



Natural Capital Valuation for Business Decision Making

CPD

On the path to Nature
positive and net zero



CAPITALS
COALITION

Module 1

ASSESS

Chapters

1. Course introduction and learning objectives
2. What is natural capital?
3. Planetary and social boundaries
4. The case for Business Transformation
5. Risks and Opportunities
6. Impacts and Dependencies
7. Objective setting
8. Summary of key messages



Agenda

Time	Content
14.00	Chapter 1: Introduction and learning objective Chapter 2: What is natural capital? Chapter 3: Planetary and social boundaries
15:00	Short break
15.05	Chapter 4: The case for Business transformation Chapter 5: Impacts and Dependencies
15.30	Chapter 6: Risk and Opportunities Chapter 7: Objective setting
16.00	Chapter 8: Summary of key message
16.30	Closing



House Rules & Good Collaboration

- ✓ Participate
- ✓ Turn on your camera
- ✓ Contribute to discussions
- ✓ Listen actively
- ✓ Ask questions
- ✓ Interact with others
- ✓ Respect - Chatham House rule
- ✓ Enjoy!



Round of introduction

Let's introduce ourselves to the group!

We would like to know:

- Who are you and where do you work?
Present yourself in the chat





Module 1

Chapter 1.1

Introduction and learning objectives



Huda Al Houqani

Director

Abu Dhabi Sustainability Group

Capacity building on Natural Capital Valuation for Business Decision Making.

On the Path to Nature Positive and Net-Zero:

Supported by:



In Partnership with:





Sandra Anani
Director
Sustainability To Action

Email: sandra@sustainabilitytoaction.com



Introduction

Sustainability to Action



Sustainability to Action (STA) deliver sustainability communications & events that help organisations to effectively manage the paradigm shift towards a more sustainable future.

STA are proud to lead the Capitals Coalition Regional Hub in UAE since 2019

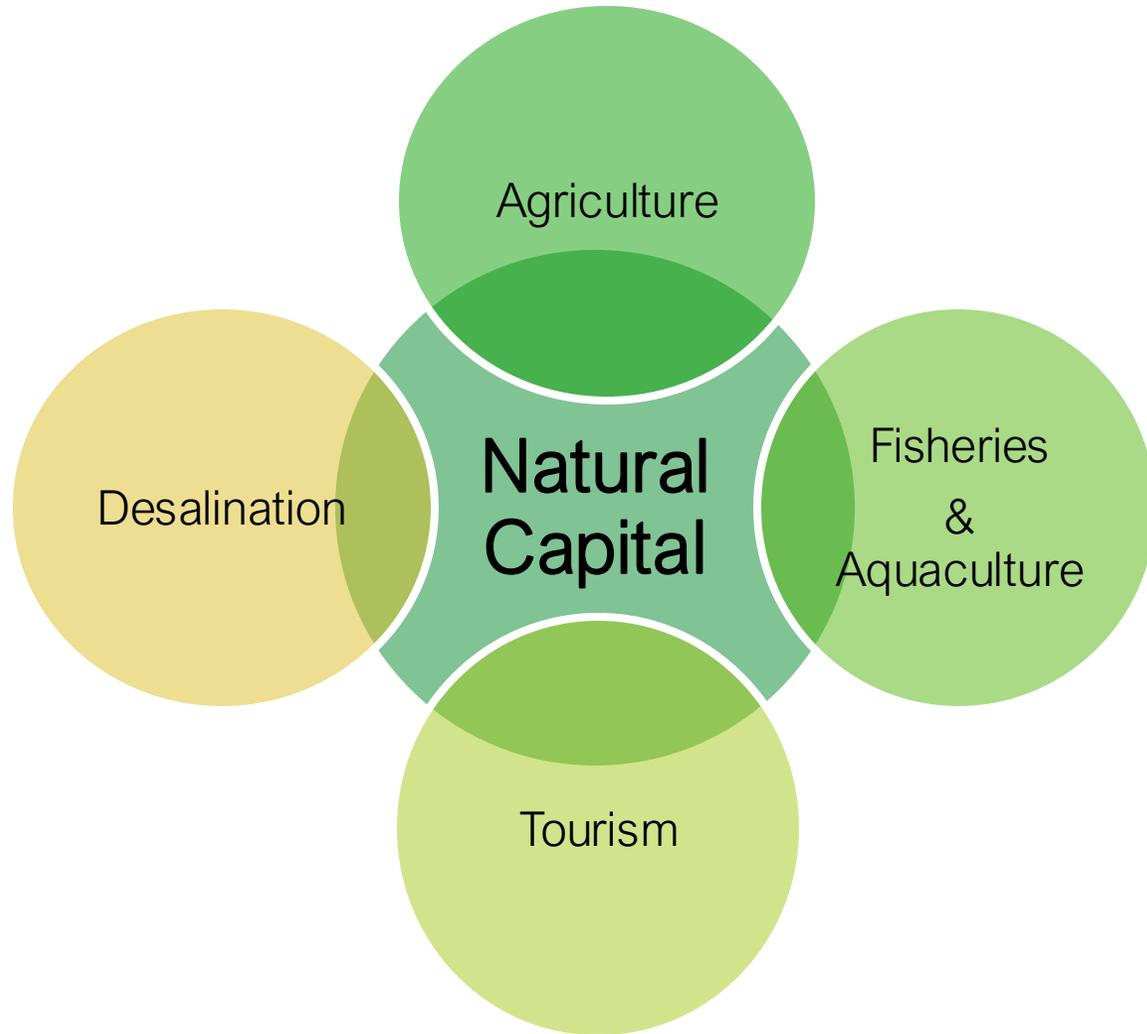


STA & the UAE Capitals Coalition Hub Objectives:

- Raise awareness and advance efforts related to measuring, valuing and sustainably managing capitals to support business decisions and outcomes within the UAE.
- Establish a network of businesses and organisations in the UAE who will be better able to share knowledge and experiences in integrating the capitals into decision making, as they address sustainability issues.
- Address how capitals tools can support efforts to implement circular economy approaches.

Natural Capital: The Local Context

Examples of Nature Systemic Risks in the Region:



[Appreciating the value of Natural Capital](#)

“The Smart Map of Natural Capital of the UAE falls within our priority to drive economic development while also preserving the local environment. The extensive project will entail ecological and spatial surveys, coupled with economic service valuation of the UAE’s natural capital including marine, coastal and terrestrial ecosystems. We will follow best scientific practices and latest technologies in implementing this project.”

His Excellency Dr Thani bin Ahmed Al Zeyoudi,
Minister of Climate Change and Environment



Sustainability to Action (STA) acknowledges the pivotal role of the private sector in Abu Dhabi in bridging government, corporate, and financial systems to achieve sustainable progress.

- Abu Dhabi's private sector is uniquely positioned to drive an impact-driven economy, where value is assessed through tangible outcomes and measurable sustainability impacts.
- Businesses can harness natural capital as a vital tool for decision-making, enabling a comprehensive evaluation of operations and investments.
- By incorporating the Four Capitals approach — natural, human, social and financial — companies can align their strategies with the UAE's decarbonisation and sustainability objectives while ensuring long-term value creation.

STA, as the UAE Hub for the Capital Coalition, is proud to support the private sector in Abu Dhabi in embedding natural capital into decision-making processes, empowering businesses to lead the way toward a more sustainable and prosperous future.

The importance of showcasing Abu Dhabi's contribution

- Your contributions can enhance regional knowledge and galvanise peers to take action.
- On behalf of Abu Dhabi Sustainability Group (ADSG), STA will be reaching out to Flagship participants to capture business cases and case studies via a simple template that will be emailed to attendees.

Invitation to participate in Pilot Testing of Beta Framework for Integrated Decision-making

- The Capitals Coalition is inviting organisations to test their Beta Framework for Integrated Decision-Making and its supporting technical documents (Capitals Protocol and Governance for Valuation).
- This Beta Framework enhances organisational decision-making by valuing the four capitals—natural, human, social, and financial—illustrating true value creation for thought-leading businesses.
- On behalf of The Capitals Coalition, STA will be reaching out to Flagship participants with further information and an invitation to pilot.

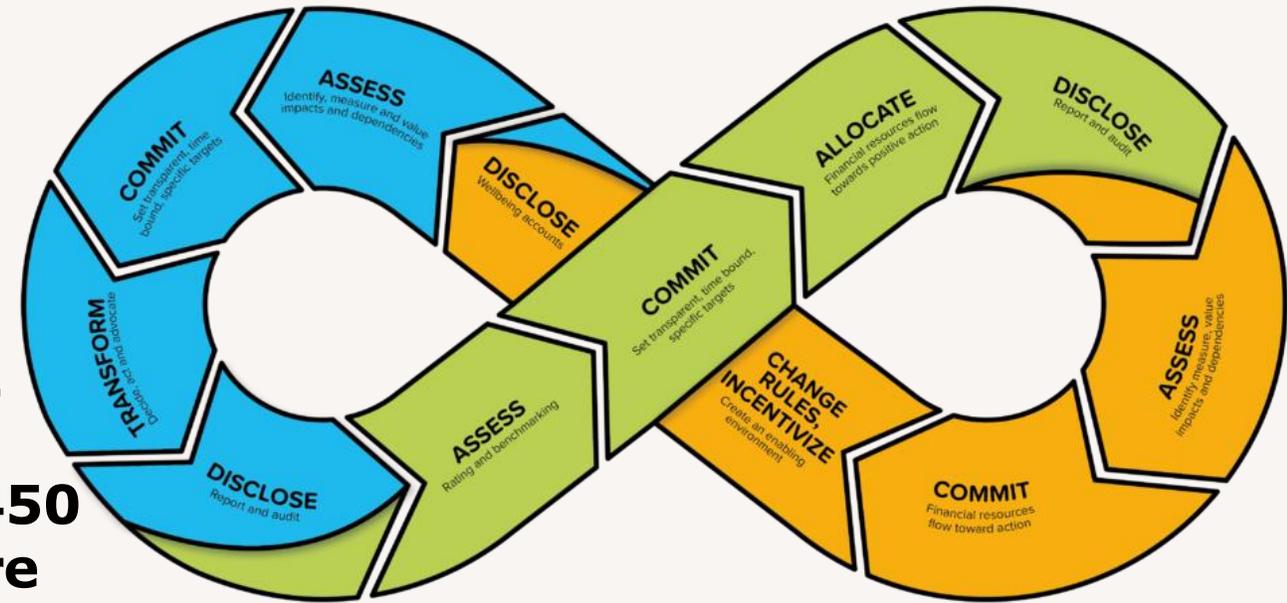
Any questions? Email joni@sustainabilitytoaction.com

Capitals Coalition

We are a **global collaboration transforming the way decisions are made** by including the value provided by nature, people and society.

We work through collaboration with **c.450 organizations from across the entire system.**

We use the **infinity loop** to understand the system we influence for transformative change.



 BUSINESS  FINANCE  GOVERNMENT

c. 450



Organizations
at the core

20,000+



Global
community

18



Capitals
hubs

2 + 1



International
protocols

Our History



TEEB for Business Coalition

2012

2014

2016

2018

2019

2020

2022

Natural Capital Coalition



Natural Capital Protocol

Social and Human Capital Coalition



Social and Human Capital Protocol



Capitals Coalition

Align



Transparent

TEEB AgriFood Guidelines



Overall course learning objectives

By the end of the course, you will have:

- ❖ Improved your **understanding** of the role of natural capital approach for **better business decision-making**.
- ❖ Discovered how to use **natural capital** assessments to identify and address business **risks and opportunities**.
- ❖ Acquired a foundational understanding of **assessing, measuring, and valuing impacts** on nature across operations and value-chains.
- ❖ Be inspired to drive **change** within organizations through **target setting, commitments** and **transforming practices**.

