

Mainstreaming natural capital in business

The case for natural infrastructure

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Violaine Berger, WBCSD



About WBCSD

Our objective:

Accelerate progress to a world where more sustainable companies are recognized and rewarded, and therefore are more successful



Develop innovative
& value-creating
business solutions
to sustainability
challenges



Improve the
business case
for
sustainability



Facilitate
collaboration
for true market
transformation

About WBCSD

Business has a key **role**, **responsibility**, and **opportunity** to play...

...as a positive force in **delivering & scaling up sustainable solutions** to the world's most pressing environmental and social challenges

Why?

Enlightened leadership & self-interest

- Business cannot succeed in societies that fail
- “Businesses are realizing that the cost of inaction is greater than the cost of action”

Paul Polman, CEO, Unilever & Chairman, WBCSD



WBCSD Ecosystems Societal 2020 Must-Have



Reduce loss of ecosystems and restore degraded ones
By 2020, reduce the loss of natural ecosystems and restore degraded ones so that biodiversity and ecosystem services are maintained:

- Rate of forest loss is at least halved and, where possible, brought close to zero
- Rate of wetland loss is at least halved and, where possible, brought close to zero
- 10% of coastal and marine areas are conserved
- 15% of degraded forests as of 2010 are pledged to, or are under restoration
- 15% of degraded wetlands as of 2014 are pledged to, or are under restoration
- 15% of degraded coral reefs are pledged to, or are under restoration
- Restore at least 12 million hectares per year of degraded lands.

Increase companies' investments in ecosystems (protection, restoration)

Adopting a business language: natural infrastructure vs. ecosystems



Natural (or “green”) infrastructure: the strategic use of natural ecosystems to provide benefits that substitute man-made physical infrastructure

