

Decision Tree

Part of a series of Biodiversity Guidance to accompany the
Natural Capital Protocol

16 March 2020

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Introduction

The **Decision Tree** will guide you through a biodiversity-inclusive natural capital assessment. It directly follows the steps outlined in the Natural Capital Protocol (the Protocol), and suggests a number of tools and methodologies to successfully complete the process. The Decision Tree can be used if you are completing a natural capital assessment for the first time and want to include **biodiversity**. Or, if you want to include biodiversity as part of an existing natural capital assessment.

Using a series of questions, the Decision Tree will guide you through the **Frame, Scope, Measure & Value** and **Apply** stages of the Protocol. A discrete set of responses to these questions will direct you to particular reports, associated guidance notes or measurement and valuation methodologies to support a specific action of the Protocol.

Ultimately, the Decision Tree will be added as an additional section to the **Natural Capital Protocol Toolkit** on the MIT Sustainability, Help, Information, Frameworks/Findings and Tools (SHIFT) website. The information covered in this guidance is intended to support the visual component of the Decision Tree that will be hosted online.

Note to readers: Questions for the Decision Tree are provided in colored boxes below. Corresponding answers and affiliated sections of the Protocol are included within the same table. Only Protocol actions requiring consideration from a biodiversity perspective are included, however all steps of the Protocol should be followed during your natural capital assessment.

Once online, all appropriate responses (to be provided as clickable buttons) will direct you to either; **a)** the next question, **b)** further information or **c)** a tool/methodology available for your use. The database of tools is still in development and will be incorporated into the online tool once finalized. For this reason, the list of appropriate measurement and valuation methodologies available, are not currently provided in this guidance.

Overview of Questions

The Decision Tree is a tool to help you complete a biodiversity-inclusive natural capital assessment. The tool builds upon the actions provided in the Protocol to ensure biodiversity is fully incorporated into your assessment. The Decision Tree provides additional information in the form of guidance notes, external reports, and tools to help you on your assessment journey. If an action of the Protocol does not need additional guidance on biodiversity, it will not appear within the Decision Tree.

Stage	Action	Questions provided
Frame	1.2.1	Have you familiarized yourself with the basic concepts of biodiversity and natural capital, and understand why assessing biodiversity within a natural capital assessment is useful?
	Question 1A*	Are you aware of possible impacts or dependencies on biodiversity that could be business relevant?
	1.2.3	What business application are you interested in assessing (i.e. how are you going to use your results)?
Scope	2.2.1	Who is your target audience?
	2.2.2	Have you identified your stakeholders and the appropriate level of engagement for your assessment?
	2.2.3	Have you set a SMART objective for your biodiversity-inclusive natural capital assessment?
	2.3	Have you summarized the SMART objective of your assessment into an output?
	3.2.1	What is the organisational focus of your assessment?
	3.2.2	What aspect of the value chain are you interested in assessing?
	3.2.3	From which perspective will you value?
	3.2.4	Will your assessment consider impacts, dependencies or both?
	3.2.5	What type of value will you consider?
	3.2.6	Have you considered technical issues which may impact your biodiversity-inclusive assessment (e.g. boundaries and baselines)?
	4.2.1	Have you determined which impacts and/or dependencies are material?
	4.2.2	Have you identified the criteria for your materiality assessment?
	4.2.3	Did you gather the relevant information?
	4.2.4	Have you completed your materiality assessment?
Measure & Value	Question 5A*	Which sector are you in?
	Question 5B*	What type of data do you have access to?

Stage	Action	Questions provided
	Question 5C*	What biological aspect of natural capital are you interested in measuring?
	5.2.1	Have you mapped your activities against your impact drivers and/or dependencies?
	5.2.2	Have you identified the impact drivers and/or dependencies you will measure?
	5.2.3	What measurement tools are available for you to measure your impacts and/or dependencies on biodiversity?
	5.2.4	Have you collected the appropriate data to utilize the identified measurement approach?
	6.2.1	Have you identified the changes in biodiversity associated with your business activities and impact drivers?
	6.2.2	Have you identified the changes in natural capital associated with external factors?
	6.2.3	Have you assessed the trends affecting the state of biodiversity within the scope of your assessment?
	6.2.4	What measurement tools are available for you to measure your impacts and/or dependencies on biodiversity?
	6.2.5	Are you ready to undertake or commission your measurement of impacts and/or dependencies on biodiversity?
	Question 7A*	Do you want to complete a valuation as part of your natural capital assessment?
	7.2.1	Have you defined the consequences of your impacts and/or dependencies?
	7.2.2	Have you determined the relative significance of associated costs and/or benefits?
	7.2.3	What are the appropriate valuation techniques available for your biodiversity-inclusive assessment?
	7.2.4	Are you ready to undertake or commission your valuation?
Apply	9.2.1	How do you want to apply the information you have gathered?
	Question 9A*	What goals do you want to work towards?
	Question 9B*	How can you use your natural capital assessment to track your progress against your targets?

***Note:** These are questions provided in addition to the Actions described in the Protocol as they are designed to help the user clarify their biodiversity-inclusive objectives.

FRAME (Why?)

Action 1.2.1: Have you familiarized yourself with the basic concepts of biodiversity and natural capital, and understand why assessing biodiversity within a natural capital assessment is useful?

