Redefining Value
Measuring & Reporting for Business

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We are...
WBCSD Strategy

Improving the Business Case

Redefining Value

ACTION2020

Business Solutions

Today

Collaboration

TO REACH SOCIETAL MUST-HAVES
WBCSD Action2020 Social and Environmental Priorities for Biz Solutions

Social Impact
Sustainable Lifestyles
Climate & Energy
Water
Ecosystems & Land Use
Safe Materials & Products
Alignment to Potential UN Sustainable Development Goals

Sustainable Development Solutions Network (SDSN) | Priority Areas for 2020 | High-Level Panel (HLP)
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End extreme poverty including hunger | Climate change | Ending poverty
Achieve development within planetary boundaries | Nutrient elements | Empowering girls and women and achieving gender equality
Ensure effective learning for all children and youth for life and livelihood | Ecosystems | Providing quality education and lifelong learning
Achieve gender equality, social inclusion, and human rights | Harmful substances | Ensuring healthy lives
Achieve health and wellbeing at all ages | Water | Ensuring food security and good nutrition
Improve agriculture systems and raise rural prosperity | Basic needs and rights | Achieving universal access to water & sanitation
Empower inclusive, productive & resilient cities | Skills and employment | Securing sustainable energy
Curb human-induced climate change and ensure clean energy for all | Sustainable lifestyles | Creating jobs, sustainable livelihoods, and equitable growth
Secure ecosystem services & biodiversity, ensure good management of water & other natural resources | Food | Managing natural resource assets sustainably
Transform governance for sustainable development | | Ensuring good governance and effective institutions

| | | Creating a global enabling environment and catalyzing long-term finance |
“Redefining Value Initiative Objectives”

- True value, true cost, true profit in corporate decision-making, disclosure and reporting

- Implementing better Reporting

- Natural Capital
  - Natural Capital Protocol

- Social Capital
  - Social Capital Protocol
Foundation

- Corporate Ecosystem Services Review (ESR)
- Guide to Corporate Ecosystem Valuation (CEV)
- Business Guide to Water Valuation
- Eco4Biz
- Knowledge Product Guide
Guide to Corporate Ecosystem Valuation (CEV)

- A framework to make better decision by valuing nature
- A set of resources to navigate through related jargon and techniques
**CEV - Valuation Techniques Examples**

<table>
<thead>
<tr>
<th><strong>Benefits (examples)</strong></th>
<th><strong>Valuation techniques (examples)</strong></th>
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<tbody>
<tr>
<td><strong>Provisioning services</strong></td>
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<tr>
<td>Fish</td>
<td>Market prices</td>
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<td>Timber</td>
<td>Change in production</td>
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<td>Water</td>
<td>Substitute prices</td>
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<td><strong>Regulating services</strong></td>
<td></td>
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<td>Flood protection</td>
<td>Damage costs avoided</td>
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<td>Carbon sequestration</td>
<td>Replacement costs</td>
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<tr>
<td>Water filtration</td>
<td>Change in productivity</td>
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<td>Waste assimilation</td>
<td>Hedonic pricing</td>
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<td><strong>Cultural services</strong></td>
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<td>Recreation</td>
<td>Stated preference surveys</td>
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<td>Aesthetics</td>
<td>(e.g. contingent valuation)</td>
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<td>Landscape values</td>
<td>Travel cost method</td>
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<td>Non-use values</td>
<td><strong>Benefits Transfer</strong></td>
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<td>(increasingly accepted low cost approach)</td>
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CEV- Hierarchy of Approaches

Monetary
($ values)

Quantitative
(e.g. tons, # people)

Qualitative
(e.g. High, medium, low)

Monetary values not always available or required for decision-making

Natural Capital Protocol led by the Natural Capital Coalition

• **Harmonized measurement and valuation approaches** required by business for integrated performance management and decision-making.

• An overarching structure, consisting of:
  • **Framework**, i.e. what and why measure and value, including principles, scope and boundaries, units of measurement
  • **Practical methodologies and guidelines** for data, assessment and valuation, i.e. how to measure and value

• Link where possible with existing efforts in public policy, national accounting, SDGs, and statistical community.
Natural Capital Protocol (NCP) - initial ideas

- Draft Protocol Framework (i.e. WHAT needs to be measured, units)
- **Best practice guidelines** (data & assessment and valuation approach guidance)
- **Practical methodologies**, incl. EP&L – not prescriptive for the moment
- Priority area deliverables/outcomes (TBC), including:
  - Ecosystems
  - Biodiversity
  - Land use
  - Water
  - Climate & Energy
(Some) key questions we’re working on…

• Should measuring and valuing corporate impacts & dependencies primarily go to help internal decision-making or external reporting and disclosure?

• What is value and value creation? Does “valuation” only mean “monetization” for some people?

• What is materiality? Should companies measure, value and report only what is material to them?

• What is integrated reporting / performance management / integrated thinking? Is anyone actually doing it?

• Who are sustainability reports written for? How could the reports be improved?
Natural Capital Protocol for business

- Share and review categories and indicators
- Explore possibility of incorporating national statistics & accounts into corporate decision-making
- Help secure and maintain better data
- Share learnings from public sector in terms of valuation methodologies and techniques
- Clarify context for business / user-friendly interface