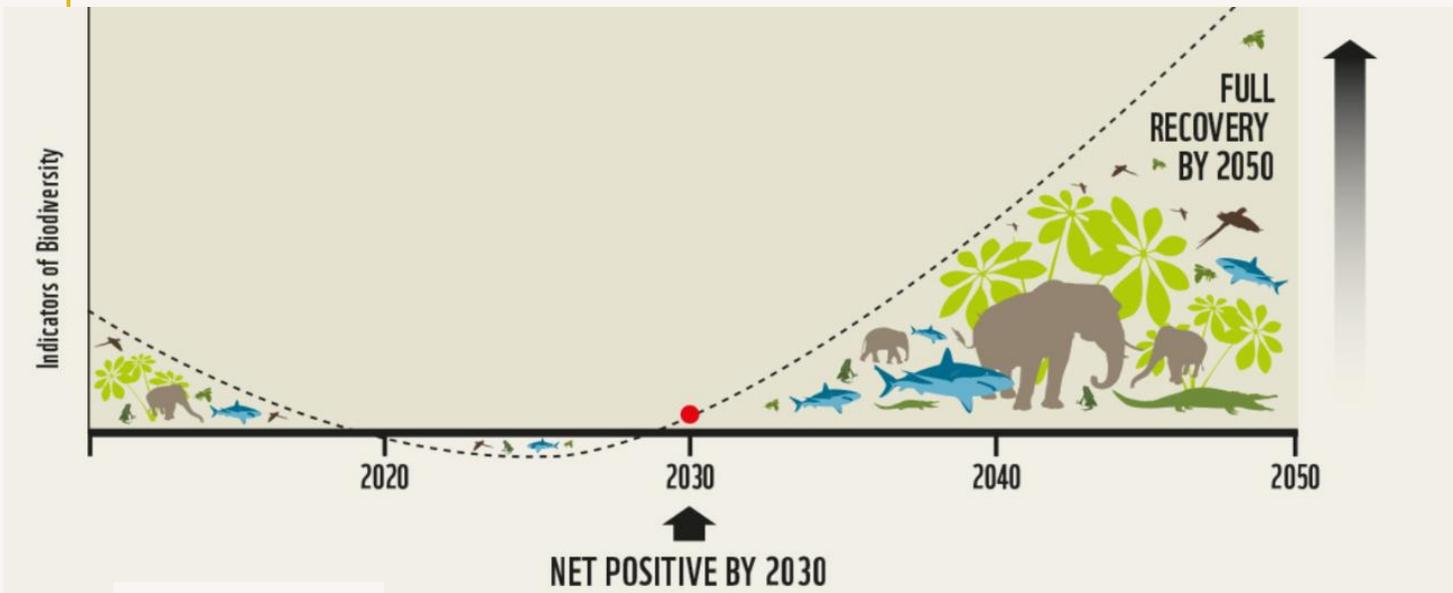


Natural Capital for Business Decision Making

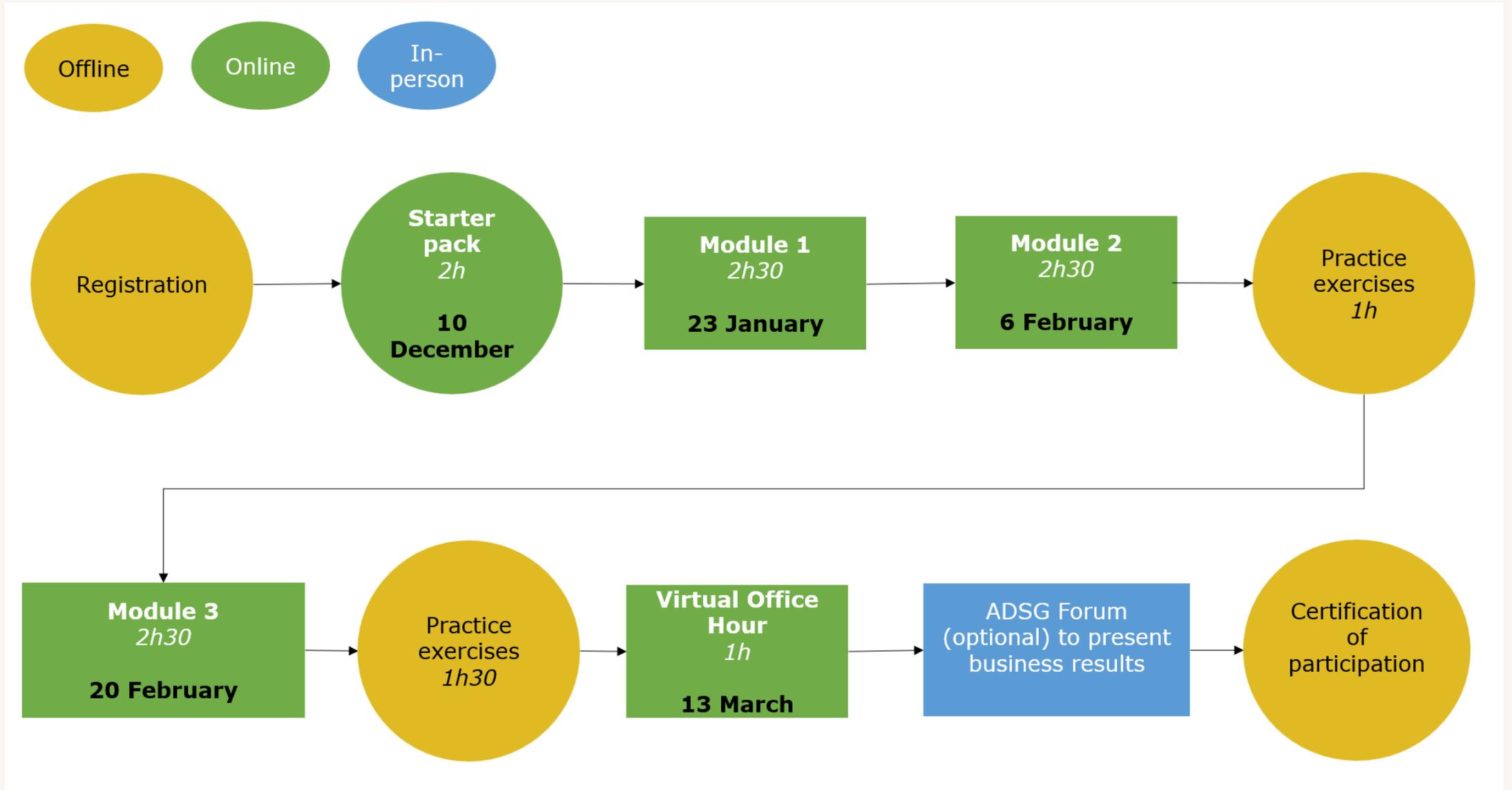
On the path to Nature positive and net zero

This course aims to guide your audience to action business transformation processes on the path to nature positive and net zero.

**You are the actors who empower others to change.
You can support nature's regeneration and human wellbeing.**



Timeline



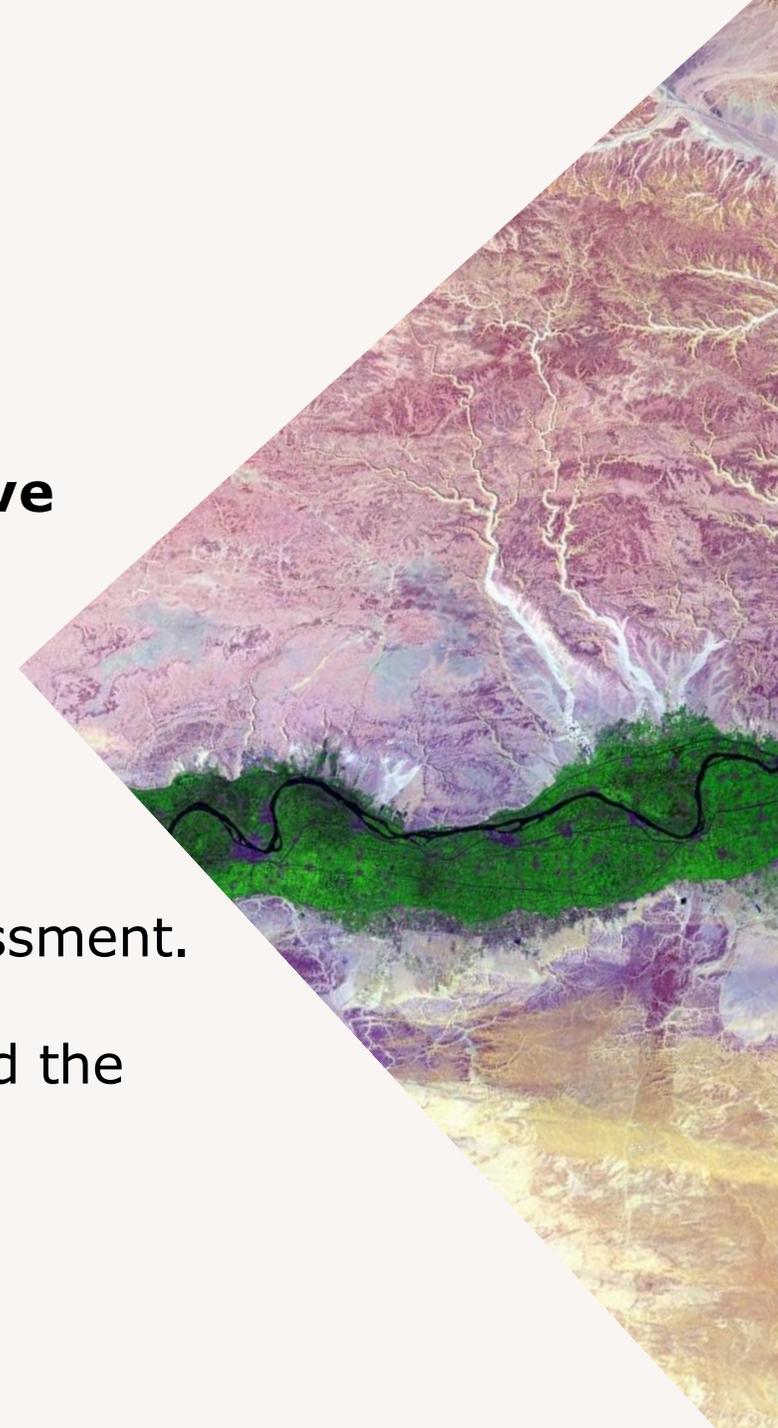
Course curriculum

Module	Chapters
1 Assess	<ul style="list-style-type: none">❖ Introduction and learning objectives❖ Natural capital❖ Planetary and social boundaries❖ The case for Business Transformation❖ Risks and Opportunities, Impacts & Dependencies❖ Objective setting
2 Assess	<ul style="list-style-type: none">❖ Stakeholder engagement❖ Assessment scope including value chain❖ Prioritization and materiality assessment❖ Impact pathway, measurement and valuation❖ Key performance Indicators and dataset
Homework A	<ul style="list-style-type: none">❖ Complete exercises from modules 1 & 2 including identification of potential impacts and dependencies and a potential objective for a business case
3 Commit, Transform, Disclose	<ul style="list-style-type: none">❖ The High-Level Business Actions on Nature❖ COMMIT: target setting❖ TRANSFORM: communication and embedding natural capital in decisions❖ DISCLOSE: assurance, reporting and monitoring for ESG statements
Homework B	<ul style="list-style-type: none">❖ Complete exercises from module 3 and identify opportunities to transform business on the path to nature-positive and related targets.

Learning objective module 1

By the end of this module, you will be able to:

- Talk about the challenges and the **solutions to preserve value** for nature, people and business.
- Explain the **key concepts of natural capital**, stocks and flows, **impacts and dependencies**, risks and opportunities.
- **Set an appropriate objective** for natural capital assessment.
- Be able to present potential **business applications** and the **business case** for natural capital assessment.



Course materials

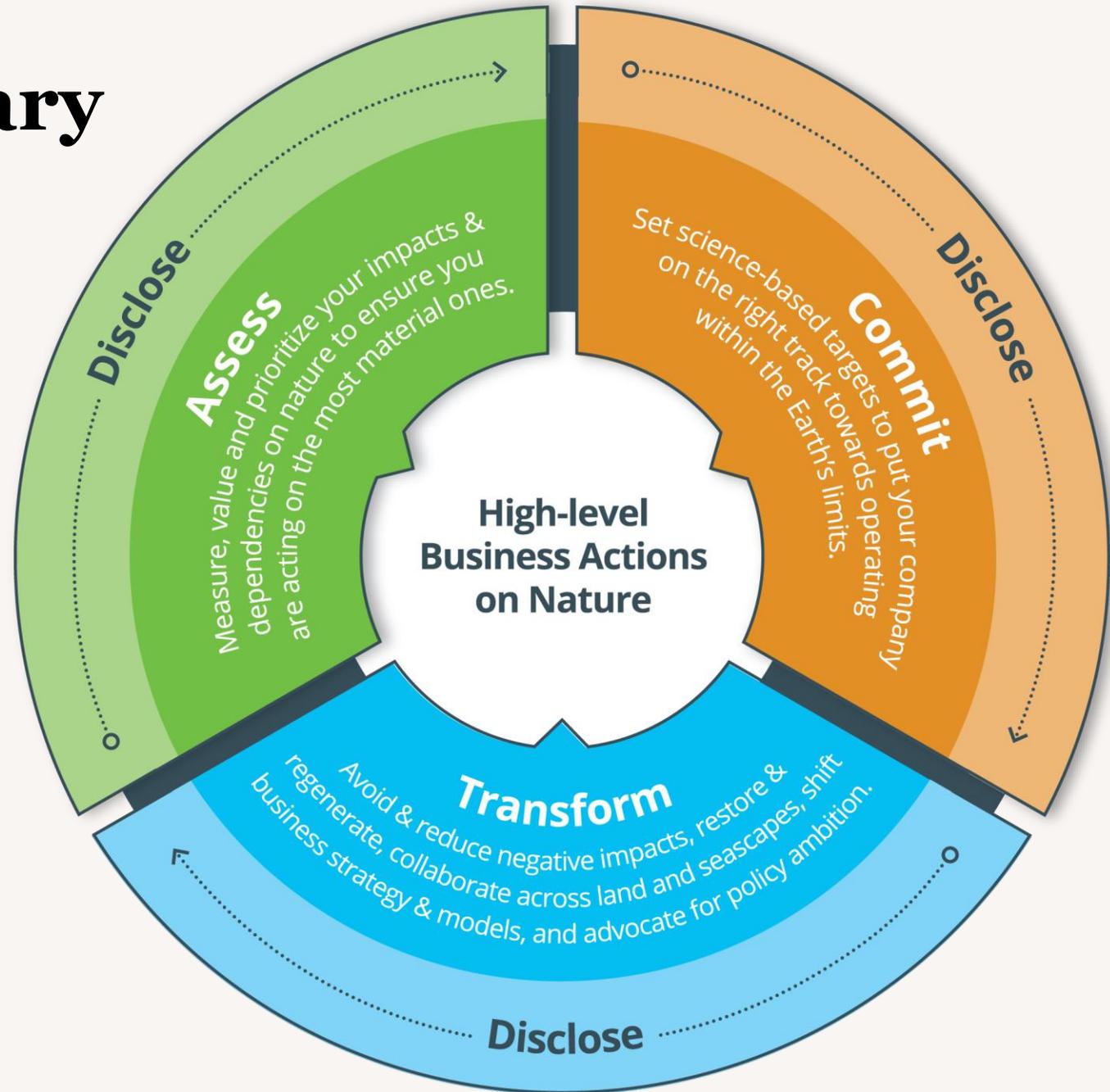
- **Starter pack**
 - Contains all the background information on foundational concepts.
- **Session slides**
 - Each module has session slides.
- **Workbook**
 - Contains all homework exercises for the participants



