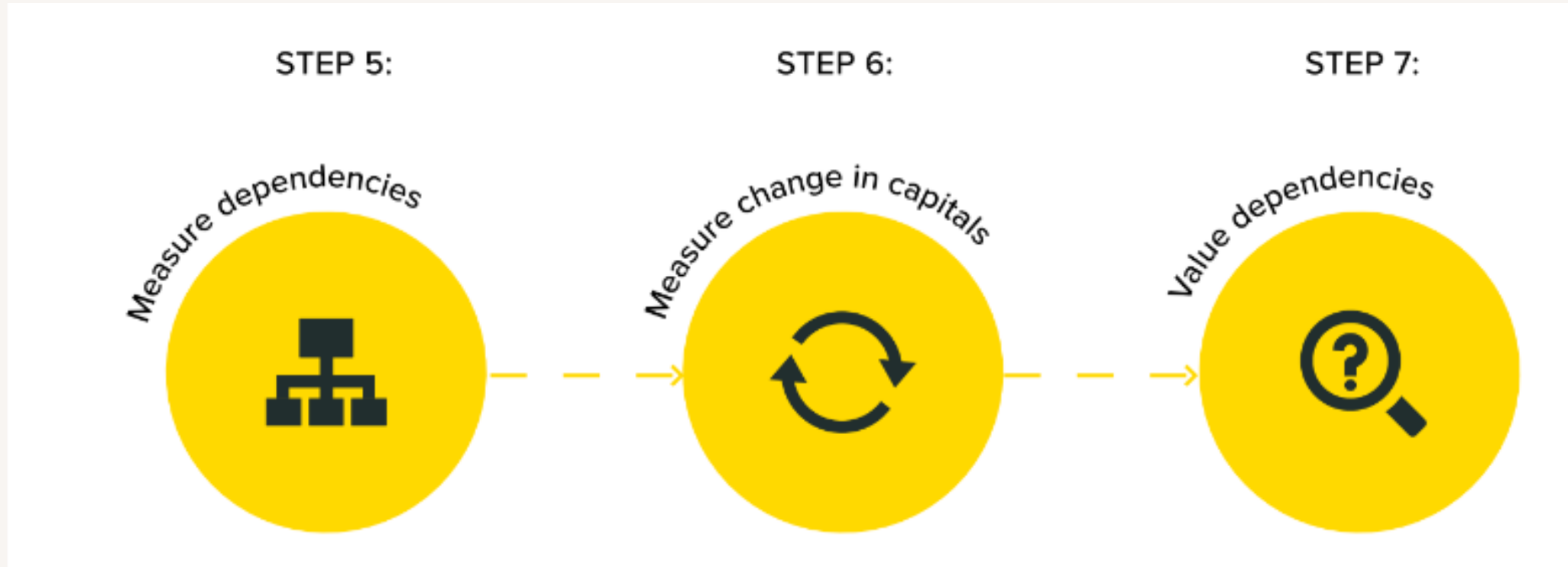
SCOPE STAGE: What?

