



**WE VALUE  
NATURE**

# 10-DAY CHALLENGE

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**11 – 24 March 2021**

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Events and activities for  
naturally-smarter businesses



# Get involved in The We Value Nature 10-Day Challenge

- Sign up to receive **daily challenges**. Each challenge can be completed in around 10 – 20 minutes and will help you take the next step on your nature journey.
- Register for practical, interactive sessions.



[wevaluenature.eu/10-day-challenge](https://wevaluenature.eu/10-day-challenge)





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COALITION**



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# Deep Dive: The principles of integrated capitals assessment and links to natural capital

**Presenters: James Spurgeon, Dr. Stephanie Hime, Phil Clarke, Tim Polaszek**

**24 March 2021**



# Presenters



Dr Stephanie Hime  
Director



Little Blue Research Ltd.



James Spurgeon  
Director



Phil Clarke  
Director



Tim Polaszek  
Collaboration Manager



CAPITALS  
COALITION



Ryan Twyford  
Analyst

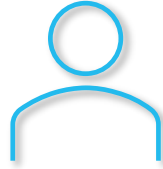


Little Blue Research Ltd.

# A few “house rules”



Make sure you are on mute

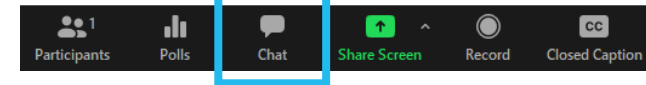


Please **change your username** to your full name and (organization)

e.g. John Doe (Little Blue Research)



Please submit comments or questions in the chat function



This session is being **recorded**. Slides, poll outputs, summary of registration and chat questions & recording will be shared afterwards.

**We'll also use Zoom polls and share your experiences**

Ensure that you are on **mute** when not taking part in discussions

# Session overview

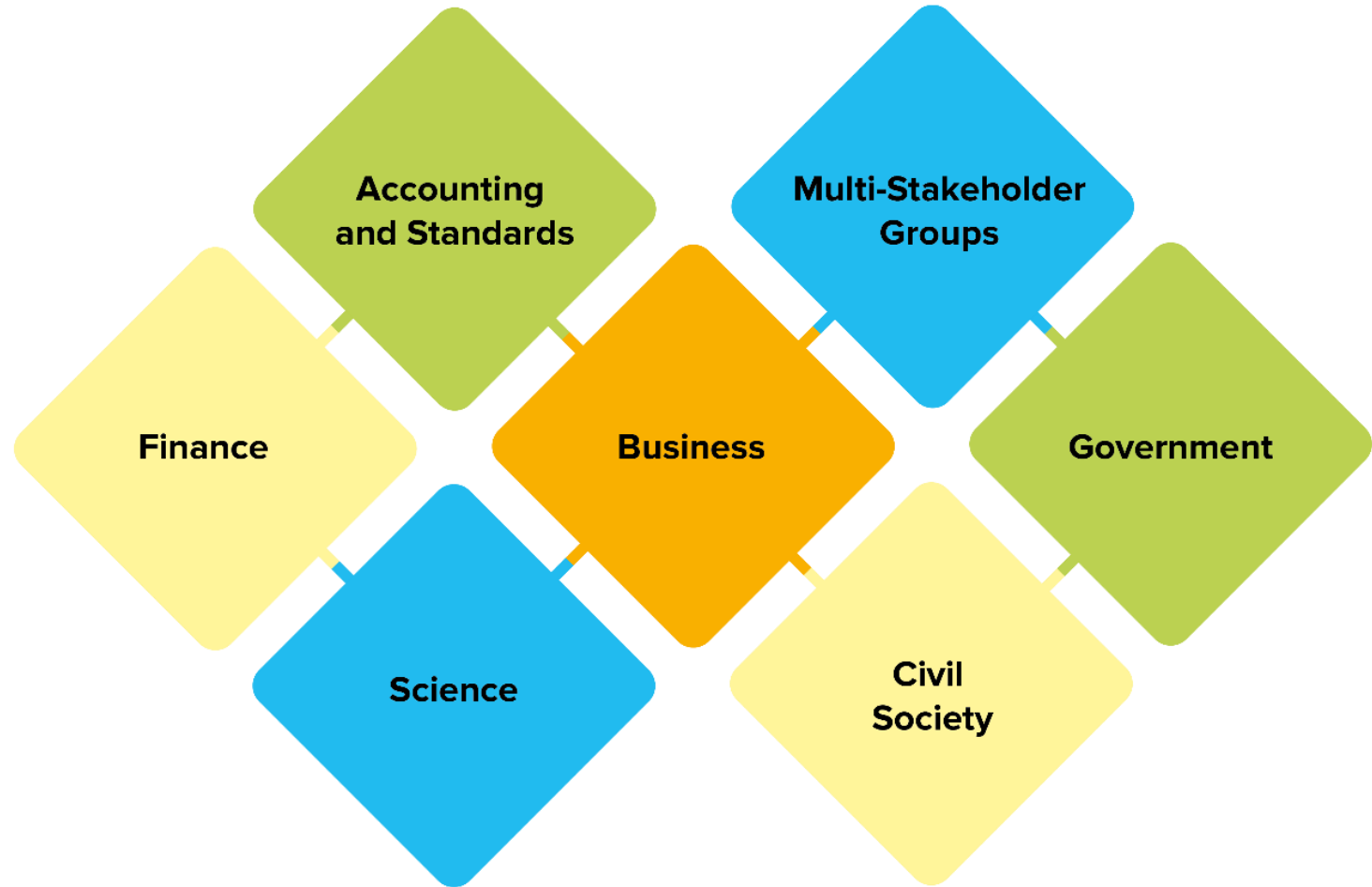
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- Introduction and overview of the project - **5'**
- Introduction to the principles - **5'**
- Overview of each principle – **20'**
- Q&A Session including zoom poll – **20'**