Starter pack Summary

High-level Business Actions on Nature:

- **A**ssess
- **C**ommit
- **T**ransform
- **D**isclose



High-level Business Actions on Nature

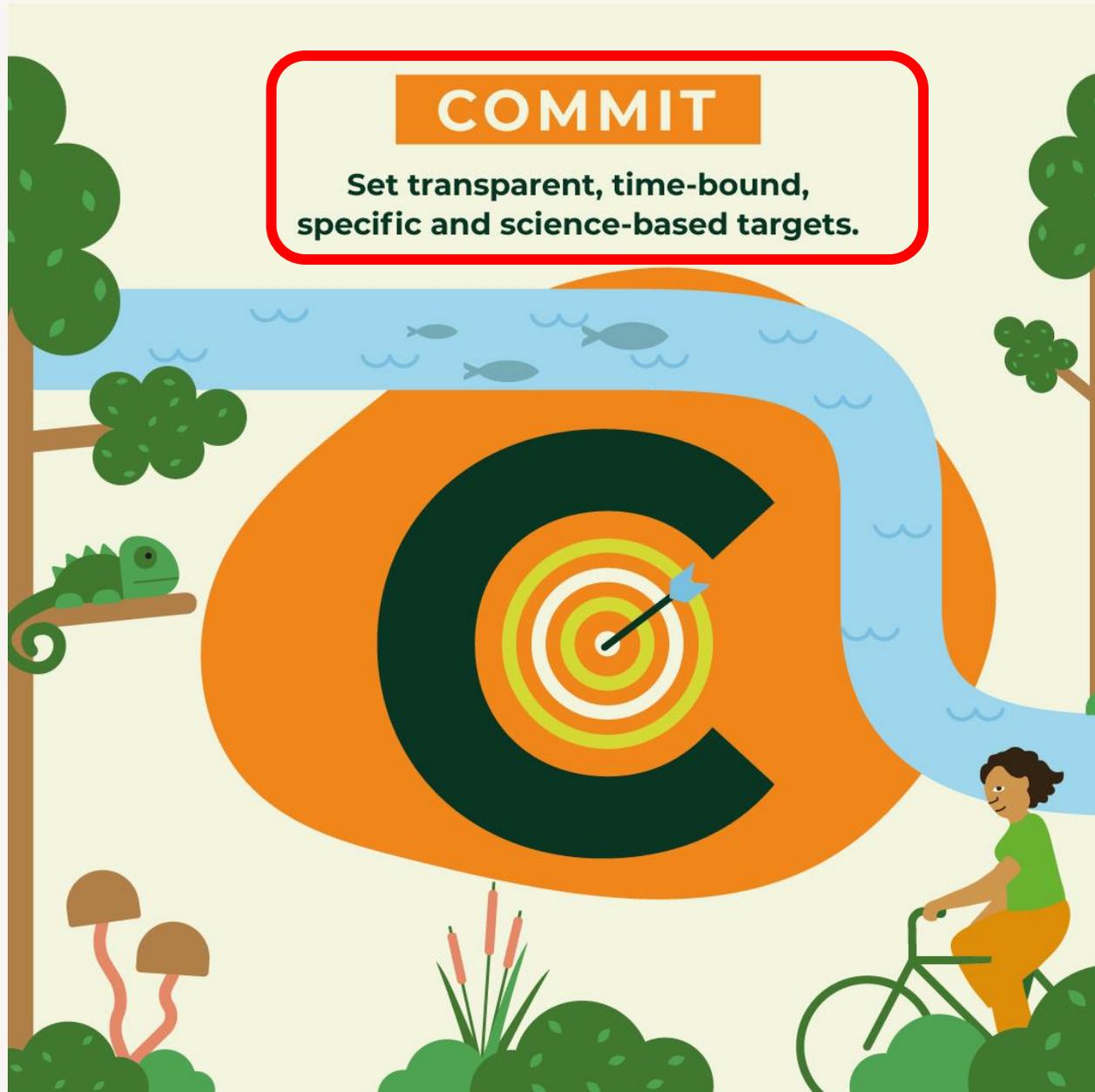


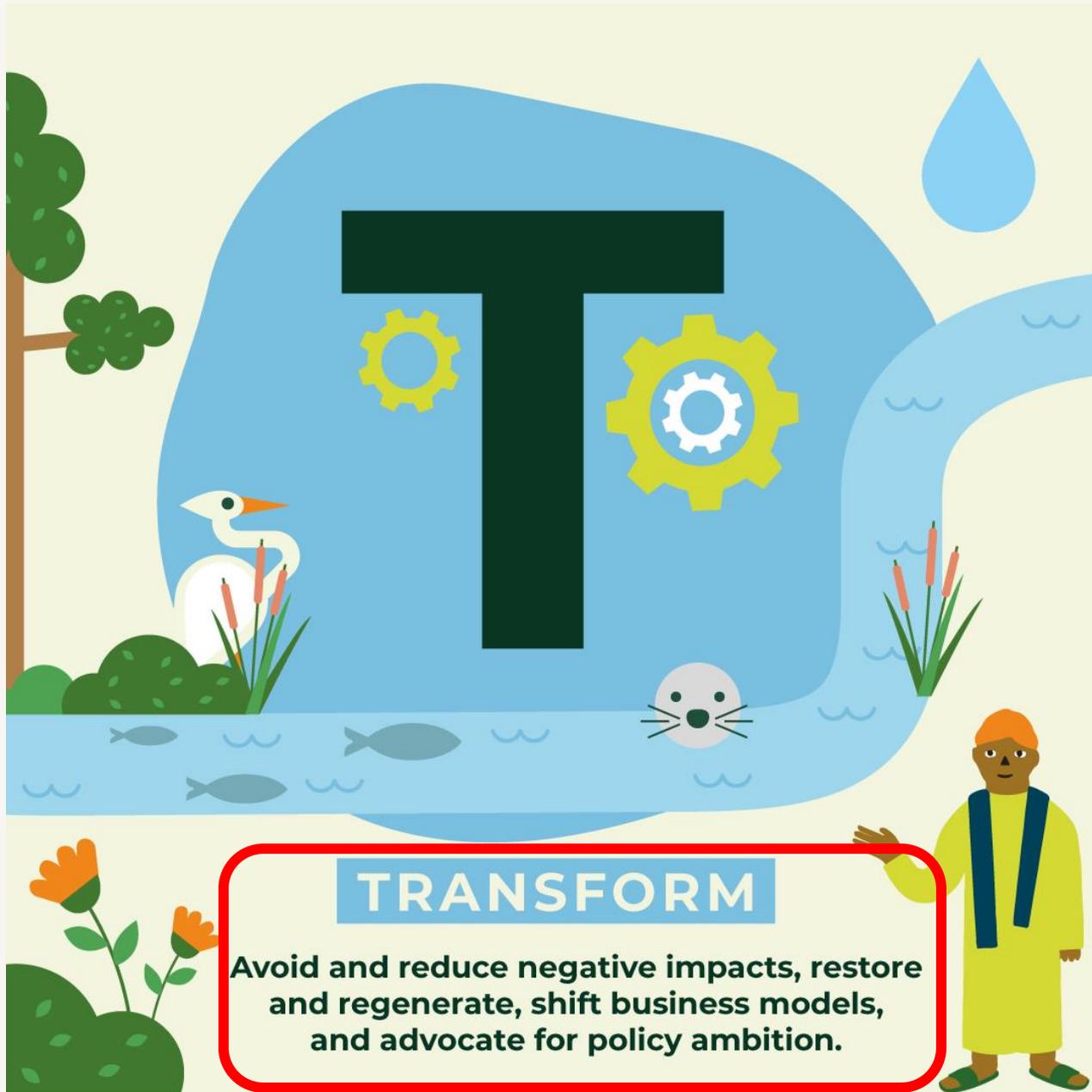
ASSESS

Measure, value and prioritize your
impacts and dependencies on nature

COMMIT

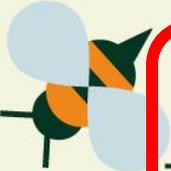
Set transparent, time-bound,
specific and science-based targets.





TRANSFORM

Avoid and reduce negative impacts, restore and regenerate, shift business models, and advocate for policy ambition.

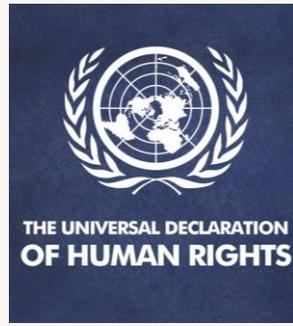


DISCLOSE

Track performance and prepare to report material nature-related information.