User Responses:	Reader is referred to:	Rationale/Notes:
Yes. I have read the Framing Guidance I am ready to start my biodiversity-inclusive natural capital assessment.	The next question	To understand how to include biodiversity in the assessment.
No. I am not familiar with the basic concepts of biodiversity and natural capital.	<p>Additional Resources</p> <p>Action 1.2.1 of the Protocol; and Framing Guidance; and Developing a Corporate Biodiversity Strategy (CISL, 2020)</p> <p>Next Step</p> <p>User is referred back to question after documents are reviewed.</p>	User is encouraged to become familiar with the basic concepts of biodiversity and natural capital.
I don't know	<p>Additional Resources</p> <p>Action 1.2.1 of the Protocol; and Framing Guidance; and Developing a Corporate Biodiversity Strategy (CISL, 2020)</p> <p>Next Step</p> <p>User is referred back to question after documents are reviewed.</p>	User is encouraged to become familiar with the basic concepts of biodiversity.

General Notes

- The objective of the Framing stage is to help users understand **why** they should conduct a natural capital assessment. For this reason, the reader is referred to the **Framing Guidance** and affiliated section in the Protocol, which answers these questions and provides context for the biodiversity-inclusive assessment.

Expandable information box

- The Protocol, together with the Biodiversity Guidance, aim to support businesses delivering on biodiversity commitments by providing a process for identifying, measuring and valuing natural capital that includes biodiversity.
- This set of guidance further supports biodiversity-inclusive natural capital assessments, with the **Framing Guidance** providing further information on what

biodiversity is, how it relates to natural capital and why assessing it within a natural capital assessment is useful for business.

Question 1A: Are you aware of the possible impacts or dependencies on biodiversity that could be business relevant?

Responses:	Reader is referred to:	Notes:
Yes	Next Step The Next Question	Supplementary question added in based on Steering Group feedback as it was hard to answer the following question (Action 1.2.3, below) as they were unsure how to treat their impacts and dependencies. Have added question in to prompt readers who are unfamiliar with the concepts, to review at this stage of the Protocol.
No	Additional Resources Section 1.2.2 of the Protocol; Why Framing Note Next Step User is referred back to question after documents are reviewed.	
I'm not sure	Additional Resources Section 1.2.2 of the Protocol; Why Framing Note Next Step User is referred back to question after documents are reviewed.	

Expandable information box

- The following question will ask you about your business application and how you would like to use the results of this assessment. It is recommended that you familiarize yourself with the concepts of impacts and dependencies before proceeding.
- **Natural Capital Impact:** The negative or positive effect of business activities on natural capital. From a biodiversity perspective, this would include impacts on species (e.g. the decrease in a population of birds due to deforestation related to agriculture) and/or habitats (e.g. soil degradation due to overgrazing from cattle).
- **Natural Capital Dependency:** A business reliance on or use of natural capital. From a biodiversity perspective this would include dependencies on species (e.g. such as viable trees to sell) and/or habitats (e.g. cropland with fertile soils to grow cocoa trees).
- To better understand the concepts of business related impacts and dependencies, refer to Section 1.2.2 of the Protocol and also the **Framing Guidance**.

Action 1.2.3: What business application are you interested in assessing (i.e. how are you going to use your results)?

Responses:	Reader is referred to:	Notes:
BA1: Assessment of current biodiversity performance	Additional Resources Table 4 of EU B@B Assessment report; Framing Guidance (section 1.2.3 on business applications/Table 3) Next Step The Next Question	User will consider the overall objective of their assessment. When combined with action 3.2.1 on organizational focus, this will help lead the user to specific measurement approaches applicable to their overall objective. Note: Applicable measurement approaches will not be revealed until all questions within the Measure and Value section are answered using the online tool. The database of appropriate tools is currently being collated and, for this reason, is not presented within this report.
BA2: Assessment of future biodiversity performance		
BA3: Tracking progress to targets		
BA4: Comparing options		
BA5: Assessment/rating of biodiversity performance by third parties, using external data		
BA6: Certification by third parties		
BA7: Screening and assessment of biodiversity risks and opportunities		
BA8: Biodiversity accounting for internal reporting and/or external disclosure		

General Notes

- A list of applicable measurement approaches will be provided after all questions of the Measure and Value section are responded to online. Appropriate tools will be filtered depending on the answer provided for action 1.2.3, **in combination** with the organizational focus identified in action 3.2.1.
- The database of tools is currently in development will automatically filter out which measurement approaches are appropriate based on the selection of a **Business Application AND Organizational Focus**.

Expandable information box

- A **business application** is defined as the intended use of the results of your natural capital assessment, to help inform decision making.
- The Decision Tree helps to define the **objective** and **scope** of your biodiversity-inclusive natural capital assessment. If you are looking to complete an assessment from multiple angles (i.e. you want to include biodiversity into a natural capital assessment for a portion of your business activities for the first time AND you want to strengthen the biodiversity-inclusive part of your assessment for a different set of objectives/related to different business

activities), it is suggested that you complete these assessments separately. **For this reason, only one response should be provided for each question.** This is applicable throughout the Decision Tree.