Examples of NI components

Grey Infrastructure

Shoreline protection and flood control



e.g. levees; sea walls

Natural Infrastructure



e.g. oyster reefs, mangroves etc

Wastewater treatment



e.g. water treatment facility

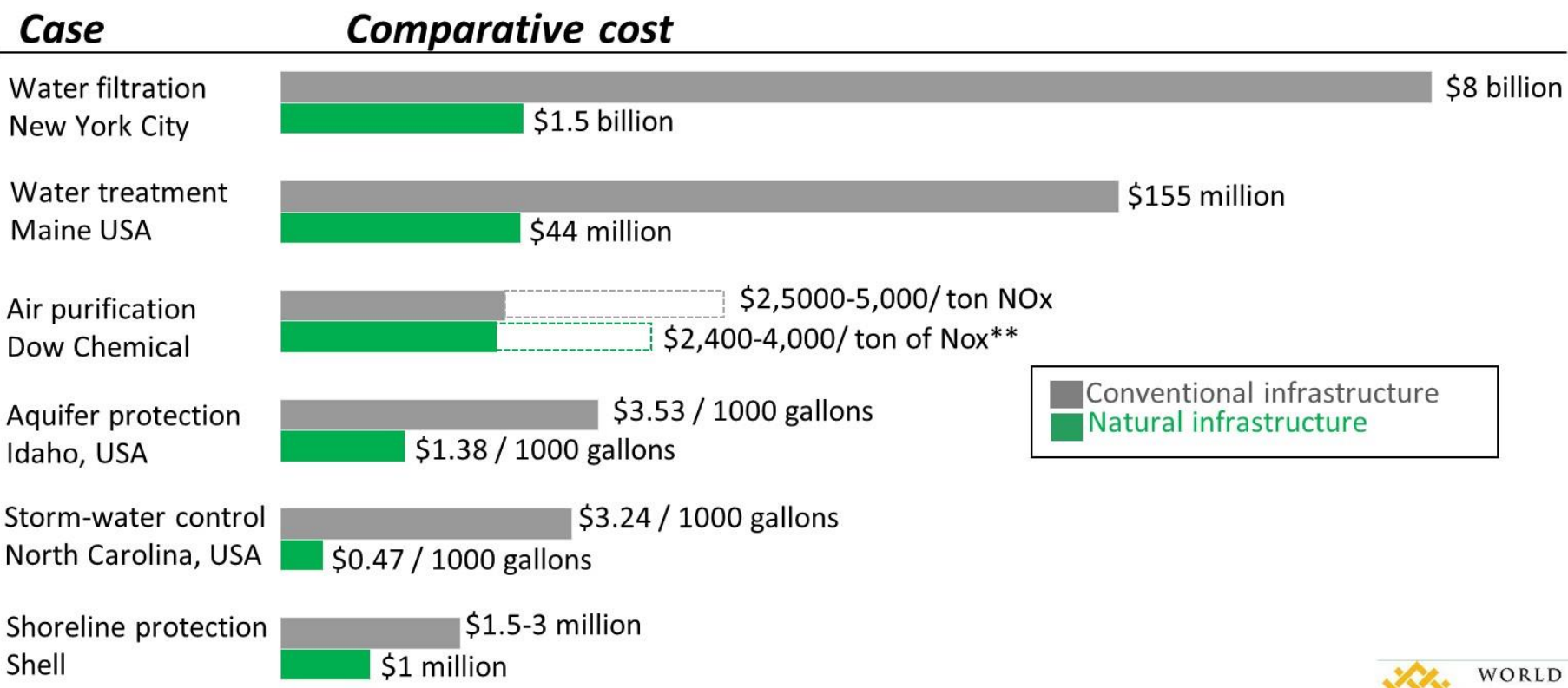


e.g. wetlands; reedbeds

Why is it relevant for business?



Financial reality



Conventional infrastructure
 Natural infrastructure



* If reforestation occurs on land owned by Dow



Natural Infrastructure

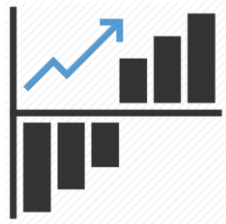
Business benefits - Direct Financial Benefits



Capital cost savings



Operations & Maintenance savings



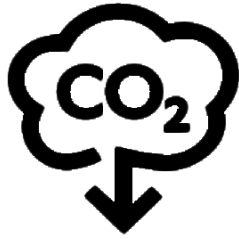
Return on investment



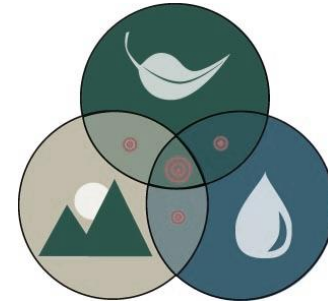
Innovation and revenue creation

Natural Infrastructure

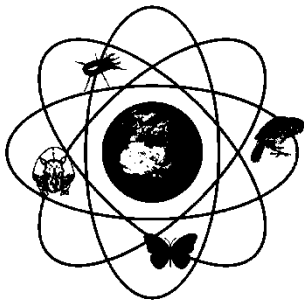
Business benefits – Environmental co-benefits



Mitigation of emissions
(air / water)



