



Business for  
Biodiversity  
Ireland

THE JOURNEY TO NATURE POSITIVE

Goal A3: Step 3

Choose the Right Framework:

Large Businesses

(>250 people)

Goal A3.3\_Choose the Right Framework\_ V1.0 March 2024

# FRAMEWORKS FOR LARGE BUSINESSES

All businesses to varying degrees are dependent on the health of the natural world. Organisations also impact on nature's health, both positively and negatively.

Understanding the complex and dynamic relationships that organisations have with the health of natural assets and the ecosystem services they provide enables businesses to make more informed decisions. A capitals approach empowers organisations to deliver benefits their employees, society, the broader economy and the natural world alongside their businesses.

**Natural Capital is defined as the stock of renewable and nonrenewable natural resources (e.g. plants, animals, air, water, soils, minerals) that combine to yield a flow of benefits to people.**

## **The Natural Capital Protocol (NCP)**

The Natural Capital Protocol is aligned with TNFD and is a decision-making framework to enable organisations to identify, measure and value their direct and indirect impacts and dependencies on nature. It was first published in 2016, with the latest online version dated 14th January 2021. The aim of the NCP is to support better decisions by including how we interact with nature (specifically natural capital) in decision-making.



**CAPITALS COALITION**



The NCP is a very technical document which may not be accessible to everyone. It is noted in the NCP that although it is relevant to all organisations, it has been developed for:

- Businesses that do not yet fully understand the benefits of valuing natural capital (including nature), this is an excellent starting point for learning about the concept of the natural capital approach and an introduction to the Natural Capital Protocol framework and the process of carrying out a natural capital assessment (including a materiality assessment of impacts and dependencies).
- For businesses that already have an understanding of the benefits of valuing natural capital, the NCP provides a useful framework to advance their natural capital assessments and enable informed decision-making.

**BFBI recommends that larger businesses use this framework for assessing their nature related DIROs (this can be used in conjunction with TNFD and SBTN).**



Taskforce on Nature-related  
Financial Disclosures



**SCIENCE BASED TARGETS NETWORK**  
GLOBAL COMMONS ALLIANCE





## CAPITALS COALITION

Capitals Coalition, who developed the NCP, use a capitals approach (natural capital, social capital and human capital) to show how an organisation's success is directly or indirectly underpinned by these capitals and to enable informed decision-making that takes these capitals into consideration.

The NCP is based on four steps from getting started to taking action. See the Capitals Coalition website for more information on this framework.



Four stages of the Natural Capital Protocol (NCP) framework. Image from NCP (Capitals Coalition, 2016)

## CAPITALS COALITION

**Stage 1 Frame** – *Why?* Step 01: Getting started

**Stage 2 Scope** – *What?* Steps 02-04 (Step 4 relates to determining which impacts and/or dependencies are material)

**Stage 3 Measure and Value** – *How?* Steps 05-07 (This stage relates to measuring and valuing impacts and/or dependencies on nature)

**Stage 4 Apply** – *What next?* Steps 08-09 relate to interpreting the results and taking action.

Capitals Coalition have also published a [Business Primer](#) giving a short introduction to the NCP and includes some information on sector guidance, based on sectors that took part in the piloting program to test and validate the NCP.

# Natural Capital Protocol



DOWNLOAD THE PROTOCOL