# Capitals Coalition

The global collaboration transforming the way decisions are made by including the value provided by nature, people and society





# The Capitals

## Natural capital:

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



## Social capital:

The networks together with shared norms, values and understanding that facilitate cooperation within and among groups.



## Human capital:

The knowledge, skills, competencies and attributes embodied in individuals that contribute to improved performance and well-being.

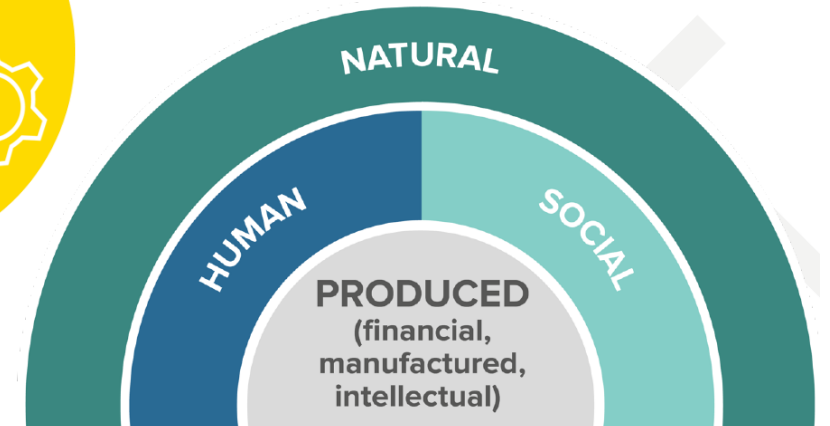


## Produced capital:

The man-made goods as well as all financial assets that are used to produce goods and services consumed by society.