Resources Conservation



Habitat creation,
restoration, connectivity



Enhanced public health,
communities, and livability

Natural Infrastructure

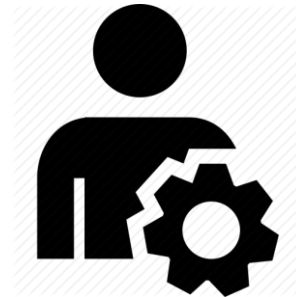
Business benefits – Social co-benefits



Operational Safety



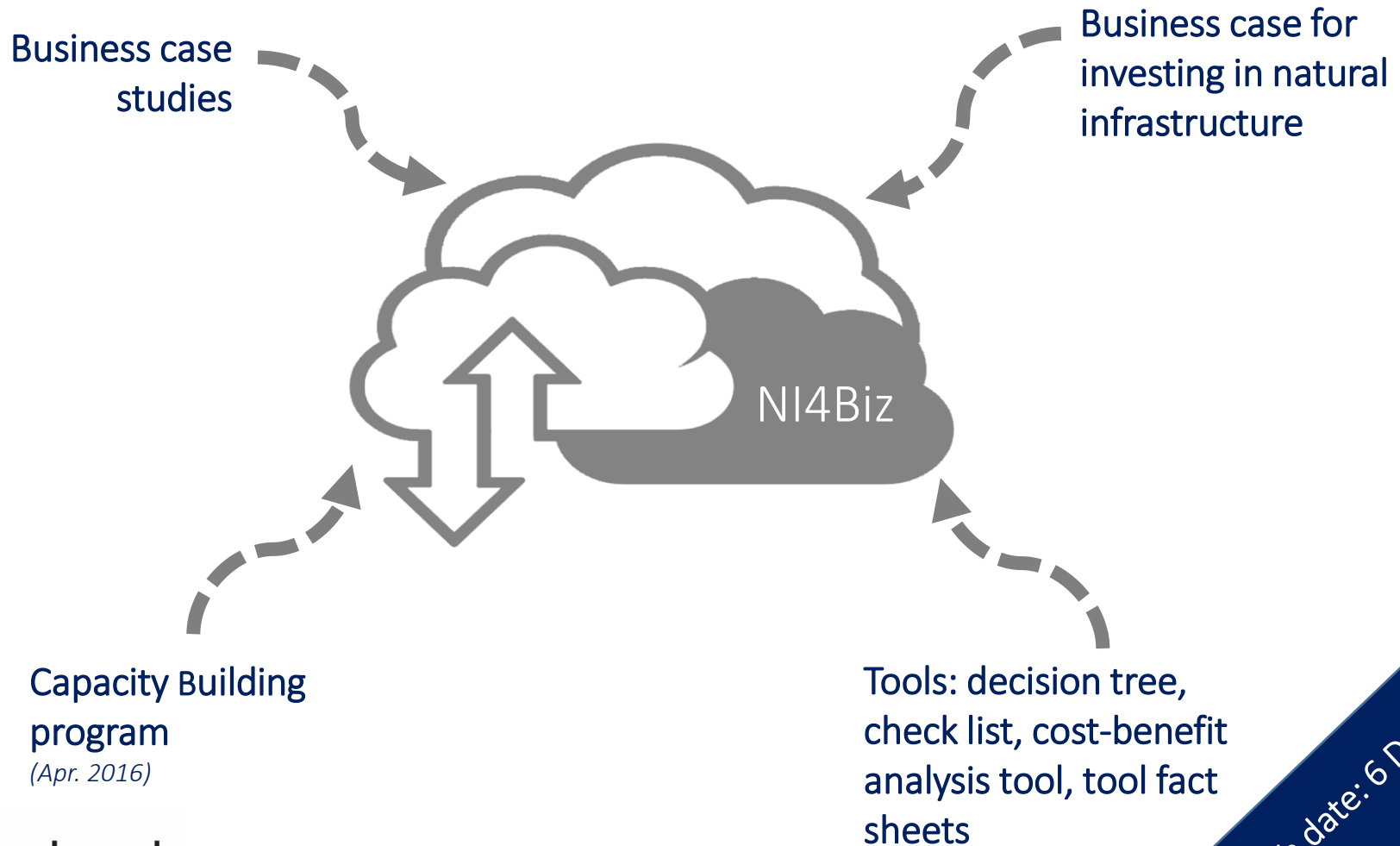
Social license to operate



Job creation and skill
development

Natural Infrastructure for Business Platform

Assessing and investing in natural infrastructure becomes common practice by 2020





For companies that want to go one step further in the grey vs natural infrastructure analysis

The Natural Capital Protocol

The Protocol will be a standardized framework for business to measure and value its direct and indirect impacts (positive and negative) and dependencies on natural capital.

- Guidance on **qualitative, quantitative and monetary** valuation
- Different **business applications**
- Different **organizational levels** (corporate, project, product, site) through the value chain
- Applicable to all business **sectors** across all **geographies.**

A unique collaborative process

WBCSD-led Consortium



IUCN-led Consortium



★ Natural Capital Protocol

- ★ Sector Guides: Food & Beverage and Apparel
- ★ Business engagement and pilot testing