- Refer to **Table 4** of the EU Business@Biodiversity Assessment report for a list of biodiversity-specific business applications, with examples on the types of business decisions that can be informed through the assessment process.
- Note that the business applications presented were identified through stakeholder engagement as part of the **Aligning Biodiversity Measures for Business** collaboration. The **Scoping Guidance** explains how these biodiversity-inclusive business applications map to the applications listed in the Protocol.
- When completing a biodiversity-inclusive natural capital assessment, you should use the business applications identified above, as they will help determine which measurement approaches are most appropriate (noting that the measurement approaches will be identified at the end of the Measure and Value section).

SCOPE (What?)

Action 2.2.1: Who is your target audience?		
Responses:	Reader is referred to:	Notes:
Internal Target Audience	<p>Additional Resources Section 2.2.1 of the Protocol; Scoping Guidance (section on objectives setting).</p> <p>Next Step The Next Question</p>	User will consider the audience of their assessment.
External Target Audience	<p>Additional Resources Section 2.2.1 of the Protocol; Scoping Guidance (section on objectives setting); The Biological Diversity Protocol (in development).</p> <p>Next Step The Next Question</p>	

Action 2.2.2: Have you identified your stakeholders and the appropriate level of engagement for your assessment?		
Responses:	Reader is referred to:	Notes:
Yes	<p>Next Step The Next Question</p>	User will identify biodiversity-inclusive SMART objectives based on information provided in the Protocol and associated guidance note.
No	<p>Additional Resources Section 2.2.2 of the Protocol; Scoping Guidance.</p> <p>Next Step User is referred back to question after documents are reviewed.</p>	

Action 2.2.3: Have you set a SMART objective for your biodiversity-inclusive natural capital assessment?

Responses:	Reader is referred to:	Notes:
Yes	Next Step The Next Question	User will consider the level of expertise they have and reasons for completing a biodiversity-inclusive natural capital assessment. The aim is to cover everyone from novices to experts.
No	Additional Resources Section 2.2.3 of the Protocol; Scoping Guidance (section on setting objectives). Next Step User is referred back to question after documents are reviewed.	
I'm not sure	Additional Resources Section 2.2.3 of the Protocol; Scoping Guidance (section on setting objectives). Next Step User is referred back to question after documents are reviewed.	

Action 2.3: Have you summarized the SMART objective of your assessment into an output?

Responses:	Reader is referred to:	Notes:
Yes	Next Step The Next Question	User is encouraged to produce a table summarizing the objective of the assessment.
No	Additional Resources Section 2.2.2 of the Protocol; Scoping Guidance (section on setting objectives). Next Step The Next Question	

Action 3.2.1: What is the organizational focus of your assessment?		
Responses:	Reader is referred to:	Notes:
Product or Service level (e.g. the creation of a product encompassing the entire supply chain)	Additional Resources Section 3.4 of the EU B@B Assessment Report Visual Matrix provided on page 27 of the EU B@B Report Next Step The Next Question	User will consider the organizational focus of their assessment.
Site and Project level (e.g. a site-based assessment for a mine)		This will help lead the user to specific measurement approaches applicable to their organizational focus.
Supply Chain level (i.e. upstream part of the value chain)		
Corporate level (i.e. covering all activities of the value chain, at all locations)		
Sector or Portfolio level (e.g. financial institutions)		
		Note: Applicable measurement approaches will not be revealed until all questions within the Measure and Value section are answered using the online tool. The database of appropriate tools is currently being collated and, for this reason, is not presented within this report.

Expandable Information Box

- Refer to **Section 3.4** and the Visual Matrix (see page 27) presented in the EU Business@Biodiversity Assessment report for a list of biodiversity-specific **organizational focus** areas.
- Note that the organizational focus areas presented were identified through stakeholder engagement as part of the **Aligning Biodiversity Measures for Business** collaboration. The **Scoping Guidance** explains how these biodiversity-inclusive organizational focus areas map to those listed in the Protocol.
- When completing a biodiversity-inclusive natural capital assessment, you should use the organizational focus areas identified above, as they will help determine which measurement approaches are most appropriate for your assessment (noting that the measurement approaches will be identified at the end of the Measure and Value section).

Action 3.2.2: What aspect of the value chain are you interested in assessing?

Responses:	Reader is referred to:	Notes:
Upstream (e.g. commodity production, supply chains)	Additional Resources Table 3.2 of the Protocol; Scoping Guidance. Next Step The Next Question	User will need to determine the value chain boundaries of their assessment based on the definitions provided by the Natural Capital Protocol and additional information within the Scoping Guidance.
Direct operations (e.g. project, site level)		
Downstream (e.g. product end of life)		
All aspects of the value chain (e.g. financial institutions, product, services, wholesalers*)		

Expandable information box

- **Upstream (cradle-to-gate):** covers the activities of suppliers, including purchases (e.g. sourcing commodities for the fashion industry).
- **Direct operations (gate-to-gate):** covers activities over which the business has direct operational control, including majority owned subsidiaries (e.g. extractive operations of a mine).
- **Downstream (gate-to-grave):** covers activities linked to the purchase, use, re-use, recovery, recycling, and final disposal of the business' products and services (e.g. end of life for a product into the landfill).