Starter Pack: International Goals



1948

Earth Summit
Rio Declaration



1992



2000 &
2015



Paris Agreement & SBTi
Climate goal: 1.5°

2015

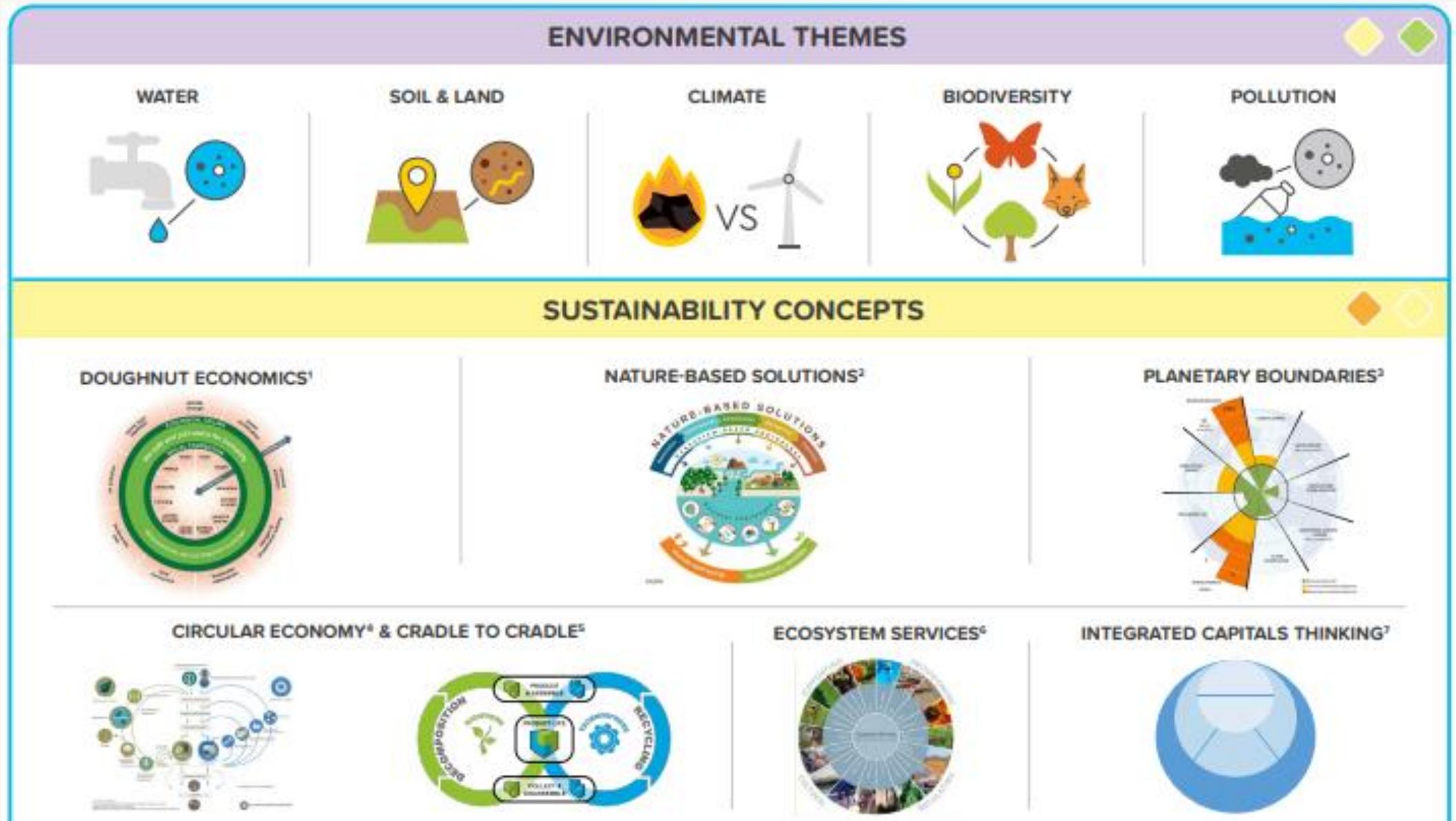


Global
Biodiversity
Framework

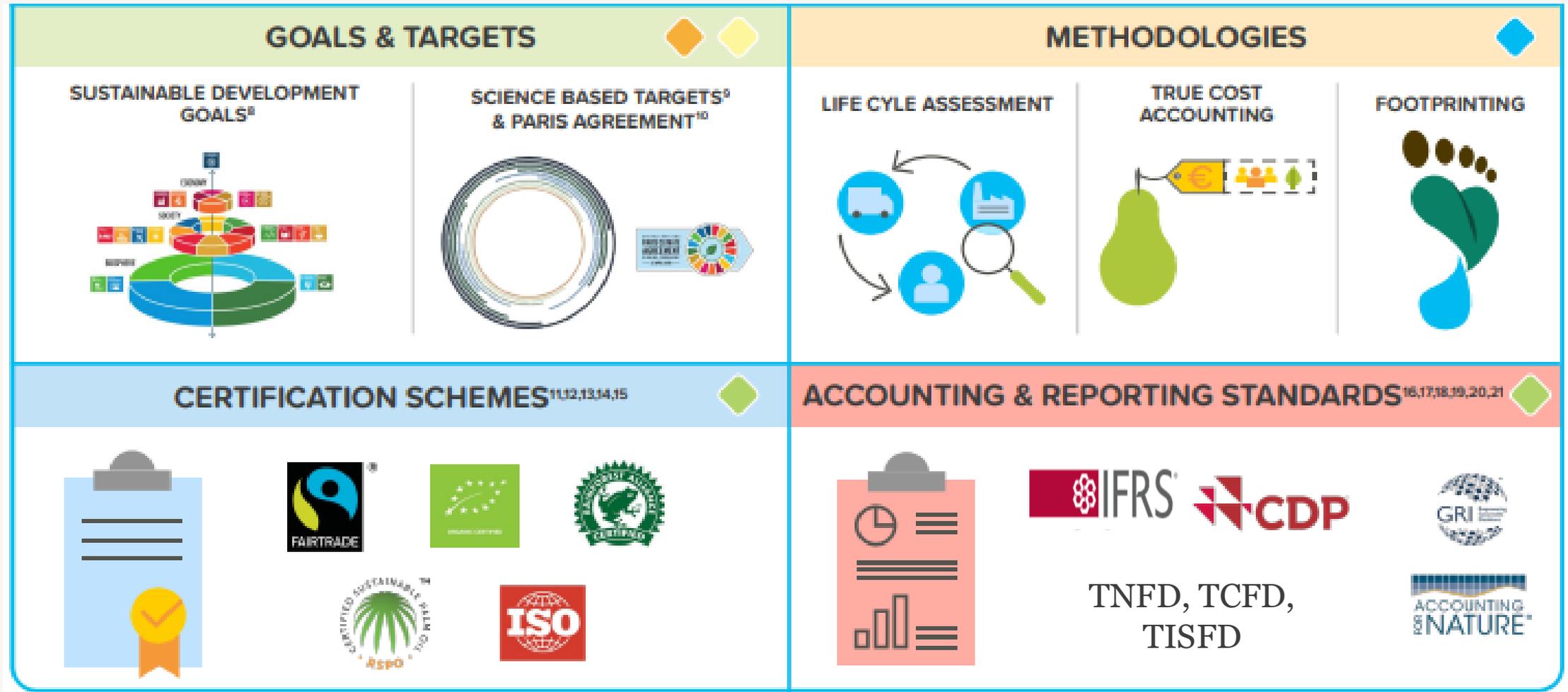
2022

SCIENCE
BASED
TARGETS

Natural Capital Entry Points - 1



Natural Capital Entry Points - 2



For a deep dive in each element, please read [the Entry Point to Natural Capital Thinking](#)



Module 1

Chapter 1.2

What is Natural capital?

What is the Capitals Approach?

- ❖ **Capitals are productive sources of value**

This is not limited to financial value, it is everything that makes life worthwhile

- ❖ **Focus on stocks and flows**

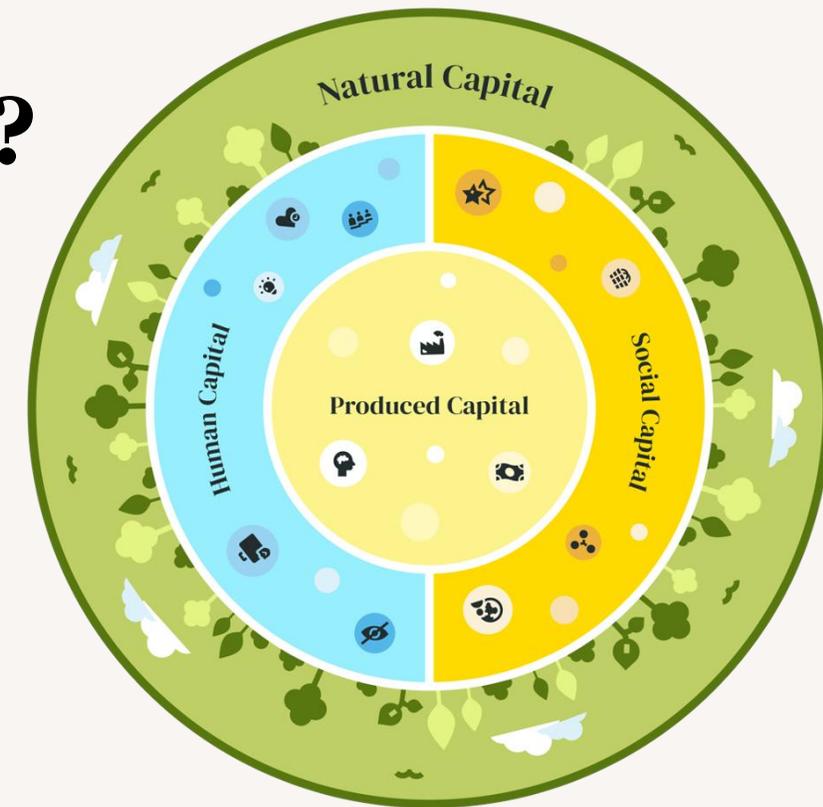
The ability to provide benefits *now and into the future*

- ❖ **Look at dependencies as well as impacts**

How does your business rely on these productive sources? This is more than compliance, when you change your lens you see that opportunities await.

- ❖ **Understand multiple types of value : value is more than the exchange or monetary value**

We value much more than which can be bought, capturing the value not usually accounted for in decision making can lead to better outcomes



What is the Capitals Approach?

The Coalition uses four types of value

- Produced
- Human
- Social
- and Natural



Natural capital definition



The stock of renewable and non-renewable natural resources that combine to yield a flow of benefits to people.

Natural capital stocks and flows

Natural capital is a **stock** of an asset that combines to yield a **flow** of benefits or services to people. When invested in and managed responsibly, the asset creates **value**.

Natural capital

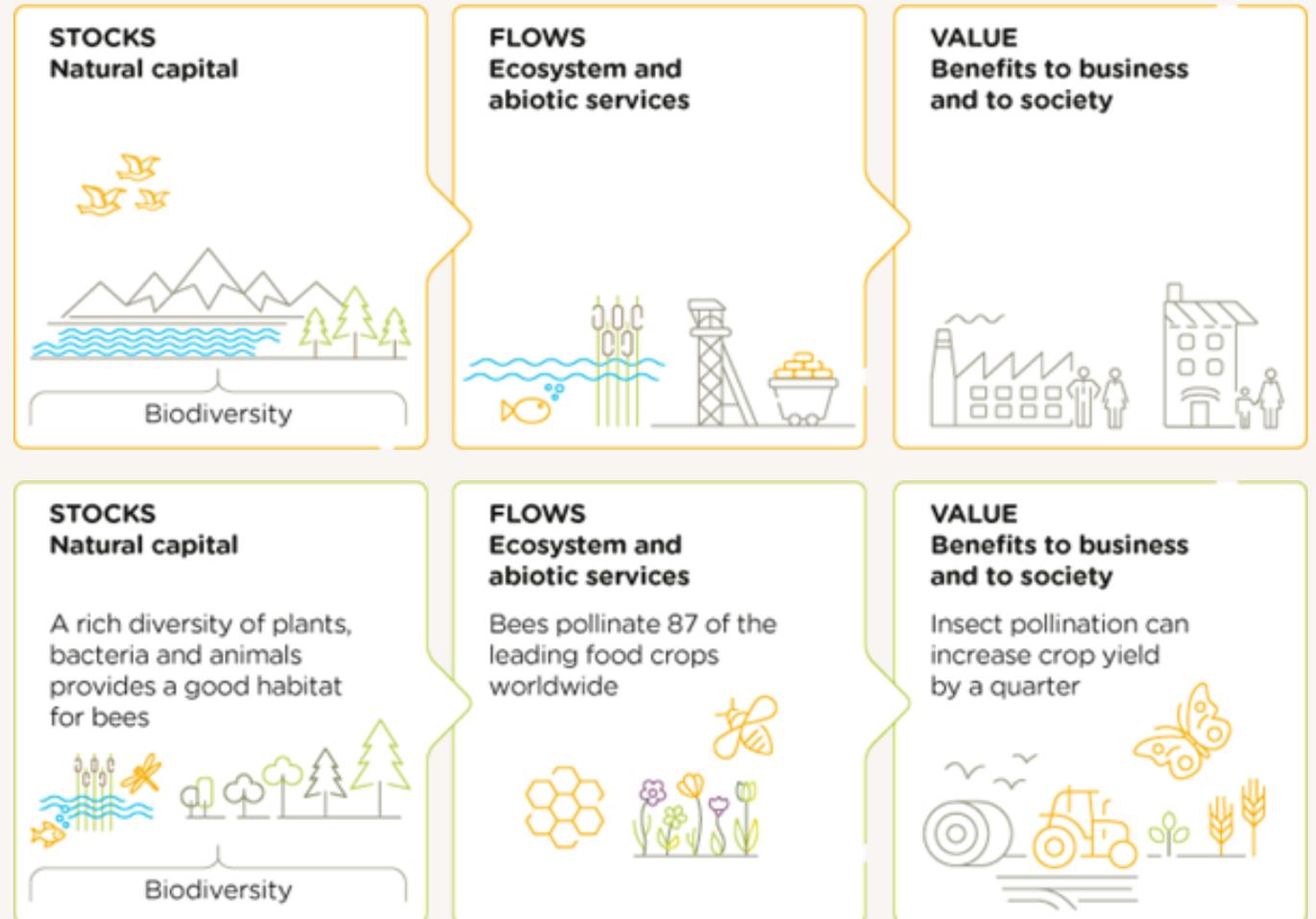
❖ Air

❖ Water

❖ Land & soil

❖ Biodiversity

Example of bees



What is Value?

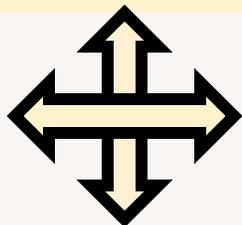
«The estimation of the relative importance, worth or usefulness of something to people or to business in a particular context ».

Value is subjective

Whilst in financial accounting terms valuation is understood to mean monetization, values can come in a variety of forms, many of which are intangible (e.g. intrinsic value)

Value can be **positive, negative**, expressed in **qualitative, quantitative or monetary** terms. Value can be associated with costs and benefits

Qualitative



Quantitative

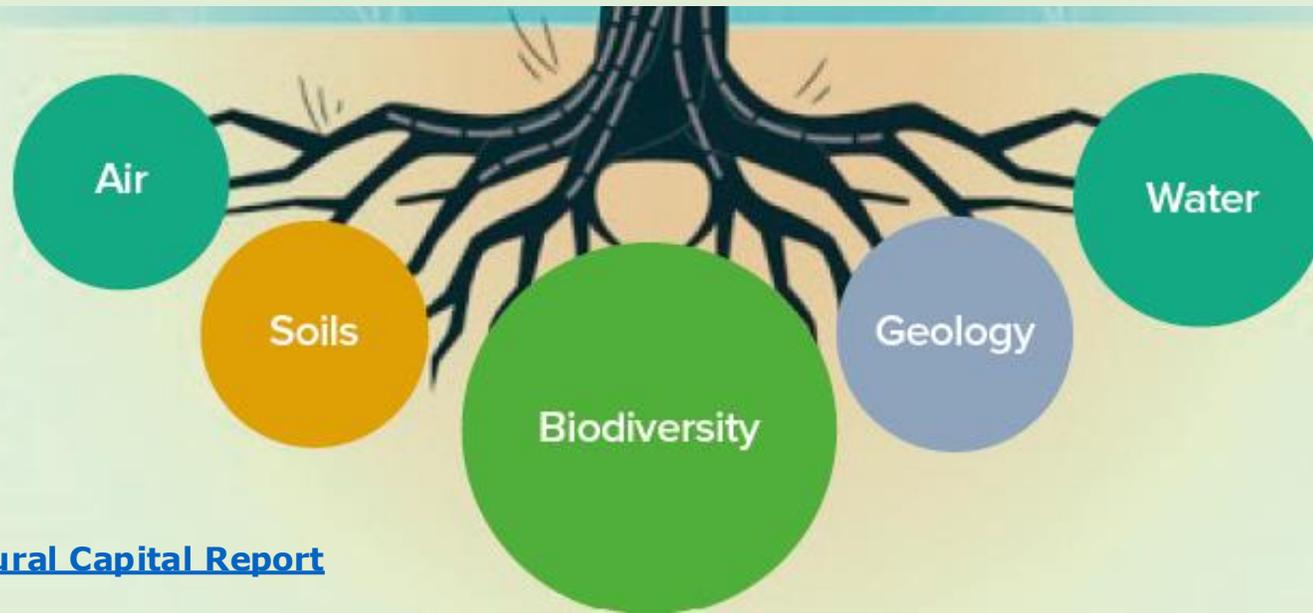


Monetary





Natural capital's stocks (the roots) provide flows of services (the sap of the trees) which combined deliver value and benefits to people (the leaves)