Draft Framework

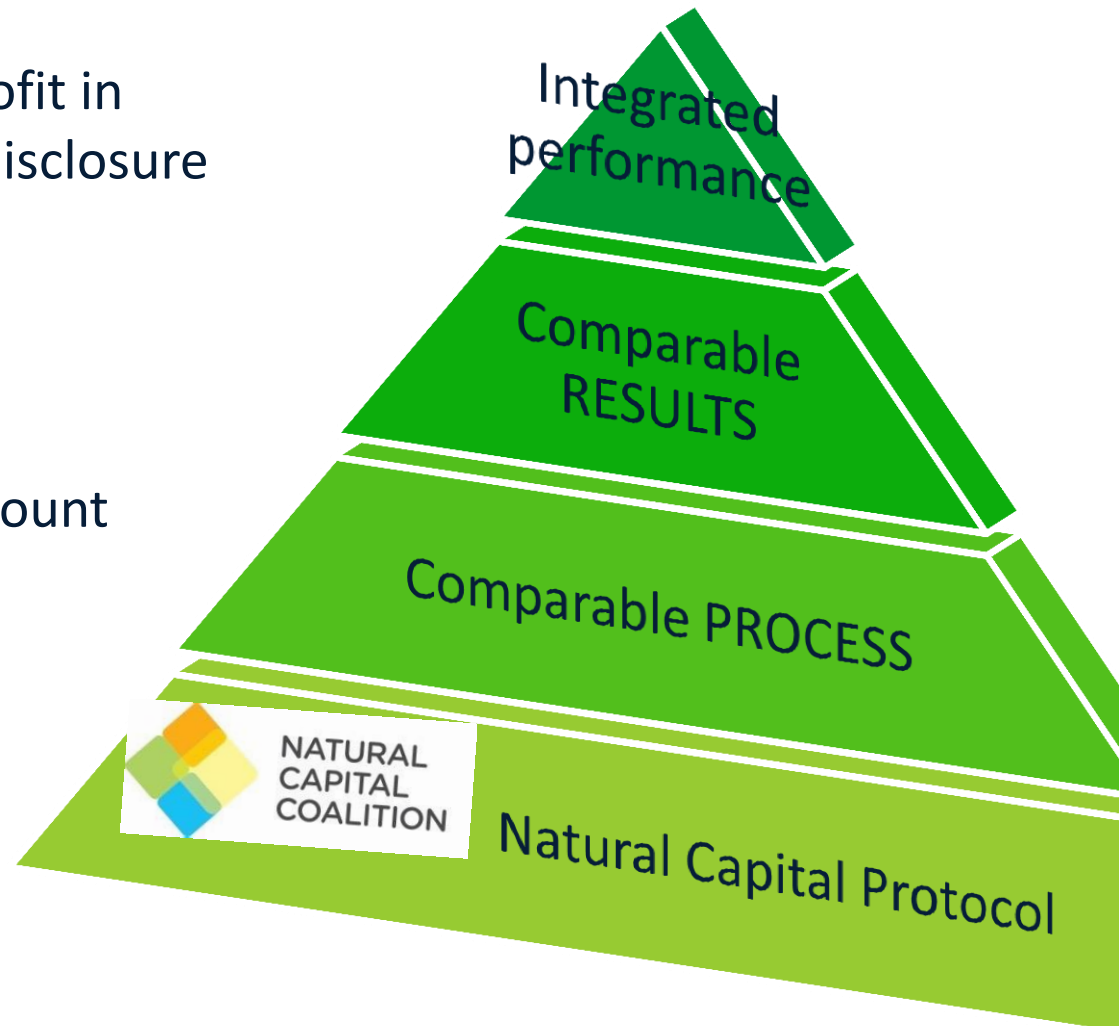
Stage	FRAME Why?		SCOPE What?		MEASURE AND VALUE How?			APPLY So what?		
Step	01 Get Started	02 Define the objective	03 Scope the assessment	04 Determine the impacts and/or dependencies	05 Prepare to measure and value	06 Measure or estimate impacts and/or dependencies	07 Measure or estimate changes in the state and trends of natural capital	08 Value impacts and/or dependencies	09 Interpret and use the results	10 Embed
Questions this will answer	How is natural capital relevant to your business?	What is the objective of your assessment?	What scope of analysis is appropriate for your objective?	Which impacts and/or dependencies are most relevant?	What do you need to consider before you start to measure and value?	How do you measure or estimate your impact drivers and/or dependencies?	How do you measure or estimate the changes in the state and trends of natural capital related to your business impacts and/or dependencies?	What is the value of your natural capital impacts and/or dependencies?	How can you interpret, validate, verify and apply the assessment and the results?	Should you continue the use of natural capital assessments in your business and if so, how?

PRINCIPLES: Relevance, Rigor, Replicability, Consistency



The journey...

- True value, true cost, true profit in corporate decision-making, disclosure and reporting
- Natural Capital Accounting
- Natural capital taken into account
- Foundation for internal business decision-making





Thank you

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