***Note:** Products, services and financial institutions are considered to cover the entire value chain because the measurement approaches for these topics are designed from a Life Cycle Analysis perspective, and cover impacts on biodiversity from upstream, downstream and direct operations.

Action 3.2.3: From which perspective will you value?

Responses:	Reader is referred to:	Notes:
Business	Additional Resources Section 3.2.3 of the Protocol; Scoping Guidance. Next Step The Next Question	This question helps filter the available methods to value.
Societal		
Both		

Expandable information box

- Refer to Table 3.3 in the Protocol and the **Scoping Guidance** for more detail on deciding your value perspective. This is an important consideration as it will inform the data required for the Measure & Value (if applicable) component of your assessment.

- **Business value:** The costs and benefits to the business, also referred to as internal, private, financial, or shareholder value.
- **Societal value:** The costs and benefits to wider society, also referred to as external, public, or stakeholder value (or externalities).
- The **Scoping Guidance** describes how to determine the perspective of the valuation as part of your biodiversity-inclusive natural capital assessment. This box will refer users to this guidance for more information.

Action 3.2.4: Will your assessment consider impacts, dependencies or both?		
Responses:	Reader is referred to:	Notes:
Impacts	Additional Resources Section 3.2.4 of the Protocol; Framing Guidance; Scoping Guidance; A list of relevant tools and methodologies later on after completing the Measure questions.	User will be clear on whether they want to identify impacts, dependencies or both and the implications that this decision will lead to in terms of methodologies available and data required.
Dependencies		
Both		
	Next Step The Next Question	

Expandable information box

- **Natural Capital Impact:** The negative or positive effect of business activities on natural capital. From a biodiversity perspective, this would include impacts on species (e.g. the decrease in a population of birds due to deforestation related to agriculture) and/or habitats (e.g. soil degradation due to overgrazing from cattle).
- **Natural Capital Dependency:** A business reliance on or use of natural capital. From a biodiversity perspective this would include dependencies on species (e.g. such as viable trees to sell) and/or habitats (e.g. cropland with fertile soils to grow cocoa trees).
- To better understand the concepts of business related impacts and dependencies, refer to Section 1.2.2 of the Protocol, as well as the **Framing** and **Scoping Guidance**.

Action 3.2.5: What type of value will you consider?		
Responses:	Reader is referred to:	Notes:
Qualitative (e.g. the affects to biodiversity that can be described)	Additional Resources Section 3.2.5 of the Protocol; Measuring & Valuing Guidance (Section 7.2.3/Table 3); A list of relevant valuation approaches (Section 7.2.3 and Annex B of the Protocol). Next Step The Next Question	This question is being asked during the Scope stage of the assessment to help the user define the type of data to be collected in the Measure & Value stage. Note: Applicable valuation approaches will not be revealed until all questions within the Measure & Value section are answered using the online tool. The database of appropriate tools is currently being collated and, for this reason, is not presented within this report.
Quantitative (e.g. the effects to biodiversity that can be estimated based on available data)		
Monetary (e.g. the effects to biodiversity that can be expressed as a monetary amount)		

Expandable information box

- Box 3.1 of the Protocol defines the process of valuation.
- Table 3.5 of the Protocol provides key considerations when determining a valuation approach.
- **Qualitative valuation:** Valuation that describes natural capital impacts or dependencies and may rank them into categories such as high, medium or low.
- **Quantitative valuation:** Valuation that uses non-monetary units such as numbers, areas, mass or volume to assess the magnitude of natural capital impacts or dependencies. For biodiversity this could include metrics such as mean species abundance (MSA) or change in percentage of population.
- **Monetary valuation:** Valuation that uses money (e.g. €, \$, £) as the common unit to assess the values of natural capital impacts and/or dependencies. For biodiversity these approaches are still in development as the ability to value specific aspects of nature is often subjective. Tools, however, are in development and being piloted to complete this in a standardized way.

Action 3.2.6: Have you considered technical issues which may impact your biodiversity-inclusive assessment (e.g. boundaries and baselines)?

Responses:	Reader is referred to:	Notes:
Yes	Next Step The Next Question	Signpost for user to consider a number of technical topics. Additional guidance is provided to clarify these issues as related to biodiversity in the Scoping Guidance* .
No	Additional Resources Section 3.2.6 of the Protocol; Scoping Guidance. Next Step User is referred back to question after documents are reviewed.	
I'm not sure	Additional Resources Section 3.2.6 of the Protocol; Scoping Guidance. Next Step User is referred back to question after documents are reviewed.	

Expandable information box

- Section 3.2.6 of the Protocol describes various scenarios that should be considered throughout the entirety of your assessment. This will ensure you remain transparent and in scope throughout. It is suggested that users note the decisions made and provide a rationale for why. These can be referred back to when questions on boundaries and baselines arise (i.e. where is it you should STOP assessing impacts and dependencies).
- **Baseline:** In the Protocol, the starting point or benchmark against which changes in natural capital attributed to your business' activities can be compared.
- **Spatial Boundary:** The geographic area covered by the assessment, for example, a site, watershed, landscape, country, or global level. The spatial boundary may vary for different impacts and dependencies and will also depend on the organizational focus, value-chain boundary, value perspective, and other factors.
- **Temporal Boundary:** The time horizon of the assessment. This could be a current "snapshot", a 1-year period, a 3-year period, a 25-year period.