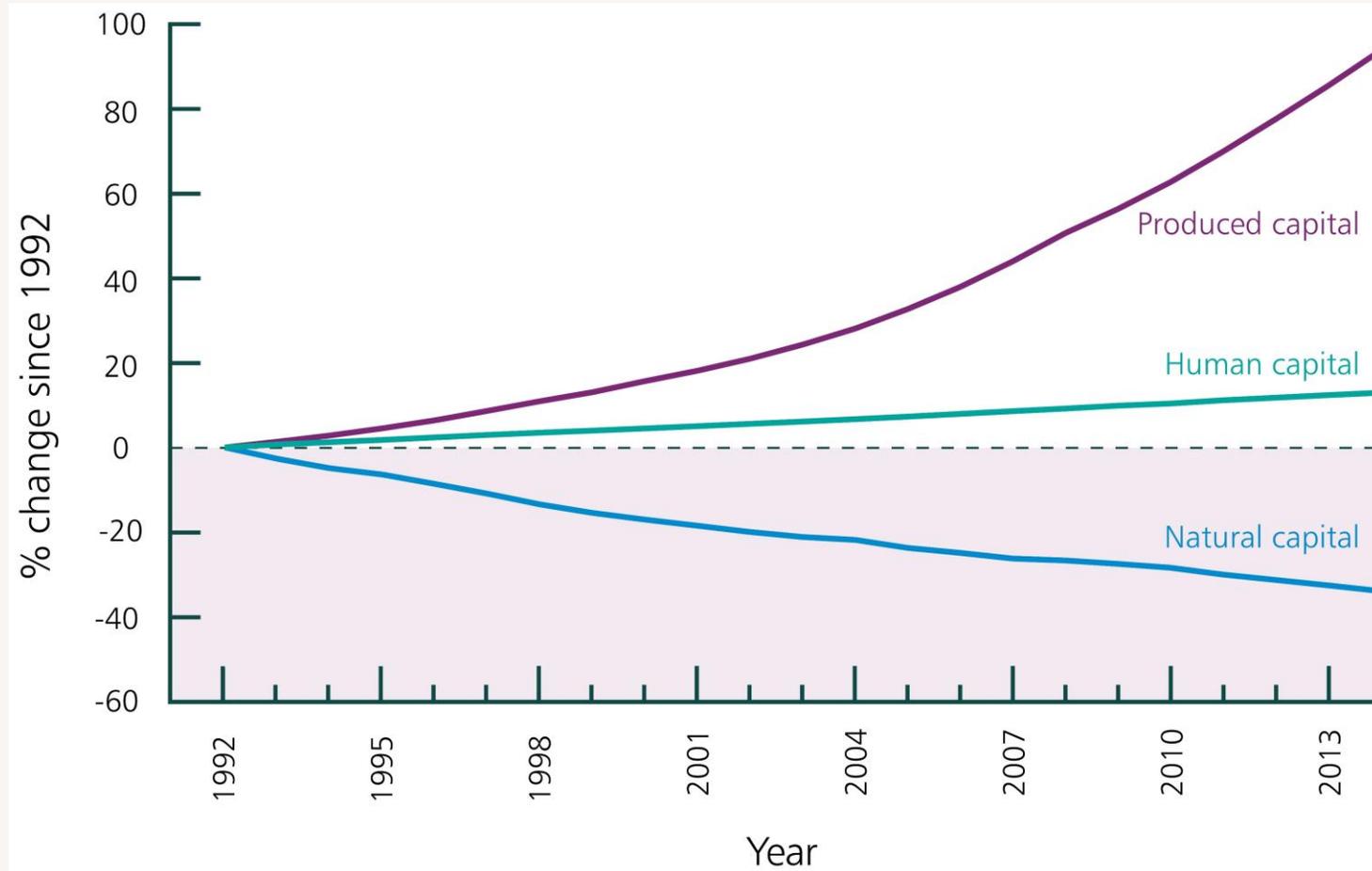


Module 1

Chapter 1.3

Planetary and social boundaries & national context

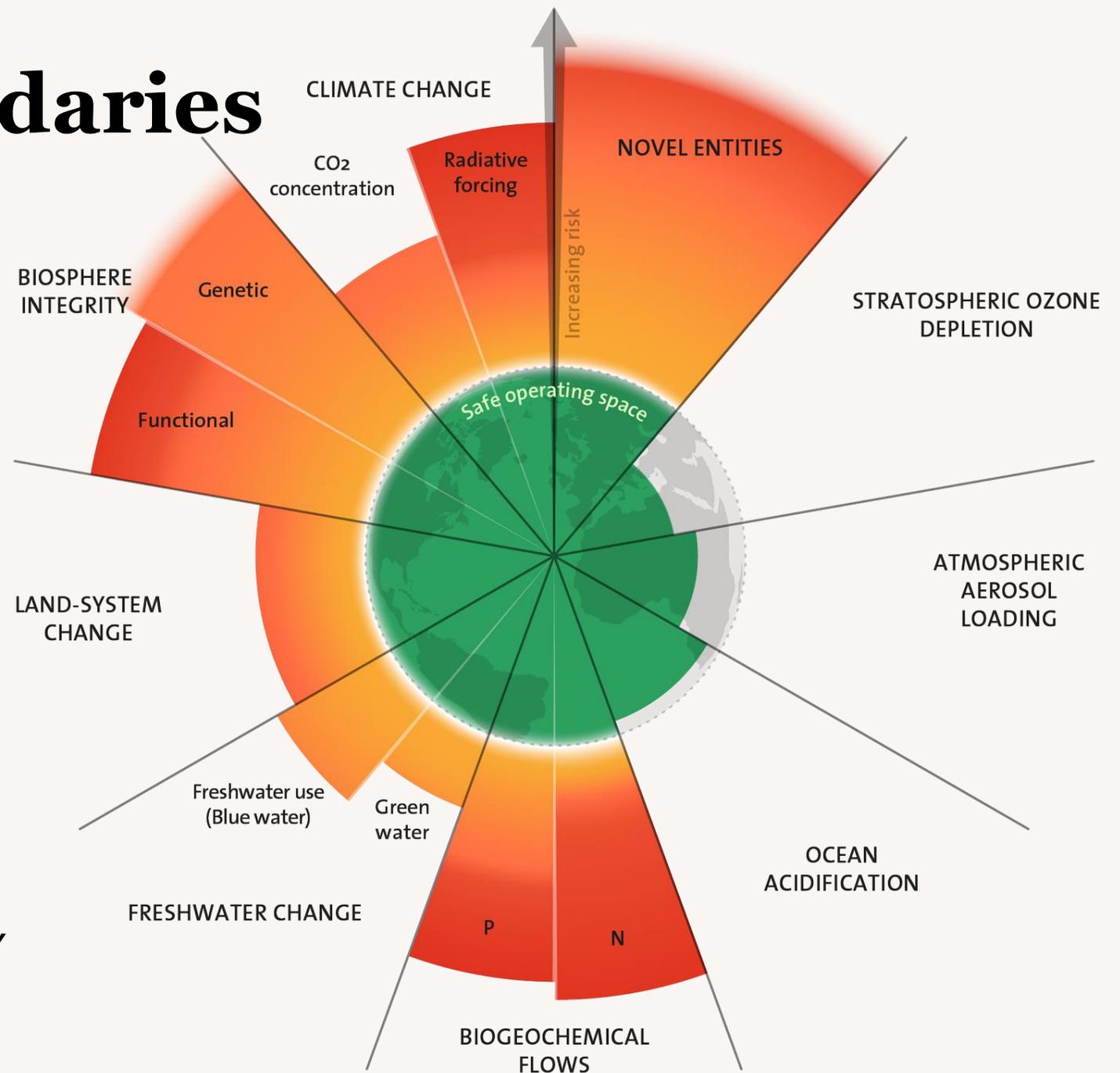
Erosion of nature is a fact



“There is no business on a dead planet”

[Source: The Economics of Biodiversity: The Dasgupta Review, 2021](#)

Planetary boundaries

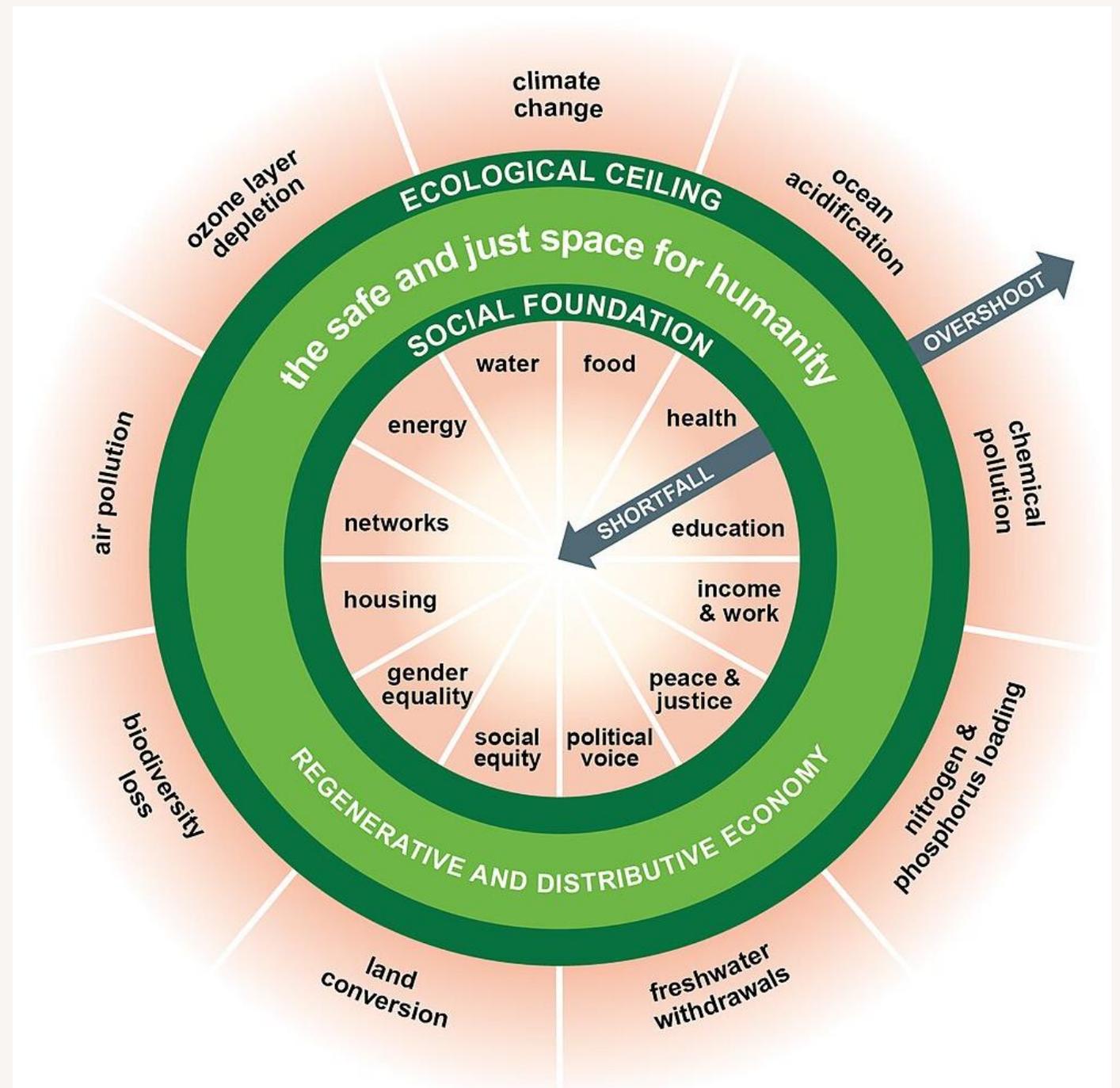


*Source: Stockholm Resilience Centre,
based on Richardson et al 2023*

Doughnut Economics

Planetary & social boundaries

Source: Kate Raworth



Questions?



Reactions?

