Business Decision Template:

How to include relevant and useful information when considering natural, social, human, and produced capital in decision-making

The template

The following template, presented in Box 1, can be used in many different scenarios, from informing strategy, investment, operations or to address a crisis facing the organization. It is based on present board papers, with recognizable requirements, (e.g., cost of training) and adds guidance to include impacts and dependencies on the capitals in a structured format. For more context on template and how to use it, see the accompanying paper.

By separating this information out and presenting it in a consistent and logical way as recommended here, it ensures that:

* Information is provided in an easily accessible format.
* A process for transparent decision-making is established.
* All significant decision-useful information is included.
* Decision makers are provided with the relevant information to highlight and understand trade-offs between the capitals.

Box 1. Suggested next generation business decision template

|  |
| --- |
| **Paper Title:** *# Name*  **Agenda item:** *# Name*  **Paper type:** *[****For Decision],*** *[For Discussion] OR [For Noting]*  **Executive summary:**  *A short summary of the information included in this paper and what is being asked of the decision-makers.*    **Background:**  *Outline the proposal and summarize the considerations. Use attachments if needed.*    **Recommendation:**  *Make a clear recommendation setting out options and why preferred action is proposed. This should be justified by the capitals summary below so there is no need to include that information again here. Include the expected outcomes and use attachments if needed.*    ***Human capital implications:***  *Include a summary of potential impacts and dependencies on people. Human capital is the knowledge, skills, competencies, and attributes embodied in individuals that contribute to improved performance and well-being. It should cover all relevant stakeholders, including employees, suppliers, clients, customers, and anyone within the company’s value chain who will be affected by the action. Potential indicators could include staffing levels, employment and wages, training needs, changes in the health and safety conditions of workers, and opportunities to address diversity and equality.*  **Social capital implications:**  *Include a summary of potential impacts and dependencies on society. Social capital is the networks together with shared norms, values and understanding that facilitate cooperation within and among groups. Potential indicators could include changes in external relations (e.g., networks, partnerships, and collaborations), community support (e.g., involvement of, or engagement with, indigenous peoples and local communities), brand and reputation (e.g., due to consumer and investor trust), provision of approvals and necessary licensing.*    **Natural capital implications:**  *Include a summary of potential impacts and dependencies on nature. Natural capital is the stock of renewable and non-renewable natural resources that combine to yield a flow of benefits to people. Potential indicators could include changes with respect to climate change, non-GHG air emissions, biodiversity, water, soil, and waste or operational, financial, or supply chain risk arising from business dependencies on nature and ecosystem services, (e.g., natural resources, pollination, water quality, relevant regulations), which may be increasing or in decline.*    **Produced capital implications:**  *Include a summary of potential impacts and dependencies on finance and other produced assets. Produced capital is the human-made goods and financial assets that are used to produce goods and services consumed by society. Potential indicators could include changes in profit, budgets, cash flow and financial earnings, cybersecurity measures, and the number of products and services delivered. It could also be important to include reference to the intellectual capital such as copyrights and trademarks.*    **Risk, opportunity, and resilience analysis:**  *Provide analysis of major risks, opportunities, and resilience considerations provided by the options set out above. It is commonly provided in a table and should include the consequences, likelihood/magnitude, mitigation measures, and residual risks. It should also consider factors that could materially affect the company’s operational and supply chain resilience, as well as systemic resilience in the wider context in which the company operates.*    **Corporate governance, measurement of success, and compliance:**  *Set out the corporate governance implications, how success will be measured, (e.g., KPIs), reporting timeframes to the decision-making authority, and any conditions that need to be met to proceed.*    **Who has been involved in the preparation of this paper?** *[Name and title]*  *Include internal and external advice/consultants/information and stakeholders. It is important to engage with people who will be impacted by the decision and not just those who are making the decision.*    **Who is presenting the paper?** *[Name and title]*    **Responsibility** *[Name and title]*  *Identify who will have responsibility for the proposal, as well as key people who will be involved in its delivery.*    **Attachments and supporting information.** *List and link.* |