***Note:** Depending on the measurement approach chosen to value impacts, the necessary baseline and boundary required will vary. It is assumed that the process for choosing an appropriate baseline and/or boundary is described within the methodology, however, it is good practice to be aware of these scenarios when going through the Decision Tree.

Action 4.2.1: Have you determined which impacts and/or dependencies are material?		
Responses:	Reader is referred to:	Notes:
Yes	Next Step The Next Question	Signpost for user to consider these topics. Additional guidance is provided to clarify these issues as related to biodiversity in the Scoping Guidance .
No	Additional Resources Section 4.2.1 of the Protocol; Scoping Guidance. Next Step User is referred back to question after documents are reviewed.	
I'm not sure	Additional Resources Section 4.2.1 of the Protocol; Scoping Guidance. Next Step User is referred back to question after documents are reviewed.	

Expandable information box

- Materiality** - An impact or dependency on natural capital is material if consideration of its value, as part of the set of information used for decision making, has the potential to alter that decision (Adapted from OECD 2015 and IIRC 2013).

Action 4.2.2: Have you identified the criteria for your materiality assessment?		
Responses:	Reader is referred to:	Notes:
Yes	<p>Next Step</p> <p>The Next Question</p>	<p>Signpost for user to consider materiality. Additional guidance is provided to clarify these issues as related to biodiversity in the Scoping Guidance.</p>
No	<p>Additional Resources</p> <p>Section 4.2.1 of the Protocol; Scoping Guidance.</p> <p>Next Step</p> <p>User is referred back to question after documents are reviewed.</p>	
I'm not sure	<p>Additional Resources</p> <p>Section 4.2.1 of the Protocol; Scoping Guidance.</p> <p>Next Step</p> <p>User is referred back to question after documents are reviewed.</p>	

Expandable Information Box

- **Materiality assessment** - The process that involves identifying what is (or is potentially) material in relation to the natural capital assessment's objective and application.

Action 4.2.3: Did you gather the relevant information?		
Responses:	Reader is referred to:	Notes:
Yes	Next Step The Next Question	Signpost for user to consider whether relevant information has been gathered. Additional guidance is provided to clarify these issues as related to biodiversity in the Scoping Guidance .
No	Additional Resources Section 4.2.1 of the Protocol; Scoping Guidance. Next Step User is referred back to question after documents are reviewed.	
I'm not sure	Additional Resources Section 4.2.1 of the Protocol; Scoping Guidance. Next Step User is referred back to question after documents are reviewed.	

Action 4.2.4: Have you completed your materiality assessment?		
Responses:	Reader is referred to:	Notes:
Yes	Next Step The Next Question	Signpost for user to consider whether the materiality assessment is complete. Additional guidance is provided to clarify these issues as related to biodiversity in the Scoping Guidance .
No	Additional Resources Section 4.2.1 of the Protocol; Scoping Guidance. Next Step User is referred back to question after documents are reviewed.	
I'm not sure	Additional Resources Section 4.2.1 of the Protocol; Scoping Guidance. Next Step User is referred back to question after documents are reviewed.	

MEASURE and VALUE (How?)

Preparation Question 5A: Which sector are you in?		
Responses:	Reader is referred to:	Notes:
Agriculture	Next Step The Next Question	Sector categorization based on UN Aggregate Economic Activities list. The categories are kept the same for consistency. Note that at the aggregated level, there was no category provided for financial institutions so this has been added.
Industry – Manufacturing		
Industry – Construction		
Industry – Mining and quarrying; electricity, gas and water supply		
Market services (trade, transport, accommodation, food, business and admin services)		
Non-market services (public administration, community, social and other services)		
Financial and insurance activities		
Other		

General Notes

- This question helps determine which measurement approaches, and tool and methodologies are appropriate.

Expandable information box

- It is understood that your business may cut across multiple sectors. If unclear which category is most fitting, refer back to your scope and objectives. You may need to better define these to clarify which sector you are within for the purposes of this assessment. If completing a biodiversity-inclusive assessment for the first time, it is suggested that you choose a portion of business activities that are related, to ensure measurement of impacts and dependencies are robust.
- **Industry:** e.g. cocoa production plant, copper mine, infrastructure project, hydroelectric dam, wind farm, solar panel station.
- **Market services:** e.g. supply chain providing leather products to consumers, seafood restaurant, retail.
- **Non-Market Services:** e.g. hospital, offices.
- **Financial and Insurance Activities:** e.g. asset managers, banks.

Preparation Question 5B: What type of data do you have access to?

Responses:	Reader is referred to:	Notes:
Primary Data (i.e. data collected on site, data provided directly by users, remote sensing data)	Additional Resources Section 5.2.3 of the Protocol; Measuring & Valuing Guidance; Section 5 of the EU B@B Assessment Report. Next Step The Next Question	This question is raised before the associated actions of the Protocol as it is important to recognize what data is available to you as this may influence the measurement approaches appropriate for your assessment.
Secondary Data (e.g. modelled data, global data sets, estimates provided by companies within your supply chain, open source datasets)		

General Notes

- This question helps determine which measurement approaches, and tool and methodologies are appropriate.
- **Primary Data:** Collected from site level assessments on the state of biodiversity¹ through the use of measured data. Impact factors are not used.
- **Secondary Data:** Derived from modelled or proxy level data. This could include data averaged from commodity sourcing (e.g. kg of pollutants by leather purchased, hectares of land use per tons of lumber purchased) at the national or regional level, or the use of input-output data models to provide estimates of impact drivers. Here uncertainties in the quality of the data used will need to be considered and disclosed.