## Their relationship



# Why Integrated Capitals Assessments?

Three inter-connected existential crises

- Climate
- Nature
- Inequality

Contributing root causes

- Externalities
- Shareholder primacy
- Silo-mentality

Benefits of integrated capitals assessments

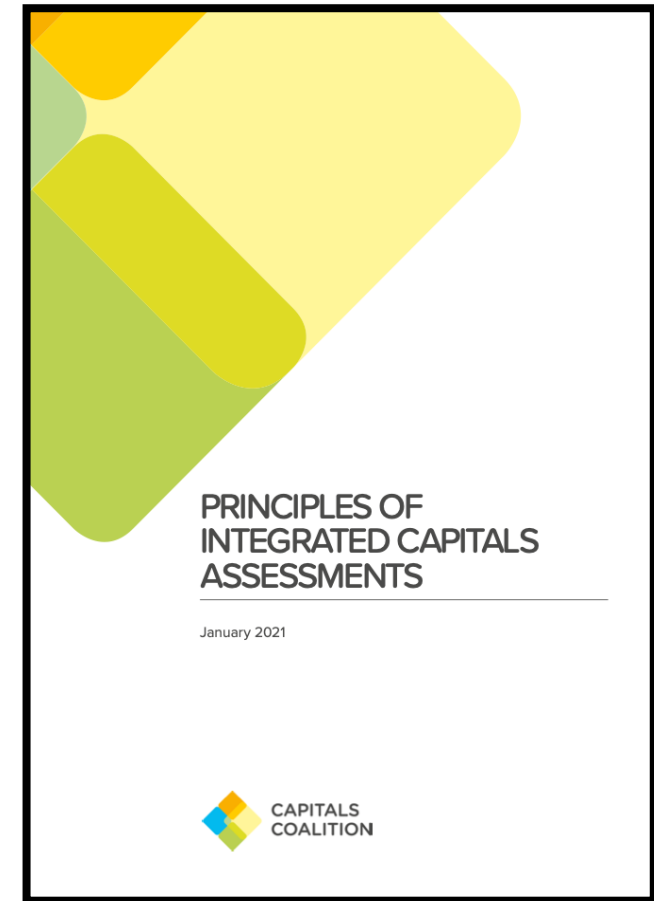
- Make value of all externalities visible
- Inform stakeholder primacy
- Apply 'systems' thinking



Better decision making

# Developing the Principles

- Literature review
- Initial expert input
  - *Prof. Richard Barker (University of Oxford)*
  - *Chris Brown (Olam)*
  - *Ian Dickie (Eftec)*
  - *Will Evison (PwC)*
  - *Christian Heller (Value Balancing Alliance)*
  - *Bianca Nijhof (Netherlands Water Partnership)*
  - *Carl Obst (IDEEA Group)*
- Capital Coalition Advisory Panel review
- Open consultation
- [Published January 2021](#)