SHORT BREAK

5 minutes





Module 1

Chapter 1.4

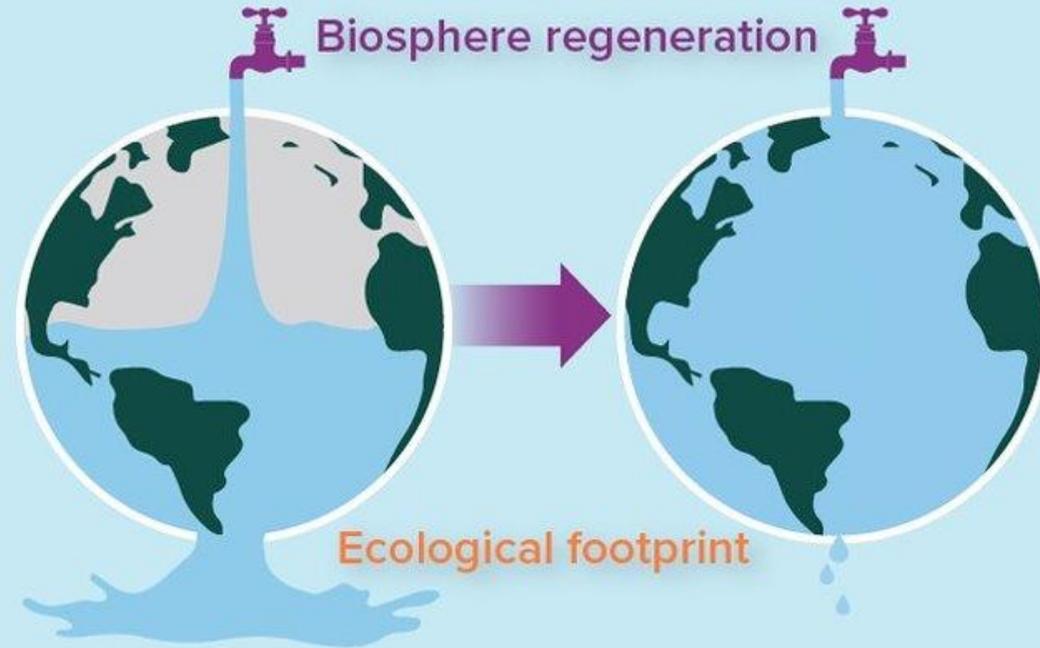
The case for business transformation



Where value lies –
**making the
invisible, visible,** in
decisions

The Solution: Preserve and create value

Sustainability means supporting Nature's regeneration and reducing our demands on it.



Source: The Economics of Biodiversity: The Dasgupta Review (Dasgupta, 2021)

Potential benefits of a 'Natural Capital Assessment'

- Inform **business core strategy**
- Support companies in achieving **sustainability goals**
- Improve **disclosure and reporting** to shareholders and investors
- Inform **investment priorities** based on the rate of return of natural capital
- Enhance **accounting practices** to embed natural capital assets in balance sheets
- Improve **risks management**



Business applications for better decisions

Real example are available on the [case-studies database](#)



Evaluate impacts & dependencies
assess **risks** and **opportunities**



Compare options and transform outcomes



Estimate total/net impact values and commit to targets



Assess impact on **stakeholders**

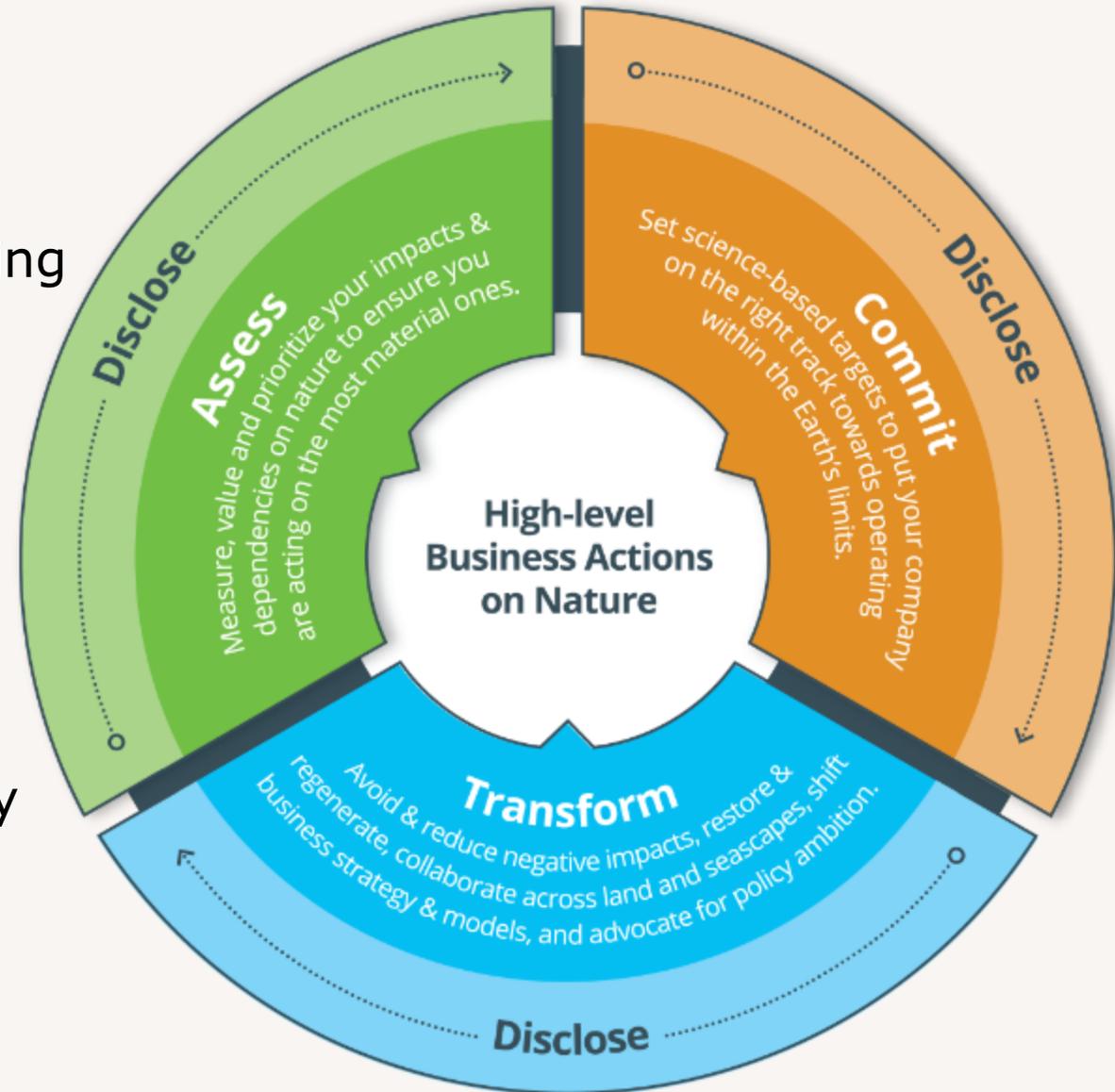


Internal and/or external **communication & reporting**

Transform in ACT-D

Contribute to systems transformation

1. **Avoid and reduce** negative impacts
2. **Restore and regenerate** ecosystems including forests, soils, freshwater environments and invest in nature-based solution
3. **Shift business strategy and model** to be “net-positive” and to “give back more than you take”
4. **Collaborate with your value-chain** and key stakeholders
5. **Advocate for policy ambition**



Business cases data base

https://capitalscoalition.org/wp-content/uploads/2023/11/ACT-D_CaseStudies_Mar-8_Full.pdf

<https://capitalscoalition.org/impact/case-studies/>

IMPACT

Case Studies

The case study database provides an overview of capitals assessments that have been carried out by organizations in the capitals community. Assessments are categorized and can be filtered using the 'filter by' and the search functions.

Cases can be submitted by clicking on the button below.

[SUBMIT A CASE STUDY](#)



Business maturity level

Where are you?

2. If you are developing, you are willing to improve the current strategy and enhance the quality of existing natural capital assessment processes.

1. If you are on first steps, you are willing to **engage internally** with colleagues and directors to **start a materiality assessment** to inform strategy

0. If you are just starting, you are willing to drive **internal reflections** on natural capital and have conversations about what a materiality assessments of impacts and dependencies could look like.



4. Comprehensive

“Natural capital is fully intergrated into business decision making and we’re adding value to society and nature”

3. Maturing

“Business decision-making frameworks are influenced by natural capital assessments.”

2. Developing

“We have completed a natural capital assessment”

1. First steps

“We’re aware of natural capital and interested to learn more.”

0. Just starting

“We haven’t engaged with natural capital yet.”

Poll activity



❖ Where do you see yourself on the maturity level?

0. Just starting
1. First steps
2. Developing

❖ Why are you here?