Impact pathway example



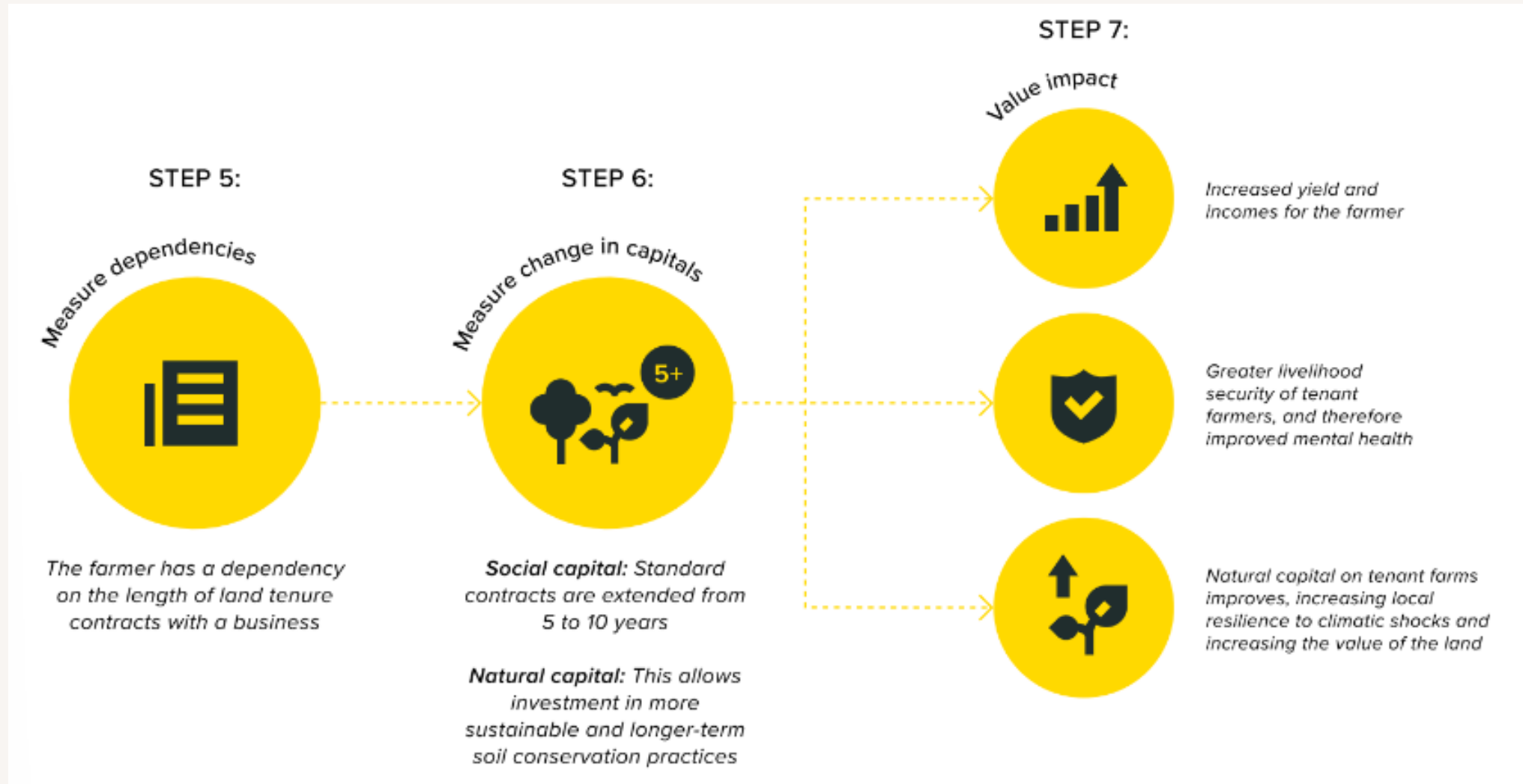
SCOPE STAGE: What?

Dependencies pathway



SCOPE STAGE: What?

Dependencies pathway example



Arvind - India

A comparative business case on the human and ecological cost of sustainable and conventional cotton production: SCOPE

The Indian textile-to-retail conglomerate Arvind Limited is involved in the process of making fabrics and garments with cotton as the key raw material, accounting for 80% of all their products. With altered climatic conditions such as delayed monsoons and an increase in droughts, securing an uninterrupted supply of cotton has become a concern.

This dependency has led Arvind to focus on the sustainability of their cotton supply and the reduction of negative environmental impacts caused during its cultivation.