# Single, Multi and Integrated Capital Assessments

**Capital assessments:** ‘measure and value impacts and dependencies on capitals’

## Single

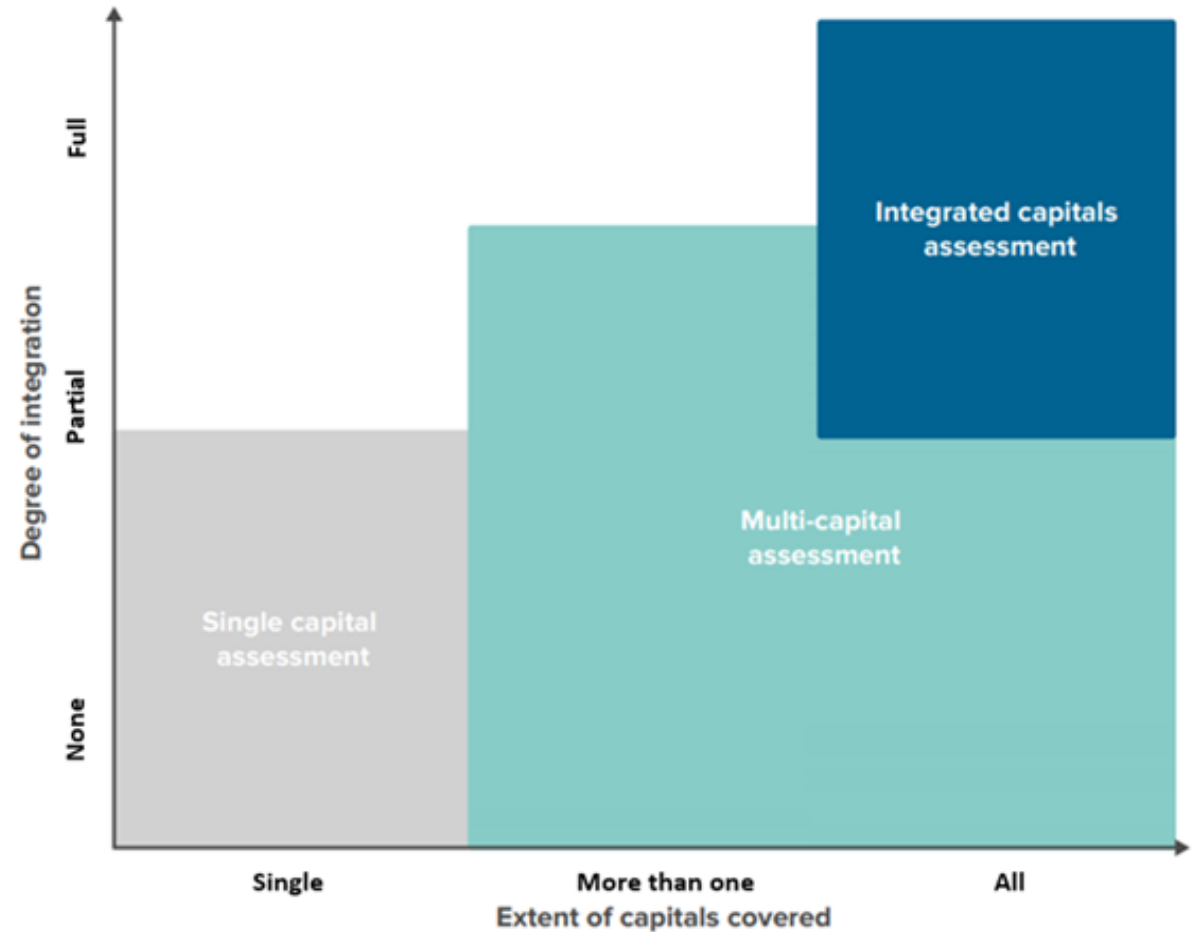
- single capital

## Multi-

- more than one capital
- ideally all relevant capitals
- results ‘side by side’

## Integrated

- all relevant capitals
- systems-thinking
- assess inter-connections between capitals





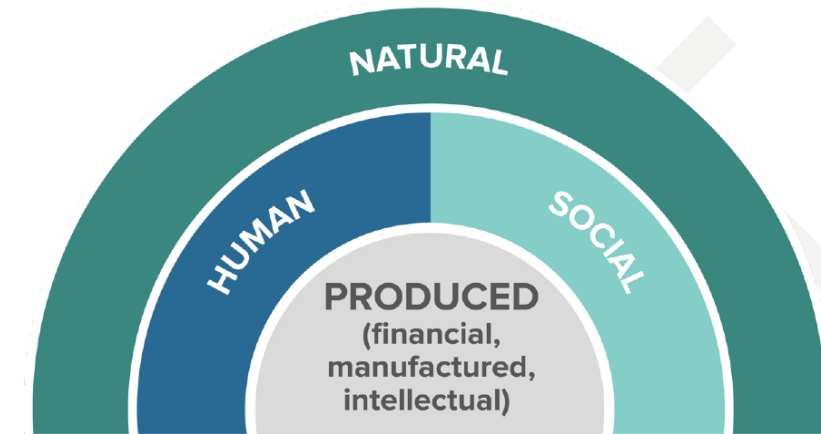
# The five principles

## Box 1 - Principles for undertaking integrated capitals assessments

- Principle 1 **Consider all forms of capital and include all relevant capitals**
- Principle 2 **Take into account the surrounding system and its inter-connections**
- Principle 3 **Apply an appropriate level of attribution based on your degree of influence**
- Principle 4 **Present values at an appropriately granular level for the decision being made**
- Principle 5 **Specify and address key differences in impacts and dependencies amongst all stakeholders**

# Principle 1. Consider all forms of capital and include all relevant capitals: Approach

- Include all capitals – unless not relevant
- If not relevant, state why
- Use materiality assessment (double materiality)
- Ideally based on evidence & stakeholder consultation
- Consider complex connections, impacts and values
- How categorized is not important - as long as all considered
- When to do: *start in framing/scoping stages but do throughout*
- Why important: *necessary for holistic decision-making*