Access: www.menti.com

Code: 1756 4859





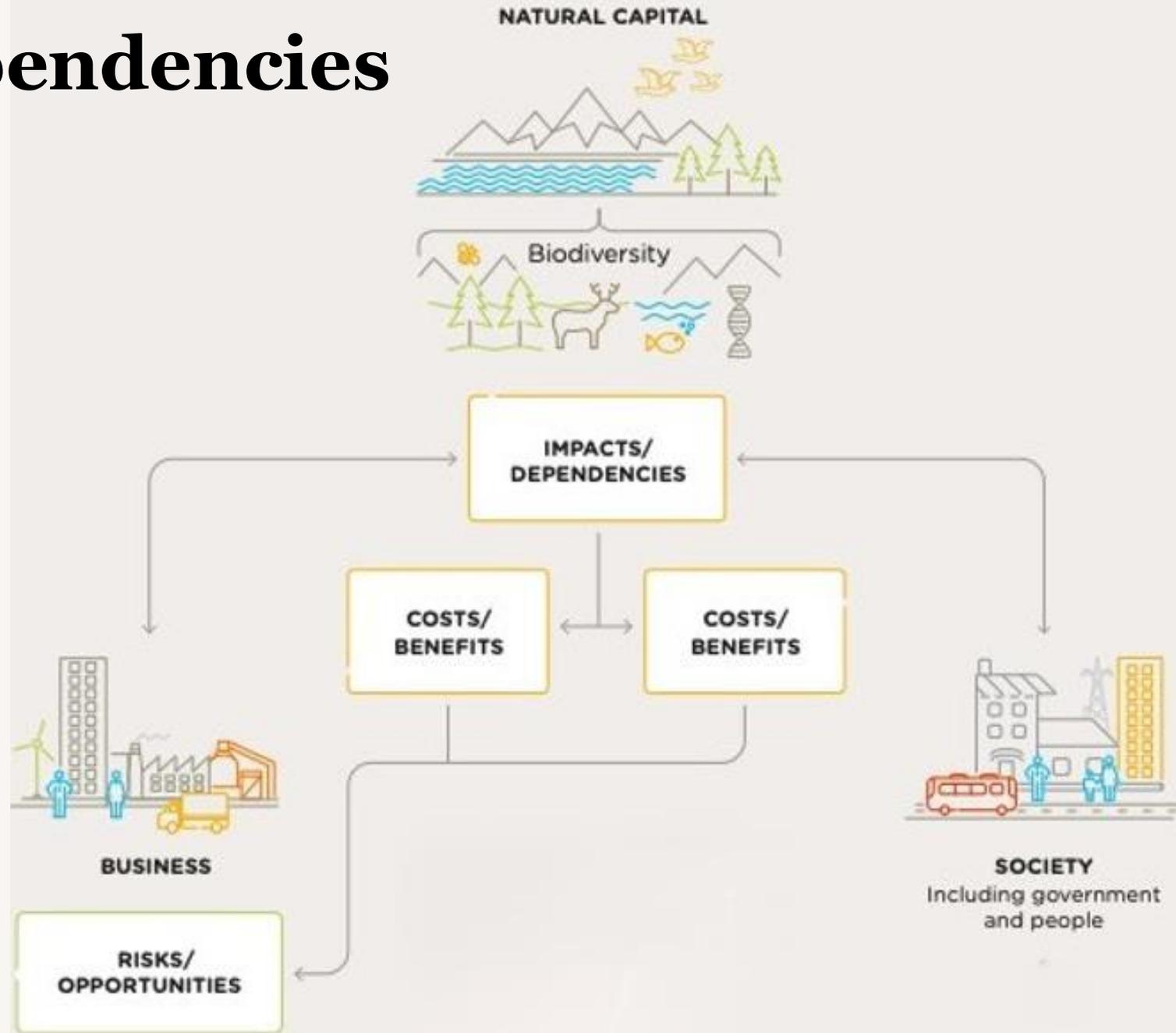
Module 1

Chapter 1.5

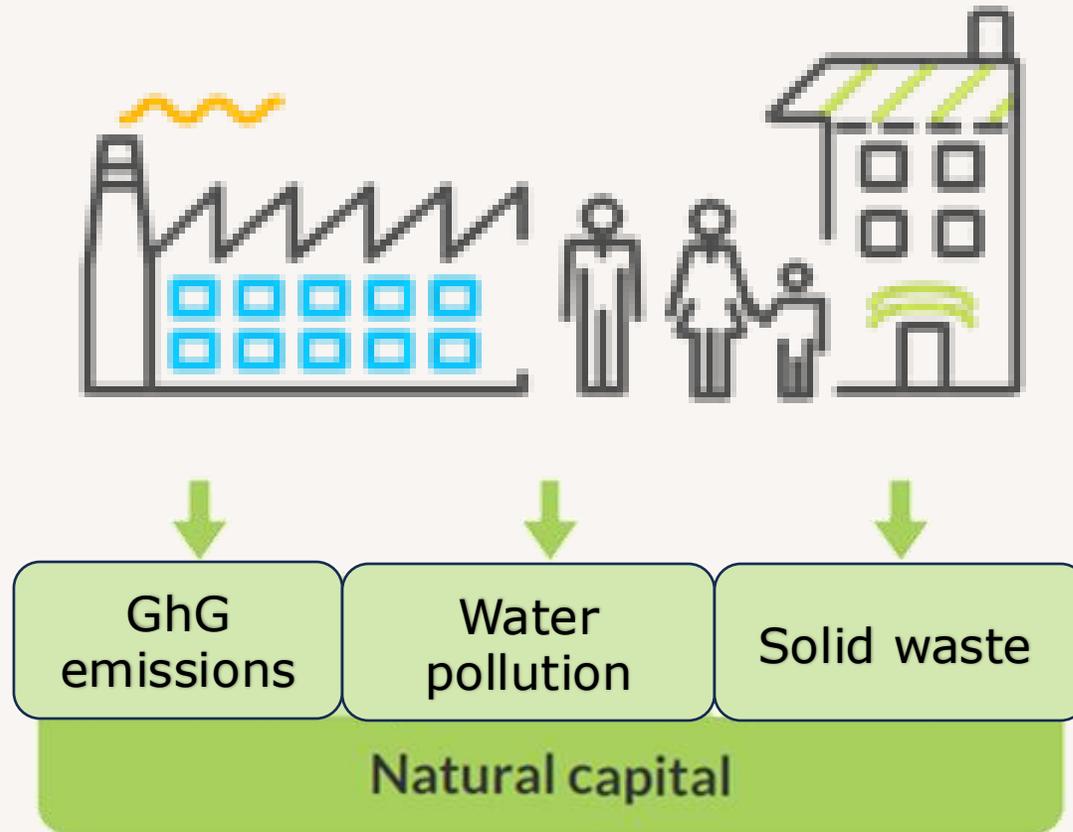
Impacts & Dependencies

Impacts and Dependencies

- ❖ Every business **impacts and depends** in some way on **natural capital**.
- ❖ These impacts and dependencies create **costs and benefits** for business and society.
- ❖ Those **costs/benefits** create **risks/opportunities** for businesses as a correlated effect.



Examples of **negative** business impacts on Nature

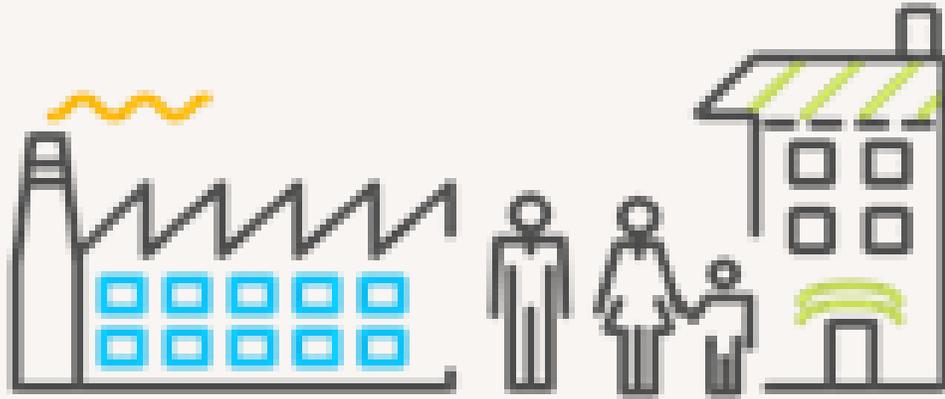


- Negative impacts can create risks for the business itself.

It also represents a decrease in Natural Capital value and a cost to society.

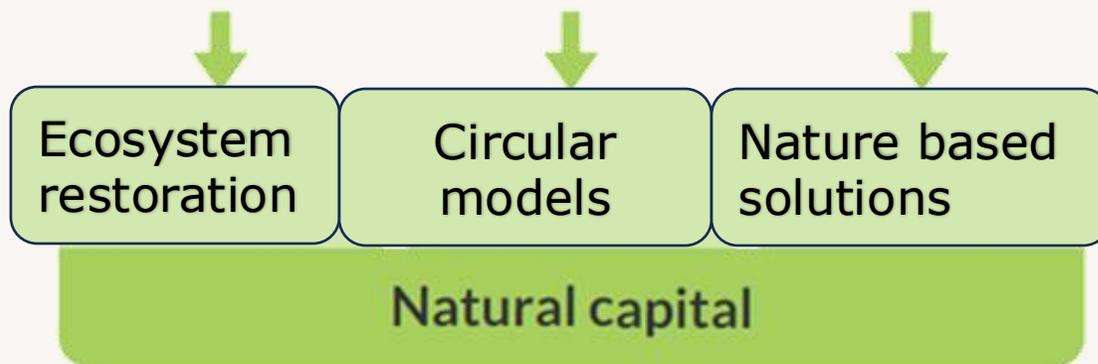
Note: a reduction of negative impacts is already a first step to nature positive path.

Examples of **positive** business impacts on Nature



Positive impacts can create opportunities for the business itself.

It can also represent an increase in Natural Capital and a benefit to society.

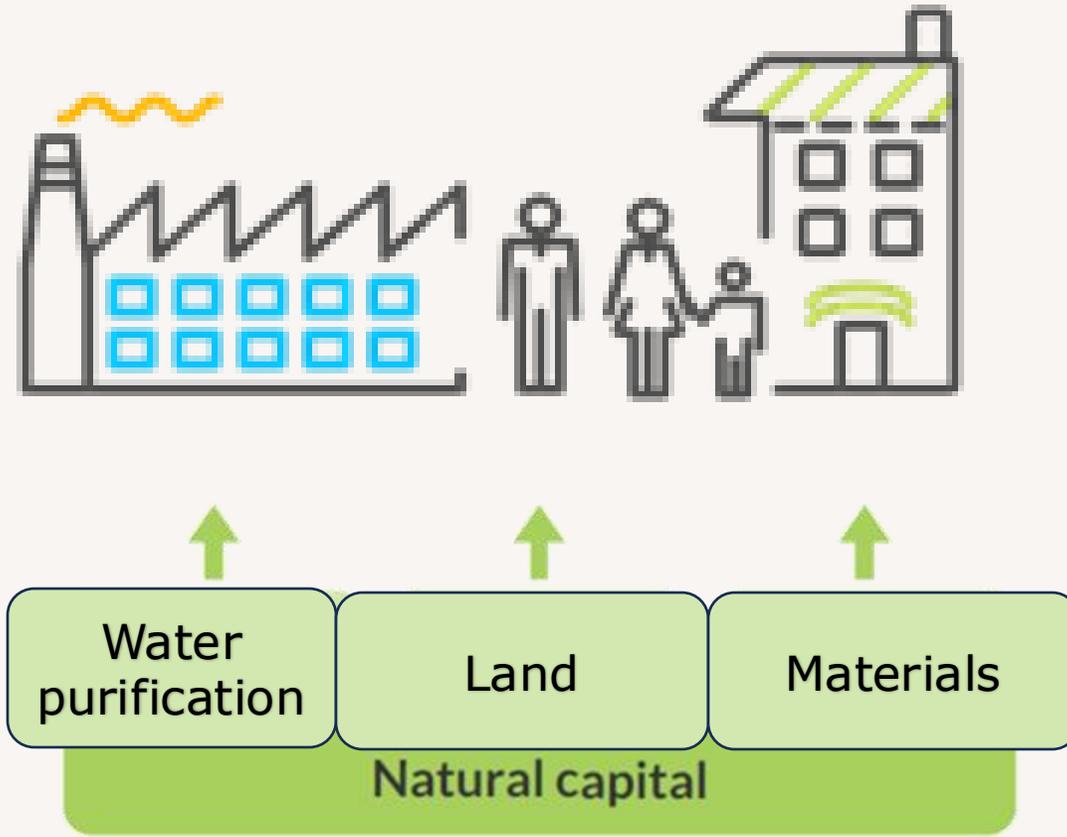


Activities that generate impacts on nature

Greenhouse Gas Emissions	<input type="checkbox"/>
Emission of non-Greenhouse Gas air pollutants	<input type="checkbox"/>
Water use (quantity)	<input type="checkbox"/>
Water pollution (quality)	<input type="checkbox"/>
Terrestrial ecosystem use	<input type="checkbox"/>
Marine and coastal ecosystem use	<input type="checkbox"/>
Biodiversity population & species	<input type="checkbox"/>
Introduction of invasive species	<input type="checkbox"/>
Noise and light disturbance	<input type="checkbox"/>
Land use	<input type="checkbox"/>
Emission of pollutants to soil (quality)	<input type="checkbox"/>
Material use, biotic and abiotic resource (ex :fish or mineral)	<input type="checkbox"/>
Waste generation	<input type="checkbox"/>
Other:	



Examples of business dependencies on Nature



Business dependencies need to be managed.

In case of disruption in the supply chain, any change in dependencies could have significant negative consequences for the company.

That's why it's paramount to ensure the long-term preservation of location with nature, upon which businesses rely.

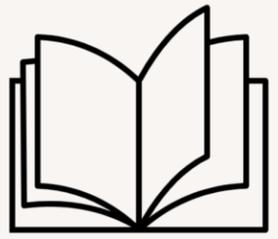
Business dependencies on nature's services

- Water supply
- Water purification
- Rainfall patterns regulation
- Soil quality
- Pollination and pest control
- Genetic material
- Land
- Energy
- Climate regulation
- Aesthetic landscapes
- Cultural importance of location

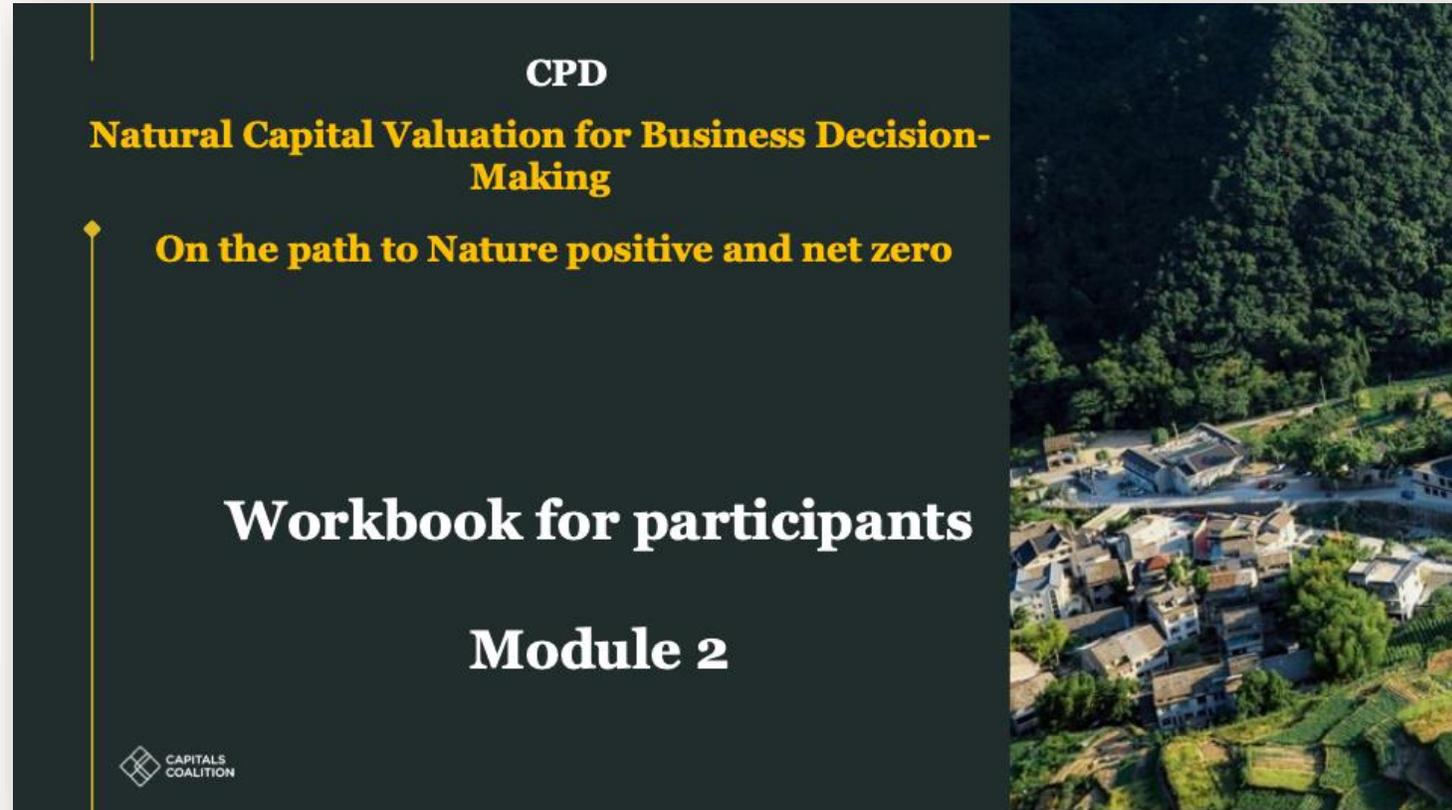
Other:



