



The business case for valuing natural resources

James Griffiths explores how a new ecosystems guide enables companies to make better business decisions

James Griffiths for the Guardian Professional Network
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A new guide published by the WBCSD is designed to help businesses understand the value of ecosystem services.
Photograph: Frank Rumpenhorst/AFP/Getty Images

Every company values its core business resources: its products, customers, and employees. But until now business has not been able to fully consider the value of a vital aspect for success – natural resources.

That is why the World Business Council for Sustainable Development (WBCSD) created the Guide to Corporate Ecosystem Valuation (CEV), an innovative framework designed to enhance understanding of ecosystem services like freshwater, food, fibre and natural hazard protection.

This first-of-its-kind framework helps companies to consider the benefits and values of these services, providing new information and insights to include in planning and

financial analysis. It supports decision-making by better aligning the financial, ecological and societal objectives of companies, and links ecosystem service opportunities and risks more directly to a business's core operations, supply chain and financial bottom line.

The CEV also provides clarity, consistency and guidance in approaches and techniques. It was developed through an 18 month process of close collaboration with business and four partner organisations – Environmental Resources Management (ERM), the International Union for Conservation of Nature (IUCN), PricewaterhouseCoopers (PwC) and the World Resources Institute (WRI). 14 WBCSD member companies road tested the CEV Guide and were able to produce key examples of the opportunities and risks associated with ecosystems.

For example, Mondi, an international paper and packaging company, identified water as a key ecosystem service dependency for its tree plantations in South Africa. The resource was under considerable pressure from other users in the area, and water scarcity due to poor catchment management would lead to rising costs for the company. By utilising the CEV guide Mondi was able to understand the value of mapping water dependencies among major users in the South African watershed. This should give the company an improved business focus for the future.

This is just one example of how business and ecosystems are inextricably linked. Simply put, companies that don't know their ecosystem impact put their business at a greater risk and miss out on potential opportunities. Valuing these impacts and dependencies helps them to make better decisions, and CEV enables business to contribute to the solution to biodiversity loss and ecosystem degradation rather than just being part of the problem.

The guide "operationalises" The Economics of Ecosystems and Biodiversity (TEEB), a key report released in October 2010 by environment ministers of the G8+5 at COP 10 of the Convention on Biological Diversity. TEEB urges companies to support the management of biodiversity as an integral part of their business plans. But businesses cannot manage what they don't measure, and CEV enables companies to place a value on their ecosystem impacts, use and management.

The CEV was unveiled at a launch event on 8 April in Geneva, Switzerland. For a full copy of the guide please click [here](#).

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