# Principle 1. Consider all forms of capital and include all relevant capitals: *Example*

- Antofagasta Minerals – supported by Sustain Value
  - Wanted tool to evaluate/demonstrate 'positive impact' at mines
- In 2011 developed a natural capital tool
  - '*Environmental - Risk, Opportunity & Valuation Assessment*' (EROVA)
  - Applied to several mines & wetland/habitat restoration schemes
- In 2014 upgraded to a multi-capital tool
  - *Environmental, Social & Economic - Risk, Opportunity Valuation Assessment (ESE-ROVA)*
  - Included social, human & financial capitals
  - Applied to water supply & tyre disposal option appraisals

**= Recommends different preferred options compare to EROVA**



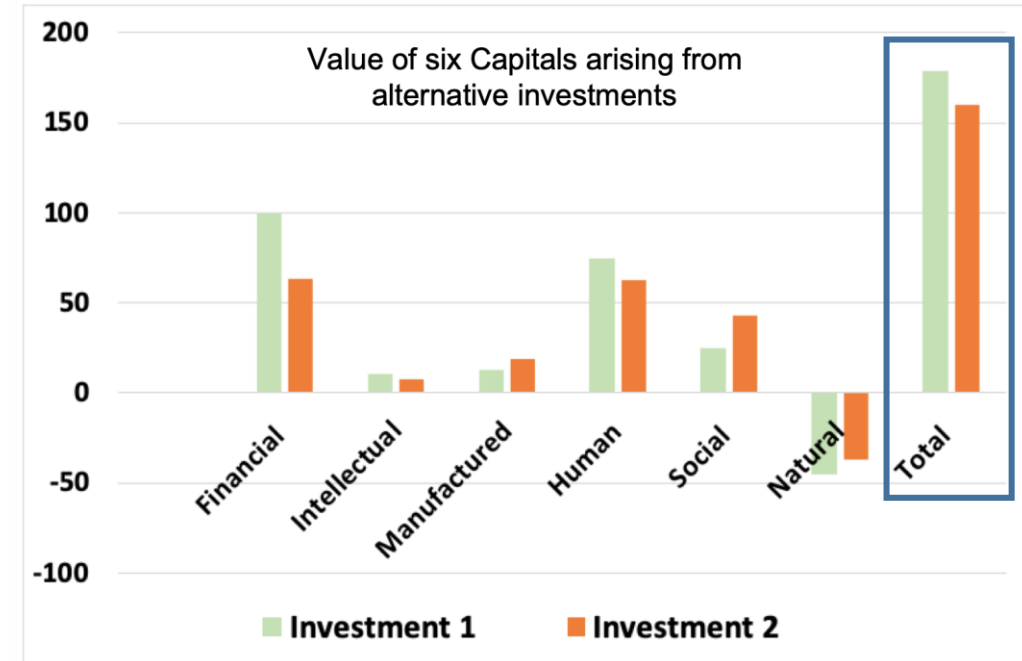
## Principle 4. Present values at an appropriately granular level for the decision being made: *Approach*

- Provide information at right detail for decision being made
- Show **both** positive and negative values - between and within capitals
- Do NOT mask negatives by aggregating to an overall positive value
- Do not only focus on monetary values – include all potentially relevant values
- Include quantitative and qualitative values where necessary
- Critical for biodiversity, human lives & human rights – respect thresholds & limits
  
- When to do: *during apply stage*
- Why important: *vital to present the complete picture & highlight negatives*



# Principle 4. Present values at an appropriately granular level for the decision being made: *Example*

- Investor & mining company - supported by Sustain Value
  - Mine re-opening in Europe
  - Wanted to evaluate/demonstrate sustainability
  - Overall & between options
  - To compare site restoration, distribution (road vs rail, alternative ports) & processing options & location
- In 2019 updated ESE-ROVA to become:
  - *'Investment Rapid Sustainability Appraisal'* (IRSA) tool
  - Multi-capital tool (covers six capitals)
  - Also covers SDGs, IFC-PS & planetary boundaries etc.
- Developed a range of graphic & report outputs
  - Significant trade-offs - especially transport (road vs rail)
  - e.g., cost vs GHGs vs jobs



- Careful with totals!
- Combination of graphic outputs valuable
- **Essential** to show detail within capitals