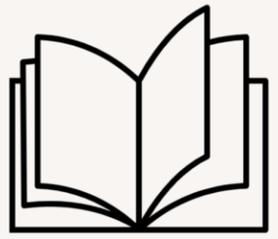
Introducing the workbook



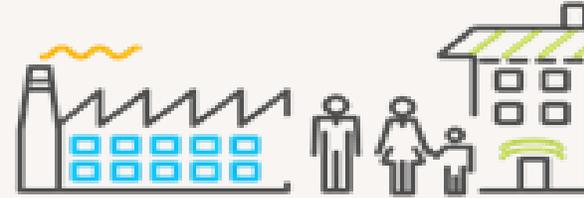
- ❖ The workbook is a slide deck delivered to every participant
- ❖ Includes all exercises of the modules, so that participants can fill their own workbooks while discussing
- ❖ Contains all homework exercises and templates



Exercise 1: reflect on impacts & dependencies

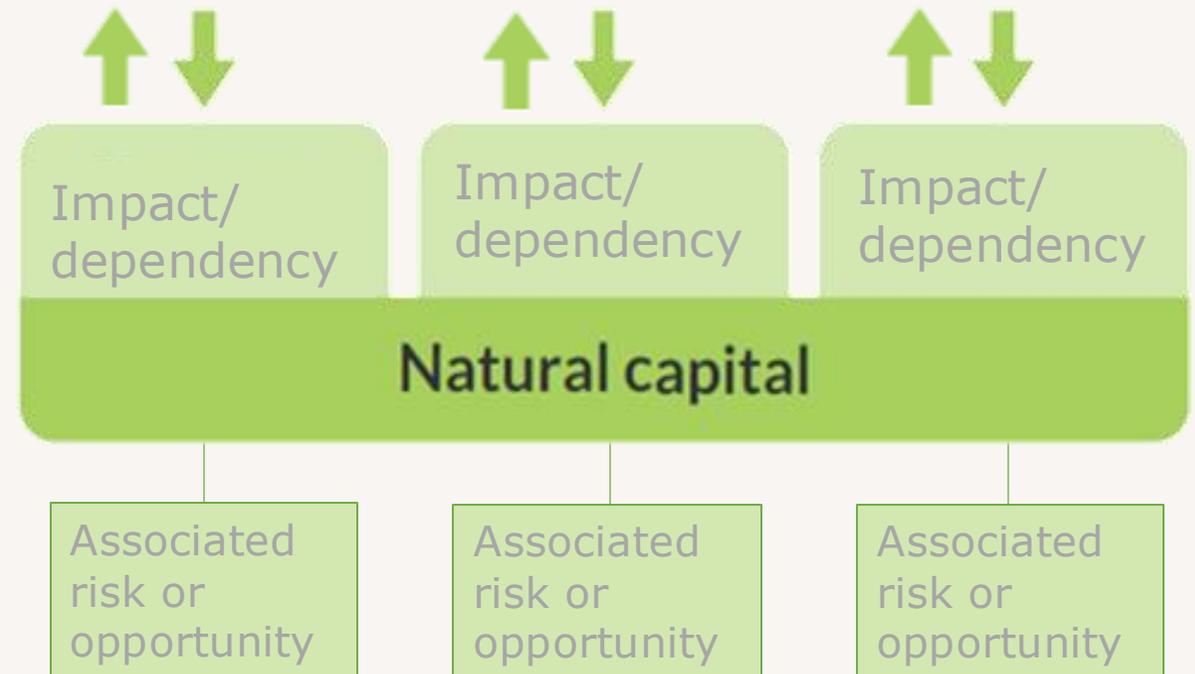


In the breakout room, reflect on the impacts and dependencies from your business activities and share:



1. impacts and dependencies that business has and which may be relevant to the company and stakeholders. List at least 3 impacts/dependencies

2. potential risks and opportunities from those impacts & dependencies. List at least one risks or one opportunity for each impact/dependency identified





Module 1

Chapter 1.6

Risks and opportunities

Global risks - World Economic Forum

Ranked by severity over the short & long term

Risk categories

- Economic
- Environmental
- Geopolitical
- Societal
- Technological

2 years



10 years



https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2024.pdf

Risks and Opportunities

Nature state implies **risks and opportunities** for businesses. Those are becoming increasingly visible, and **businesses need a way to understand and manage them.**

Operational

Risk: Increasing cost of scarce resources

Opportunity: Investment in resource or ecosystem service creation

Reputational & marketing

Opportunity: Better sales due to certification for sustainable practices

Risk: Loss of social license to operate

Societal

Risk: Negative health impacts on local communities

Opportunity: Positive health impacts on local communities

Risks and Opportunities

Legal and regulatory

Opportunity:
Competitive advantage over future legislation

Risk: Potential future litigation risk

Financing

Opportunity:
Improved access to funding due to business's nature strategy

Risk: Climate or nature risks make insurance or financing more expensive or difficult

**Any questions
about everything
we have discussed
so far?**





Module 1

Chapter 1.7

Objective setting

Business example of objective & results



Objective: Evaluate the human and ecological cost of water use per kilogram of seed cotton. It's an option comparison between Better Cotton principle and conventional practices.

Results: Results show that they reduced by 49% the damage to human health and ecosystem quality using Better Cotton principle.



Objective: Effectively communicate the uniqueness and positive impacts of its business model on nature & people.

Results: Compared to conventional practices, they :

- 10% decrease in food loss
- 18% reduction in production cost
- 7.5% increase in farmers' income levels
- 14% reduction in production cost due to less chemical inputs

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



Why? Objective setting for an assessment

Specific a targeted objective will give focus to your assessment

Measurable measuring changes in natural capital and their impacts and dependencies

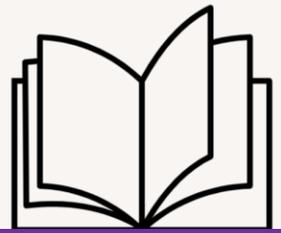
Attainable be realistic with what you can assess given the resources available

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



Exercise 2: set a potential objective



1. Assess which **business applications** would be pertinent to your business

2. Consider **impacts and dependencies** that your business has perhaps not considered before, but which may be relevant to your company and stakeholders.

3. Consider potential **risks and opportunities** from those impacts & dependencies

4. What could be the **anticipated benefits of a case?** Think about how better information on nature could be relevant to your company's decision-making processes.

5. Define who are the **target audience** (decisions-makers) and who should be consulted (stakeholders)

6. Start conversation internally to frame a **potential objective** and **business case**

Exercise 2: set a potential objective



Reflect on business application and circle the potential one:

1. Which **business application(s)** would be pertinent for your business?



Evaluate **impacts** & dependencies
assess **risks and opportunities**



Compare **options** and transform outcomes



Estimate **total/net impact values** and commit to targets



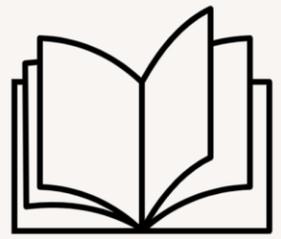
Assess impact on **stakeholders**



Internal and/or external **communication & reporting**

5'

Exercise 2: set a potential objective



1. Assess which **business applications** would be pertinent to your business

2. Consider **impacts and dependencies** that your business has perhaps not considered before, but which may be relevant to your company and stakeholders.

3. Consider potential **risks and opportunities** from those impacts & dependencies

4. What could be the **anticipated benefits of a case?** Think about how better information on nature could be relevant to your company's decision-making processes.

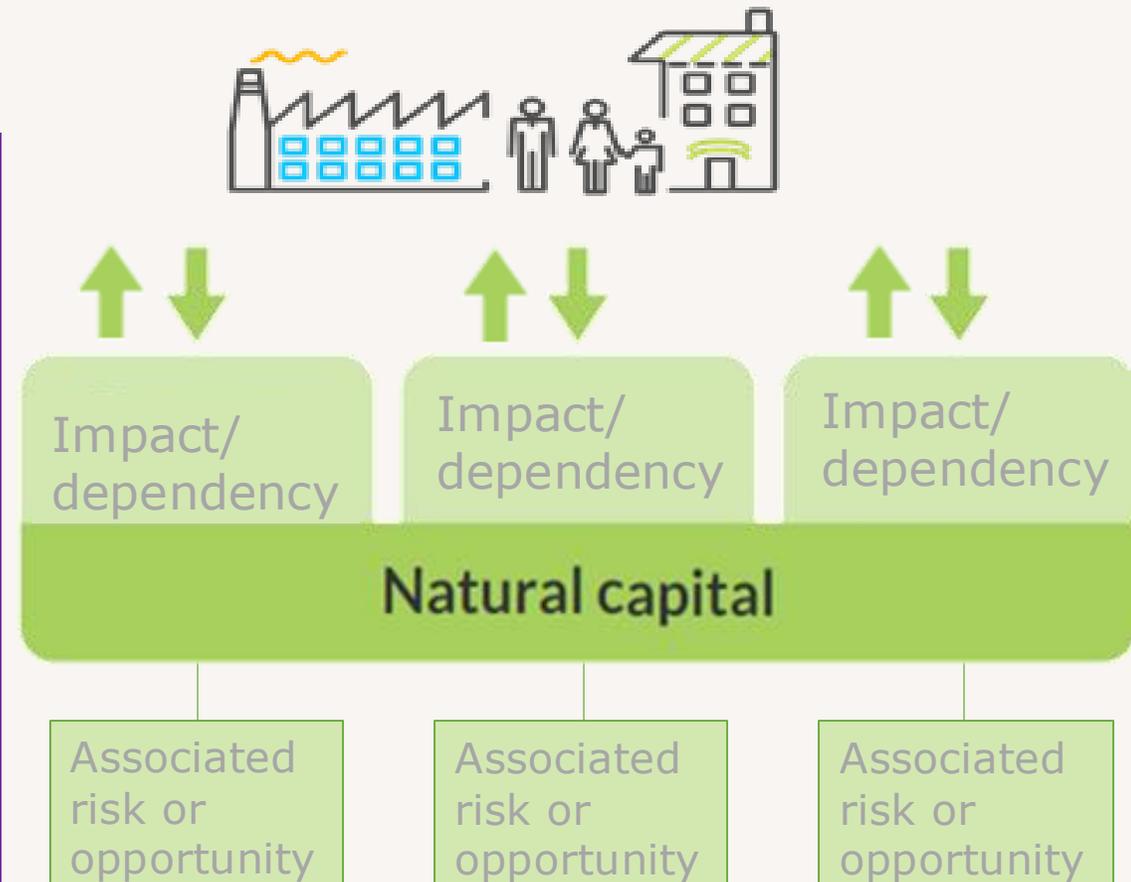
5. Define who are the **target audience** (decisions-makers) and who should be consulted (stakeholders)

6. Start conversation internally to frame a **potential objective** and **business case**

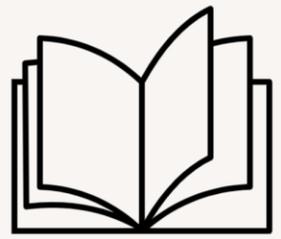
Exercise 2: set a potential objective

From exercise 1, bring pack the list of:

- 2. Impacts and dependencies** that your business has perhaps not considered before, but which may be relevant to your company and stakeholders.
- 3. Consider potential risks and opportunities** from those impacts & dependencies



Exercise 2: set a potential objective



1. Assess which **business applications** would be pertinent to your business
2. Consider **impacts and dependencies** that your business has perhaps not considered before, but which may be relevant to your company and stakeholders.
3. Consider potential **risks and opportunities** from those impacts & dependencies
4. What could be the **anticipated benefits of a case?** Think about how better information on nature could be relevant to your company's decision-making processes.
5. Define who are the **target audience** (decisions-makers) and who should be consulted (stakeholders)
6. Start conversation internally to frame a **potential objective** and **business case**

Exercise 2: set a potential objective

15'

Continue reflecting and writing on:

4. What could be the **anticipated benefits of a case?**
5. Define who could be the **target audience** and who could be consulted (**stakeholders**)
6. Start a conversation internally to frame a **potential objective** and a **business case**

Potential objective	Business application	Anticipated benefit	Target audience	Stakeholders
Write a potential assessment objective	What would be a good business application?	Details benefits of an assessment	Who will use the assessment results and make final decisions?	Who you can consult and who will be affected by the assessment?
X				



Module 1

Chapter 1.8

Summary of the key messages

Key highlights



- ❖ **Nature loss, climate change and rising inequality are major challenges.** The planet and societies have boundaries, that if overshoot, represent serious risks. Business can play a positive role by including natural capital in their decisions.
- ❖ A Natural capital approach is **a solution to preserve and create** environmental, business and society values. It focuses on **impacts and dependencies** and how those translate into **risks and opportunities**, then **costs and benefits**.
- ❖ An assessment can inform **business's strategy, support sustainability goals**, improve communication, accounting practices and investments among others.
- ❖ The first step is to define an **appropriate objective**, taking into account potential business case, impacts, dependencies, risks, opportunities, target audience, stakeholders and potential benefits of the assessment.

Learning objective fulfilled



Now, you can:

- Explain the **key concepts of natural capital**, stocks and flows, **impacts and dependencies**, risks and opportunities.
- Talk about the challenges and the **solutions to preserve value** for nature, people and business.
- Help learners **set an appropriate objective** for natural capital assessment.
- Present potential **business applications** and **the business case** for natural capital assessment.



**What will you take with
you from today's session?**

Open discussion



**Thank you for your
participation**

See you in **module 2**

6 February at 2 pm



**CAPITALS
COALITION**