Preparation Question 5C: What biological aspect of natural capital are you interested in measuring?

Responses:	Reader is referred to:	Notes:
Biodiversity	Additional Resources Framing Guidance A list of relevant tools and methodologies, and measurement approaches. Next Step The Next Question	User will consider which aspect of natural capital that they are looking to quantify related to biodiversity. Note: Applicable measurement approaches will not be revealed until all questions within the Measure and Value section are answered using the online tool. The database of appropriate tools is currently being collated and, for this reason, is not presented within this report.
Ecosystem services		
Both		

General Notes

- This question is posed as the majority of tools developed to look at impacts do so for biodiversity only (i.e. not ecosystem services) and the majority of tools looking at dependencies are for ecosystem services (i.e. not biodiversity). There are only a couple of tools which look at both.

Expandable information box

- Biodiversity describes the variety of the **living component** of a natural capital stock. It can refer to the level of **genetic** variation, the variety of **species** present, or the variety of groups of species or '**ecosystems**'. In many ways, biodiversity can be seen as a measure of the quality and resilience of a natural capital stock.
- In general, more biodiversity equates to a higher quantity, quality and resilience of ecosystem service provision. Less biodiverse systems can still be very productive, but generally offer fewer and lower quality goods and services, and are more vulnerable to change.
- Biodiversity can be measured in many ways. It can include measuring the quantity of biodiversity within a given area (i.e. mean species abundance), the genetic diversity within a population, or the functional diversity that provides ecosystem services. From a societal perspective, the charismatic diversity for a region can also be important as it contributes to ecotourism and may provide a tangible economic incentive to conserve nature. Unfortunately, standardized tools to measure impacts on genetic, endemic and/or charismatic aspects of biodiversity are not yet available.

Action 5.2.1: Have you mapped your activities against your impact drivers and/or dependencies?		
Responses:	Reader is referred to:	Notes:
Yes	Next Question	This step is important as it defines what impacts and dependencies will be measured.
No	<p>Additional Resources</p> <p>Section 5.2.1 of the Protocol; Scoping Guidance; Measuring & Valuing Guidance; ENCORE tool (for mapping impacts and dependencies).</p> <p>Next Step</p> <p>User is referred back to the question after documents are reviewed.</p>	

Expandable information box

- ENCORE is a tool designed to help you map your impact and dependency pathways. It focuses mostly on ecosystem services and provides some

information on biodiversity. Currently, it **does not** allow you to measure your biodiversity dependencies.

Action 5.2.2: Have you identified the impact drivers and/or dependencies you will measure?		
Responses:	Reader is referred to:	Notes:
I have a list of identified impact drivers and/or dependencies needing to be measured.	The Next Question	N/A
I do not have a list of identified impact drivers and/or dependencies needing to be measured.	<p>Additional Resources</p> <p>Section 5.2.2 of the Protocol; Scoping Guidance; Measuring & Valuing Guidance; ENCORE tool.</p> <p>Next Step</p> <p>User is referred back to the question after documents are reviewed.</p>	

Action 5.2.3: What measurement tools are available for you to measure your impacts and/or dependencies on biodiversity?		
Responses:	Reader is referred to:	Notes:
Identify measurement tools available to measure impacts on biodiversity.	A list of measurement approaches appropriate to their scope and objectives.	This is the stage where a list of measurement methodologies available for use will be provided. Users will be directed to appropriate guidance documents as they become available.
Identify measurement tools available to measure dependencies on biodiversity.	A list of measurement approaches appropriate to their scope and objectives.	

General Notes

- This is the stage where appropriate measurement approaches are revealed to the user.

Expandable information box

- The measurement approaches available to you can now be reviewed and you can determine which tool is most appropriate for your assessment. This decision should be based on the resources available within your organization (i.e. timeframe, skillset & expertise knowledge, data availability).

Action 5.2.4: Have you collected the appropriate data to utilize the identified measurement approach?

Responses:	Reader is referred to:	Notes:
Yes	The Next Question	N/A
No	<p>Additional Resources Section 5.2.4 of the Protocol</p> <p>Next Step User is referred back to question after documents are reviewed.</p>	

General Notes

- This is the stage where data collection occurs.

Expandable information box

- Review the data required for the measurement approaches identified in action 5.2.3.
- It is time to collect the data for your assessment. It is suggested that you review the specific data requirements of the measurement approaches available to you, and that you do not move forward with your assessment until this is completed.
- You may go through the remainder of the Decision Tree, to pre-identify any gaps and/or challenges that may arise before undertaking this step. You can then return to this action once your review of subsequent actions is complete.

Action 6.2.1: Have you identified the changes in biodiversity associated with your business activities and impact drivers?