## Principle 2. Take into account the surrounding system and its inter-connections: *Approach*

- To be an integrated capitals assessment, adopting a **systems-based** approach is essential
- The relevant system(s) should be considered, in particular the material inter-connections within, and between, the different capitals
- When to do this: *during framing and scoping*
- Which interconnections? *Landscape, elements of the value chain, the capitals, stakeholders, etc.*
- Why is it important: *helps to improve decision making and to develop more holistic solutions to problems*



Photo by [Paul Einerhand](#) on [Unsplash](#)

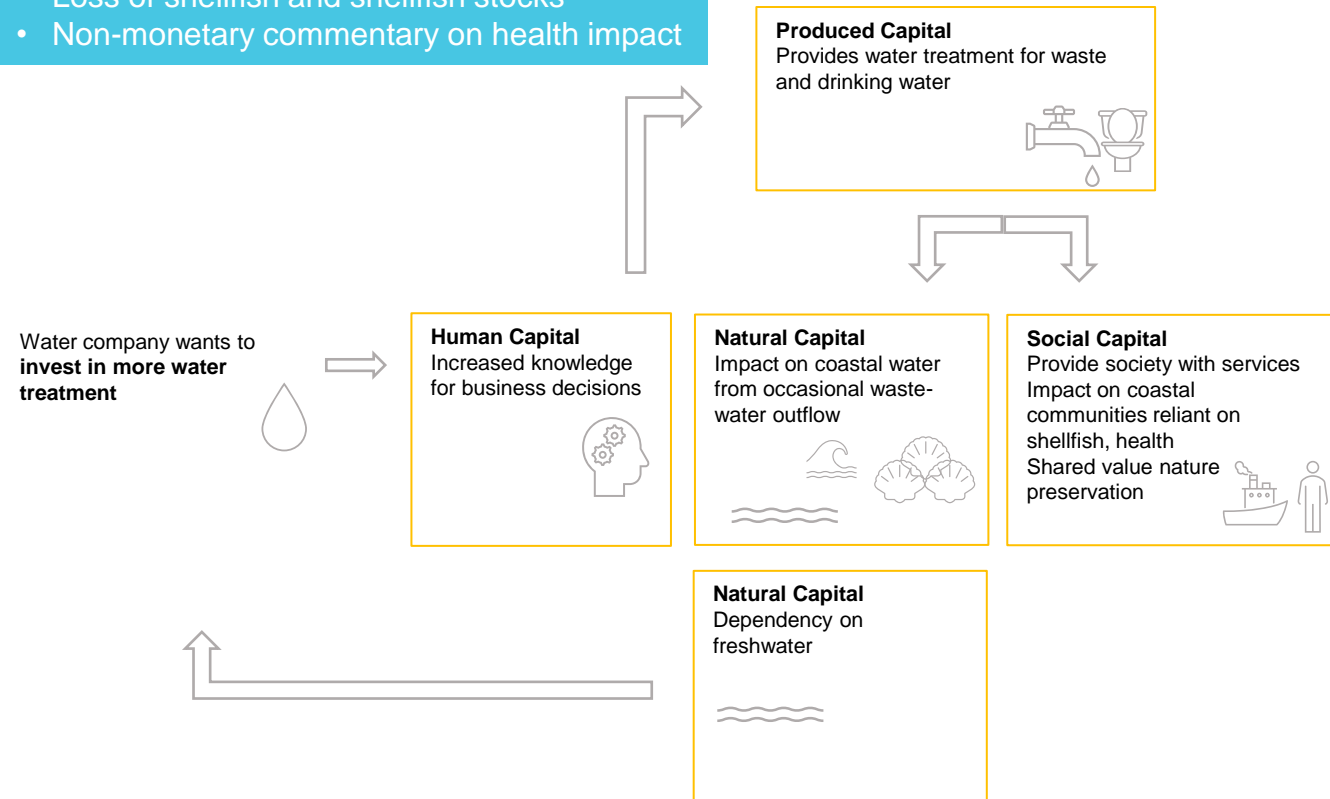
A **systems-based approach** is an approach that analyses the inter-relations between human and non-human components across temporal and spatial scales. It involves identifying the drivers of change as determined and impacted by feedback loops, delays and non-linear relationships, and focussing on long-term value (adapted from TEEB, 2018).