Arvind - India

1. **Objective:** To evaluate the human and ecological costs of water use per kg of seed cotton produced under Better Cotton Initiative (BCI) principles and compare this to conventional practices

2. **List potentially relevant impact drivers & dependencies** related to objective below (derive from Table 4.1/4.2)

Water availability

Water use

Pesticide, herbicide and fertilizer use

Skills and knowledge

Accessibility to infrastructure

Salaries and benefits

3. **Criteria for selection** to base you ranking on: categories of risks and opportunities (these can but don't have to differ from the ones listed here)

Operational	Legal & regulatory	Reputational & marketing	Financial	Societal	Other
High	Low	High	Low	High	XX
High	High	High	High	High	XX
High	High	High	High	High	XX
Medium	Low	High	High	Low	XX
Low	Medium	High	High	Medium	XX
High	High	High	High	High	XX

4. **Rank impacts drivers & dependencies** in the cells based on the criteria to prioritize (section 3): Use HIGH, MEDIUM, LOW and/or color coding

High

Medium

Low

6. **Create priority list** of impact drivers & dependencies based on step 5 here (maximum 3)

1. Water use

2. Pesticide, herbicide and fertilizer use

3. Salaries and benefits

5. Based on ranking in step 4, **indicate which impact drivers to include in your assessment** (This can be shown with a YES or a NO)