Responses:	Reader is referred to:	Notes:
Yes	The Next Question	Guidance is provided on how to translate impact drivers to impacts using various metrics. The choice of metric is dependent on the methodology chosen, as the two are interlinked.
No	<p>Additional Resources Section 6.2.1 of the Protocol; Measuring & Valuing Guidance.</p> <p>Next Step User is referred back to question after documents are reviewed.</p>	

Expandable information box

- Table 6.1 of the Protocol provides examples on different ways to identify changes to natural capital based on different impact drivers.
- Review **Measuring & Valuing Guidance** and Section 5 of the EU Business@Biodiversity Assessment report for clarity on the available metrics to

determine the changes in biodiversity that are associated with your business activities.

Action 6.2.2: Have you identified the changes in natural capital associated with external factors?

Responses:	Reader is referred to:	Notes:
Yes	The Next Question	Guidance is provided on how to translate impact drivers to impacts using various metrics. Choice of metric is dependent on the methodology chosen, as the two are interlinked.
No	<p>Additional Resources Section 6.2.2 of the Protocol; Measuring & Valuing Guidance.</p> <p>Next Step User is referred back to question after documents are reviewed.</p>	

Action 6.2.3: Have you assessed the trends affecting the state of biodiversity within the scope of your assessment?

Responses:	Reader is referred to:	Notes:
Yes	The Next Question	Guidance is provided on how to translate impact drivers to impacts.
No	<p>Additional Resources Section 6.2.3 of the Protocol; Measuring & Valuing Guidance.</p> <p>Next Step User is referred back to question after documents are reviewed.</p>	

Expandable information box

- Table 6.2 of the Protocol provides examples on different ways to identify changes to natural capital based on dependencies.

Action 6.2.4: What measurement tools are available for you to measure your impacts and/or dependencies on biodiversity?

Responses:	Reader is referred to:	Notes:
Identify measurement tools available to measure impacts on biodiversity.	A list of measurement approaches appropriate to their scope and objectives.	The same list of measurement approaches identified in action 5.2.3 will be provided.
Identify measurement tools available to measure dependencies on biodiversity.	A list of measurement approaches appropriate to their scope and objectives.	

Action 6.2.5: Are you ready to undertake or commission your measurement of impacts and/or dependencies on biodiversity?

Responses:	Reader is referred to:	Notes:
Yes	Great! This is the point in your biodiversity-inclusive natural capital assessment where you can quantify the impacts and/or dependencies your business activities have on biodiversity. This should be completed before moving on to the next step of the Decision Tree.	User is encouraged to use the chosen measurement tool by reading the associated guidance documents.
No	<p>Additional Resources</p> <p>Section 6.2.5 of the Protocol; Measuring & Valuing Guidance.</p> <p>Next Step</p> <p>User is referred back to question after documents are reviewed.</p>	

General Notes

- It is at this point where the user is expected to carry out the measurement of their impacts and dependencies using the instructions/guidance provided by the measurement tool chosen. The **Measuring & Valuing Guidance** is not designed to provide this information.

Expandable information box

- Utilize the practice and procedures provided by the individual measurement approach. Once the measurement of your identified impact drivers and/or dependencies is complete it is time to move on to the next step of the Protocol.

Preparation Question 7A: Do you want to complete a valuation as part of your natural capital assessment?

Responses:	Reader is referred to:	Notes:
Yes	The Next Question	User will consider if they want to go beyond measuring impacts/dependencies and whether they want to undertake a valuation.
No, I will only measure biodiversity as part of my assessment	User is directed to questions on targets as part of the Apply stage of the Protocol.	
I'm not sure	<p>Additional Resources</p> <p>Measuring & Valuing Guidance</p> <p>Next Step</p> <p>User is referred back to question after documents are reviewed.</p>	

General notes

- **Measuring & Valuing Guidance** provides a list of options on how to complete a valuation as part of the assessment and can help users determine which approach is appropriate based on their objective, scope and resources.

Action 7.2.1: Have you defined the consequences of your impacts and/or dependencies?

Responses:	Reader is referred to:	Notes:
Yes	The Next Question	N/A
No.	<p>Additional Resources</p> <p>Section 7.2.1 of the Protocol; Measuring & Valuing Guidance.</p> <p>Next Step</p> <p>User is referred back to question after documents are reviewed.</p>	

Action 7.2.2: Have you determined the relative significance of associated costs and/or benefits?

Responses:	Reader is referred to:	Notes:
Yes	The Next Question	N/A
No.	<p>Additional Resources Section 7.2.2 of the Protocol; Measuring & Valuing Guidance.</p> <p>Next Step User is referred back to question after documents are reviewed.</p>	

Action 7.2.3: What are the appropriate valuation techniques available for your biodiversity-inclusive assessment?

Responses:	Reader is referred to:	Notes:
Identify measurement tools available to qualitatively value impacts and dependencies on biodiversity.	A list of valuation techniques appropriate to the assessment scope and objectives.	This is the stage where a list of valuation techniques available for use will be provided.
Identify measurement tools available to quantitatively value impacts and dependencies on biodiversity.		
Identify measurement tools available to complete a monetary valuation of impacts and dependencies on biodiversity.		

General Notes

- This is the stage where appropriate valuation techniques are revealed to the user.