# Principle 2. Take into account the surrounding system and its inter-connections: *Example*

- Specific study relating to water treatment for a Water Company – Little Blue Research
- Scope of the original work was environmental and social
- Inter-connections were prevalent across:
  - Produced capital: water & waste services
  - Social capital: the local community, through health and social issues relating to the local economy (shellfish) and culture (festivals and local identity)
  - Natural capital: pollution (FW & SW) and its potential impact on shellfish grounds, designation of specific sites and recreation
  - Human capital: in this context, related to the extra appreciation of the impact of a pollution event in different areas – to aid company decision making.

## Outputs:

- Model including monetary valuations for:
- Changing levels of water quality designation
- Loss of shellfish and shellfish stocks
- Non-monetary commentary on health impact



Anonymized information modified from Little Blue Research Projects

# Principle 3. Apply an appropriate level of attribution based on your degree of influence: *Approach*

- Identifying what your organization is fully or partially responsible for
- The principles of integrated capitals assessment set out a hierarchy based on your organizations influence
- Remember to determine impact/dependencies you will need to determine your organization's contribution to the **depth** and **scale** of an impact by factoring in the estimated degree of change/impact that would have happened anyway
- When to do this: *scoping and measurement*
- Why is it important: *helps to show what the company action/intervention leads to and ensures that these are assessed on the outcomes that relate to specific actions. This leads to improved decision making by focusing on actions with greatest impact.*

## Box 4: levels of attribution

1. Direct: The inclusion of aspects of business conducted by you, or that you own, or where you have a controlling majority stake.
2. Partial direct: Where you have worked with partners resulting in impacts and/or dependencies.
3. Indirect: Where you have commissioned activities by others or within your supply chain.
4. Enabling: Activities that you have contributed to or which are carried out in your portfolio (e.g. financed) or by customers and other parts of the value chain.

**Depth:** magnitude of change for a stakeholder  
**Scale:** number of stakeholders affected  
Principles of Integrated Capitals Assessment (2021)



# Principle 3. Apply an appropriate level of attribution based on your degree of influence: *Example*

- Specific study relating to the event industry – Little Blue Research
- Scope of the original work was environmental and social
- Challenges:
  - Understanding the extent to which the organization had contributed to a particular impact & what would have happened anyway e.g., networking, education (*survey-based data*)
  - What percentages/non-monetary rankings are assigned to direct, partial direct, indirect and influence (*interviews with those responsible*)
  - Determining how long an impact may last (*assumption was made based on repeated attendance at an annual event*)
- *Suggestions to address these:*
  - Classification of the extent of contribution in a *transparent way, engage company stakeholders* to help articulate this
  - Assigning rankings or percentages related to different levels of attribution – be *transparent and give stakeholders the framework to help determine which rankings make sense. Discuss areas in which there are disagreements*
  - Consider the change being measured and the decision being made to help determine the relevant time period for the assessment (*is the impact related to an annual event, or an intervention whose influence decreases overtime?*)



Photo by [George Stackpole](#) on [Unsplash](#)

*Anonymized information modified from Little Blue Research Projects, particularly prevalent in project with a larger focus on social capital, education aspects, events, working in partnerships, funding of/investment in specific activities*

# Principle 5. Specify and address key differences in impacts and dependencies amongst all stakeholders: *Approach*

- When undertaking an assessment, you should specify what the key differences in impacts and dependencies are in terms of the relevant decision being made and its affect amongst different stakeholders.
- Where appropriate, consideration should be given to multiple levels of stakeholders within a stakeholder group (e.g., smallholders versus larger producers).
- When to do this: *scoping and measurement*
- Why is it important: *helps to show the winners and losers associated with a specific action/intervention. If these are understood, then negative impacts can be mitigated against to improve decision making*



