wbcsd

NATURAL CAPITAL COALITION

Natural Capital Protocol Toolkit
Concept Note: to support initial scoping discussions

Version July 2016

1. Background and Rationale

The Natural Capital Protocol is a standardized framework for business to measure and value its impacts and dependencies on natural capital. The Protocol is a product of the Natural Capital Coalition, and has been developed by WBCSD and many experts in the field.

The Protocol is supported by accompanying Sector Guides, which provide context-specific guidance relating to particular value chains. These are currently being developed for the Food and Beverage, and Apparel sectors.

The Protocol and two Sector Guides will be launched in July 2016.

The Protocol and Sector Guides are a response to the growing wealth of tools, methodologies and approaches that are increasingly available to businesses interested in natural capital. It is into this busy space that the Protocol and Sector Guides offer clarity and structure to business natural capital assessments by providing one generally accepted, universally applicable framework, which is relevant and flexible to all sectors and geographies.

Already, the Protocol and Sector Guides are making natural capital measurement and valuation more accessible to business. It is therefore a positive indication of future uptake that business is audibly requesting additional information on how their existing practices and approaches might link into a Natural Capital Protocol assessment, as well as an introduction to other tools that may complement an assessment in the future.

2. Aim of the Project

The 'Toolkit' project aims to complement, and facilitate business uptake of, the Natural Capital Protocol and Sector Guides by consolidating the wealth of tools available for natural capital measurement and valuation.

It will place existing tools under the umbrella of the Protocol's international, standardized framework, and link them into a generally accepted process for conducting a natural capital assessment. The Toolkit will be constantly updated, to ensure it stays representative of the fast growing number of tools available.

The Toolkit would provide additional value to businesses working at all levels of natural capital measurement and valuation.

- For many businesses the Protocol will be a first introduction to natural capital measurement and valuation, and who therefore would welcome an initial mapping exercise of the tools available as they embark upon the process.
- Other businesses may have already experimented with some of the tools available, and wish to see how and where these could fit into a Natural Capital Protocol assessment.
- Some businesses may also find that the Protocol has highlighted new areas and scopes of natural capital that they had not previously investigated, and therefore are unfamiliar with the relevant tools.

It will be a user friendly, accessible, 'go-to' source of information that becomes synonymous with Protocol implementation.

3. Links to other work

The Toolkit is a natural progression of the existing WBCSD publication 'Eco4Biz', the Coalition's publication 'Taking Stock', and BSR's latest update of 'Making the Invisible Visible'.

WBCSD's Redefining Value program was established to integrate the measurement and valuation of non-financial capital within corporate decision making, performance management, and reporting. Our vision is that by 2050 business will be measured by its true costs, true profits and true value, such that the most sustainable businesses will also be the most successful.

The Natural Capital Protocol, a product of the Natural Capital Coalition, is already an important milestone and a great step forward in providing a standardized process for natural capital measurement and valuation in business. We see the Toolkit as one of a range of opportunities to promote the Protocol as an accessible and practical option for businesses with all levels of natural capital experience, whether they are beginning, developing or strengthening their natural capital assessments.

The Toolkit further promotes the widespread, mainstream uptake of more integrated decision making processes, and therefore complements the shared ambitions of WBCSD, the Natural Capital Coalition and the broader natural capital community.

4. Description of Toolkit

a. Audience

The Toolkit will be written for a business user conducting a natural capital assessment with the Natural Capital Protocol.

The Toolkit will give most value to those who are familiar with the Protocol framework, and who are practically involved in a natural capital assessment.

It will be written and presented in an accessible and structured way, without the need for technical expertise.

b. Scope

We refer to a '**tool**' as including any sort of methodology, framework or guideline which **helps a user carry out a natural capital assessment**.

Tools within the Toolkit will be mapped against the Protocol framework, and link to the relevant Protocol Steps.

We anticipate that the value of the Toolkit lies primarily with tools that support the Protocol as a decision making tool. As a first version, this will focus on the **Measure and Value Stage** of the Protocol framework. The **measurement and valuation** (whether qualitative, quantitative or monetary) of natural capital impacts and/or dependencies gives a more tangible consideration of risks and opportunities and therefore provides the context for better informed business decisions. Hence we consider it a critical starting point when offering support to business users.

Materiality is also an essential process in ensuring that business decisions are made on relevant issues, with an appropriate understanding of why they are important. Extending the Toolkit scope to Materiality, whether in the first or future versions, is something to be considered.

Focusing the Toolkit around critical areas as a starting point, helps business to find and apply the tools that are most appropriate to them, and therefore improves the quality of information on which decisions can be made. Building on this foundation, the scope of the

project could also extend to the Protocol's Scope and Apply stages in the future, dependent on resources.

As part of the project, we will discuss which criteria should be used to determine whether a tool should be included or not. For example:

- **Relevant to the Protocol:** Suitable for use in a natural capital assessment under the Protocol framework.
- **Applicable to business:** To complement the Protocol's emphasis on business decision making, the tools should be applicable to business – even if business is not the initial intended audience.
- **Publically available:** To encourage application of the Protocol within business, the Toolkit will list only publically available tools, including open-source.

Note: We anticipate the Toolkit will include regional and sector specific tools (acknowledging the Sector Guides). Still to discuss whether to include datasets, and/or external standards or certifications.

c. Format of the Toolkit

The Toolkit format and design will ultimately respond to user demand and preference. However, as a starting point, we propose that the Toolkit be built as a microsite.

This web-based platform would host a database of tools that can be user-navigated via a series of filters that relate both to the Protocol framework and the usability of the tool. The underlying database would be a 'living' source of information that can easily be updated regularly.

We will also explore the use of features such as:

- Filters to map tools by user needs
- Factsheets on each tool, including information on the nature, format and accessibility of the tool (these will be available to download)
- Downloadable form to suggest new tools for inclusion (Note: requires regular review – e.g. every 6-12 months)
- Exportable result tables
- (Optional to discuss) Anonymous user testimonials, to share experiences
- (Optional to discuss) User ability to 'rate' tools, allowing presentation of results by market preference

We estimate the first version of the Toolkit to be released in Q2 2017, following a consultation and/or pilot process.

e. Project governance

WBCSD will provide funding and resources for the Toolkit project, as part of its Redefining Value program. The Project will consequently be subject to signoff from the Redefining Value Board[1], and will be supported by WBCSD's Senior Management Team throughout its development.

The Toolkit aims to be a collaborative and inclusive project that can leverage as much existing work and experience as possible. The Natural Capital Coalition, a global multi stakeholder platform of approximately 200 organizations, is a Strategic Partner in the project, and will offer guidance, resources and promotion to the Toolkit development.

We also intend to build an Advisory Group. This will be open to businesses, developers of publically available tools, academia, consultancies and others. These are individuals who serve as a sounding board for drafts and usability decisions. This is an open group based on individual interest; please let us know if you might be interested and would like further information.

5. Contact

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[1] *At time of writing: Peter Bakker, President of the World Business Council for Sustainable Development; Marie-Claire Daveu, Chief Sustainability Officer and Head of International Institutional Affairs at Kering; Karim Hajjar, Group Chief Financial Officer at Solvay SA.; Masaya Futamiya, President at Sompo Japan Insurance Inc.; Aileen Lee, Program Director, Sustainability Strategy; José Lopez, Member of WBCSD Executive Committee and former Executive Vice President Operations and Globe at Nestlé; Graeme Pitkethly, Chief Financial Officer at Unilever; Mukund Rajan, Group Executive Council, Brand Custodian & Chief Ethics Officer at Tata Group.*