Expandable information box

- The valuation approaches available to you can now be reviewed and you can determine which is most appropriate. This decision should be based on the resources available within your organization (i.e. timeframe, skillset & expertise knowledge, data availability).

Action 7.2.4: Are you ready to undertake or commission your valuation?

Responses:	Reader is referred to:	Notes:
Yes	Great! This is the point in your biodiversity-inclusive natural capital assessment where you will value the impacts and/or dependencies your business activities have on biodiversity. This should be completed before moving on to the next step of the Decision Tree.	The user will utilize the guidelines provided in the valuation technique chosen.
No.	User is directed to questions on targets as part of the Apply stage of the Protocol.	

General Notes

- It is at this point where the user is expected to carry out the valuation of their impacts and dependencies using the instructions/guidance provided by the tool chosen. The **Measuring & Valuing Guidance** is not designed to provide this information.

Expandable information box

- Utilize the practice and procedures provided by the valuation tool chosen. Once your identified impact drivers and/or dependencies have been valued, it is time to move on to the next step of the Protocol.

APPLY (What Next?)

The following questions are associated with the actions in the Protocol, however the questions have been adapted. This is to help users of the Protocol identify applications that are specifically related to biodiversity. Please note that the Biodiversity Guidance did not need to provide further guidance on Step 08 in the Protocol so this is not included within the Decision Tree.

Action 9.2.1 How do you want to apply and act upon the results?		
Responses:	Reader is referred to:	Notes:
Setting a biodiversity specific target	<p>Additional Resources Section 9.2.1 of the Protocol; Application Guidance.</p> <p>Next Step The Next Question</p>	User will now consider if they want to move forward with the Apply stage of their assessment.
Developing a biodiversity specific strategy	<p>Additional Resources Section 9.2.1 of the Protocol; Developing a corporate biodiversity strategy (CISL 2020).</p> <p>Next Step You have now reached the end of the Decision Tree – good luck in completing your biodiversity-inclusive natural capital assessment!</p>	
Improve the management of biodiversity related issues	<p>Additional Resources Section 9.2.1 of the Protocol; Biodiversity and Ecosystem Services Fundamentals (IPIECA 2016).</p> <p>Next Step You have now reached the end of the Decision Tree – good luck in completing your biodiversity-inclusive natural capital assessment!</p>	
Disclose the information publically	<p>Additional Resources Section 9.2.2 of the Protocol; Biological Diversity Protocol (in development).</p> <p>Next Step You have now reached the end of the Decision Tree – good luck in completing your biodiversity-inclusive natural capital assessment!</p>	

Action 9.2.1 How do you want to apply and act upon the results?		
Responses:	Reader is referred to:	Notes:
Nothing at this time	You have now reached the end of the Decision Tree – good luck in completing your biodiversity-inclusive natural capital assessment!	

General Notes

- Depending on the experience of the user, moving onto the Apply stage may not yet be applicable or appropriate.

Question 9A: What target do you want to work towards? (If applicable)		
Responses:	Reader is referred to:	Notes on Question
Aichi targets	Additional Resources Application Guidance; A list of relevant sources of information on the selected target will be provided. Next Step The Next Question	User will consider how the biodiversity-inclusive natural capital assessment can be used to work towards a target. The Application Guidance describes the pros and cons of each framework and the potential implications for business.
Science Based Targets for Nature (in development)		
Sustainable Development Goals		
National Biodiversity Strategy and Action Plans/ related national biodiversity strategy policies		
Post-2020 global biodiversity framework (in development)		
No net loss/Net gain		
Planetary boundaries		
I'm not sure		

Expandable information box

- Global biodiversity goals and targets are currently being developed and/or updated for use by state and non-state actors. It is recommended that users consider the Application Guidance in advance of choosing a target to understand the limitations of each and the implications for your business. It is recommended that targets be reviewed on an annual basis.
- Users should note that a number of the biodiversity targets that can be set are **frameworks**. Meaning they describe the process for developing a target, but at the time of writing do not provide you with the exact target to implement. This guidance will be updated as further information becomes available.

Question 9B: How can you use your natural capital assessment to track your progress against your targets?

Responses:	Reader is referred to:	Notes:
I have existing baseline data that has been collected for my business activities.	<p>Additional Resources Application Guidance.</p> <p>Next Step You have now reached the end of the Decision Tree – use your baseline data to track progress against the target you have set!</p>	User will understand that they need baseline data to be able to track targets after they have been set.
None, this is my first biodiversity assessment and need to conduct a species assessment.	<p>Additional Resources Application Guidance.</p> <p>Next Step You have now reached the end of the Decision Tree – good luck in completing your biodiversity-inclusive natural capital assessment!</p>	
I'm not sure	<p>Additional Resources Application Guidance.</p> <p>Next Step User is referred back to question after documents are reviewed.</p>	

Summary

Congratulations, you have now learned how to complete your biodiversity-inclusive natural capital assessment! Through the Decision Tree, you have been directed towards a number of guidance documents, tools and methodologies to help successfully complete this process. Please now proceed to the **Framing Guidance** to get started!

Moreover, remember, the Decision Tree is meant to be an iterative tool that helps you along your assessment journey. Please refer back to it throughout your assessment to access relevant guidance and tools and adapt your approach if the objective, scope and understanding of available data changes.