No

Yes

Yes

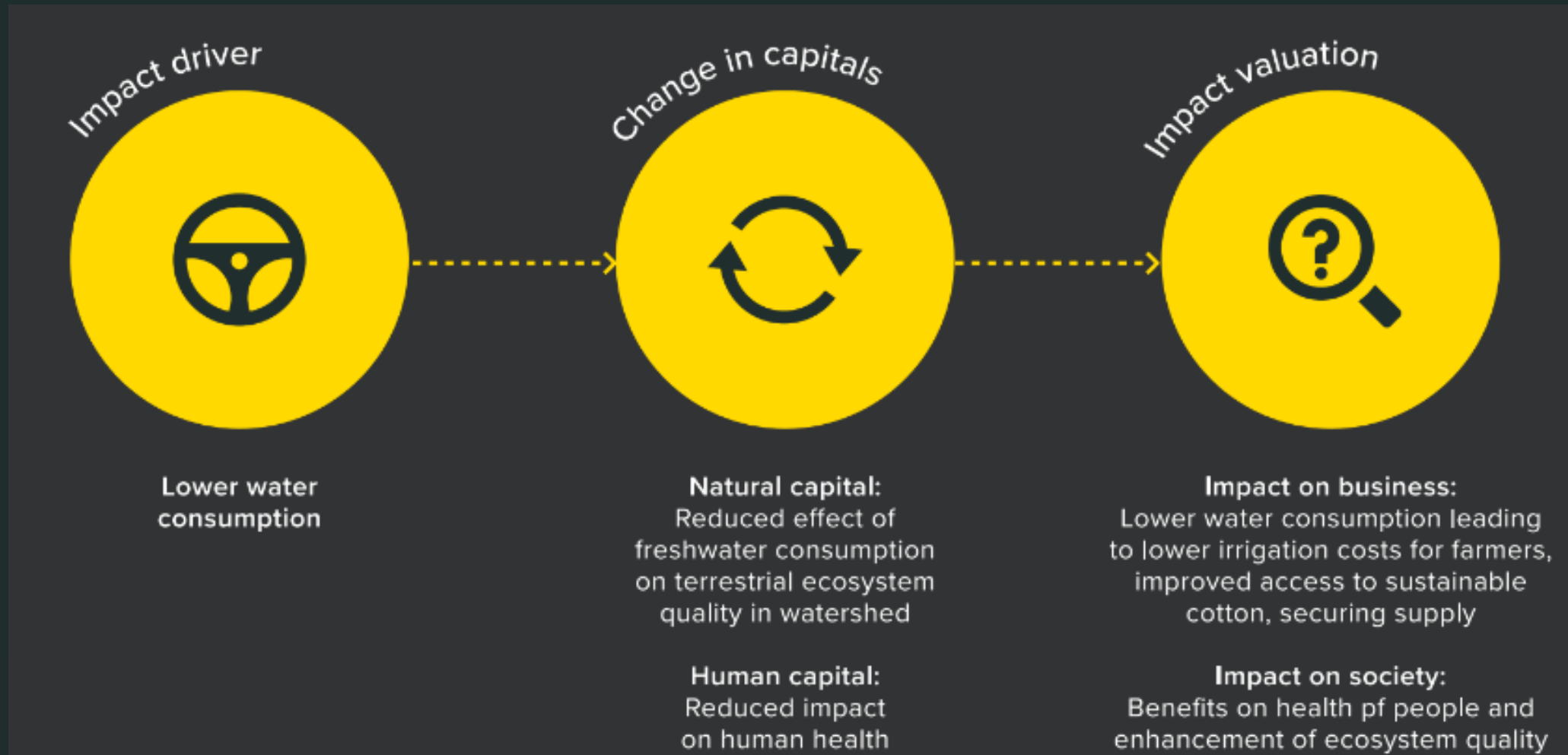
No

No

Yes

Arvind - India

Arvind's impact pathway showing the impact of their water use and the consequence on business and society



Arvind - India



Frame: WHY

Securing an uninterrupted supply of cotton has become a concern with delayed monsoons and an increase in droughts. This dependency has led Arvind to focus on the sustainability of its cotton supply and the reduction of negative environmental impacts.

Scope: WHAT

To improve responsible sourcing, they set the objective to evaluate the human and ecological costs of water use per kg of seed cotton produced under Better Cotton (BC) principles and compare this to conventional practices. Thanks to the prioritization process, they decided to focus on water use first.

Homework exercise



For the next session, complete the prioritization exercise from the workbook



Prioritization

1. Write the **objective** of your assessment here

2. List potentially relevant **impact drivers & dependencies** related to objective below (derive from Table 4.1/4.2)

3. **Criteria for selection** to base your ranking on: categories of risks and opportunities (these can but don't have to differ from the ones listed here)

Operational	Legal & regulatory	Reputational & marketing	Financial	Societal	Other

5. Based on ranking in step 4, indicate which **impact drivers to include in your assessment** (This can be shown with a YES or a NO)

4. Rank **impacts drivers & dependencies** in the cells based on the criteria to prioritize (section 3): Use HIGH, MEDIUM, LOW and/or color coding

High	Medium	Low
------	--------	-----

6. Create **priority list** of impact drivers & dependencies based on step 5 here (maximum 3)

1.
2.
3.



Module 2

Chapter 2.6

**Summary of lessons
learned**



**CAPITALS
COALITION**

Check-in: learning objective acquired

Now, you have:

- Been introduced to the Guidelines **SCOPE stage: WHAT?**
- Learned how to **set an objective** for a business capitals assessment
- Learned how to identify the assessment's **target audience** and **stakeholders**
- Understood potential impacts and dependencies on the capitals and related pathways
- Learned how to prioritize impacts and dependencies using the prioritization matrix template

Key highlights



- ❖ The **target audience** are the users of the assessment, so decision-makers
- ❖ **Key stakeholders** may affect or be affected by the results, it's important to consult and engage with them.
- ❖ An **appropriate scope** has to be articulated with the **objective** of your assessment. It includes the organizational focus, the value-chain boundary, the valuation perspective (business and/or society) and type of valuation (qualitative, quantitative, monetary).

Key highlights



- ❖ There are many possible **impacts and dependencies**.
- ❖ Business has to prioritize the most relevant and material ones. Listing potential impacts and dependencies, using a criteria for prioritization and ranking those in a matrix help to know where to focus.
- ❖ Start small. Select a few impacts and dependencies to expand after you complete your first assessment.
- ❖ To apply this to your business you are invited to answer the questions of the (Frame and) Scope Stage in the **user template**

Collaborative online platform



Manage group

TEEB AgriFood

Joined ▼

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[Teeb AgriFood Community](#)

Thank you



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