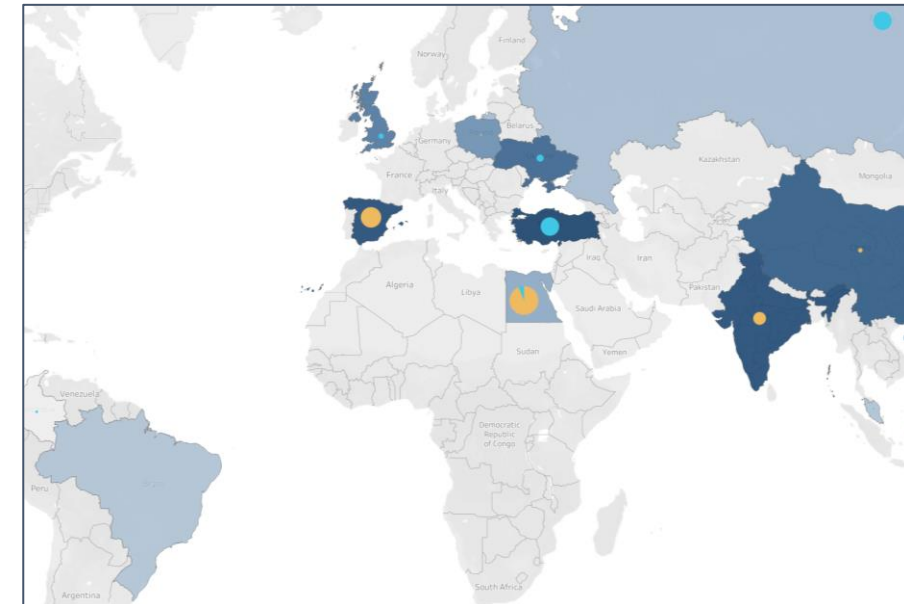
Photo by [Raphael Rychetsky](#) on [Unsplash](#)

# Principle 5. Specify and address key differences in impacts and dependencies amongst all stakeholders: *Example*

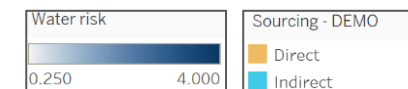
- Specific study relating to food and beverage industry – Little Blue Research
- Scope of the original work was environmental, social and human
- Stakeholders impacted by each material issue differed by geographic location and position in the value chain

## Outcomes from the project

- Lead to discussions on areas in which environmental dependencies existed and which stakeholders may be impacted by the company's use of resources
- Identified company risks that may negatively impact particular stakeholders in future and where the company could influence behaviour.



**Example outputs:**  
**Social cost of water need for different crops, the larger the circle the greater the impact**



*SRC: modified water risk ratings from aqueduct water risk atlas  
<https://www.wri.org/>  
Demonstration data used for sourcing charts*



# Q&A

**Presenters: James Spurgeon, Dr.  
Stephanie Hime, Phil Clarke, Tim  
Polaszek**

For those who would like to know more about integrated assessment....

# Net Impact Approaches 2021



Thursday May 27th

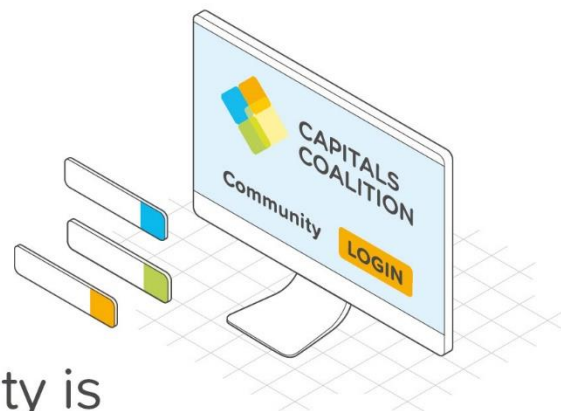
2.00pm to 3.15pm GMT

See [www.sustainvalue.co.uk](http://www.sustainvalue.co.uk)

or [www.consciam.com](http://www.consciam.com)

Events pages for details

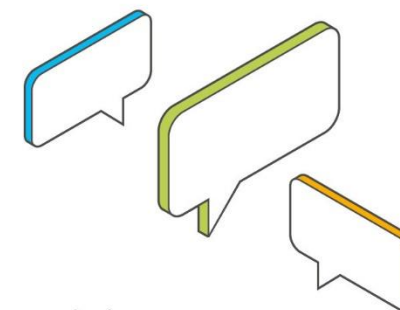




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Sign up and join the We Value Nature group to take part in the conversations:

<https://community.capitalscoalition.org>



We want your feedback!

Please share your thoughts on this session and the overall 10-Day Challenge event at:

<https://wevaluenature.eu/Feedback>



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