



**THE °CLIMATE GROUP**

# **MEASURING YOUR WAY TO NET POSITIVE**

# THE NET POSITIVE GROUP

The Net Positive group was brought together by Forum for the Future, The Climate Group and WWF in 2013, and includes BT, Capgemini, The Crown Estate, Dell, Greater Manchester Fire and Rescue, IKEA Group, Kingfisher, PepsiCo, SKF and TUI Group.

The group aims to:

- Grow the number of companies making Net Positive commitments.
- Bring clarity to the debate about Net Positive.
- Bring more consistency, credibility and rigour to the measurement of Net Positive.

This document addresses this measurement aim, and in doing so helps meet the first two aims.

The group developed this document through workshops and research. It is a draft designed to stimulate action, experimentation and debate. The contents will be tested with further companies who are making their own Net Positive commitments and other organisations pushing forward the Net Positive agenda. The final document will be published in October 2015.

## Contributions

Please send your thoughts and comments to **Zoe Le Grand**, Forum for the Future at [z.legrand@forumforthefuture.org](mailto:z.legrand@forumforthefuture.org)

## Acknowledgements

We would like to thank the group members for their active contributions to the debate and their insights into delivering Net Positive in practice. We have also valued the input of other organisations that are shaping the debate, including The Carbon Trust. This work would not have been possible without the skills and insights of David Aeron-Thomas who helped to design and run the research process and co-authored the report.

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# FOREWORD

**We face a global population of 9 billion by 2050.**

**If we want to survive and thrive into the future, we must replenish the fast-depleting environmental resources we rely on today.**

**The world's most innovative organisations recognise this, and are acting on it. We're seeing businesses being entirely powered by renewable energy, reusing expensive materials and slashing their carbon emissions and enhancing society.**

**Companies have an important role to play in creating an abundant environment and a better society. They must go beyond committing to "doing no harm". Instead they must actively commit to doing more good.**

**Whether they call their new commitments "Net Positive" or simply "doing good", more and more businesses are leaving a positive footprint on the planet and on society.**

**This unprecedented transition will change the role of business in sustainability and wider society. In the future, the success of an organisation will be measured by**

**what they have delivered to citizens and the environment, as well as their investors.**

**It is clear from the organisations involved and the wide scale of its impact that Net Positive is at the very forefront of sustainable business.**

**But more companies must take up the Net Positive mantle and grasp the opportunity to improve their products and services – or risk getting left behind as a fairer, low carbon future unfolds. A future based on a strong economy, an abundant natural environment and a happy society.**

**Join us and be part of a Net Positive future that is better for all.**

**Mark Kenber, CEO,  
The Climate Group and  
David Bent, Director of  
Sustainable Business,  
Forum for the Future**

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# INTRODUCTION AND OVERVIEW

## What is Net Positive and why do we need Net Positive measurement?

Net Positive is a new way of doing business which creates an overall – or ‘Net’ – positive impact.

Organisations that take a Net Positive approach share an ambition to succeed: grow their brand, deliver a strong financial performance and attract the brightest talent. Net Positive simply means putting more back into the environment or society than an organisation takes

out, with a resulting positive impact. Spread across the private, public and not-for-profit sectors, Net Positive organisations recognise these efforts are a marathon, not a sprint, along new routes that are still emerging. Each organisation has its own unique path, but the destination for each is the same: thriving organisations that bring benefits beyond their traditional boundaries.

But what does taking a Net Positive approach really mean? In 2014, we developed a set of principles which characterised a Net Positive approach:

1. The organisation aims to make a positive impact in its key material areas.
2. The positive impact is clearly demonstrable if not measurable.
3. As well as aiming to have a positive impact in its key material areas, the organisation also shows best practice in corporate responsibility and sustainability across the spectrum of social, environmental and economic impact areas, in line with globally accepted standards.
4. The organisation invests in innovation in products and services, enters new markets, works across the value chain, and in some cases, challenges the very business model it relies on.
5. A Net Positive impact often requires a big shift in approach and outcomes, and cannot be achieved by business-as-usual.
6. Reporting on progress is transparent, consistent, authentic and independently verified where possible. Boundaries and scope are clearly defined and take account of both positive and negative impacts. Any trade-offs are explained.
7. Net Positive is delivered in a robust way and no aspect of a Net Positive approach compensates for unacceptable or irreplaceable natural losses, or ill treatment of individuals and communities.
8. Organisations enter into wider partnerships and networks to create bigger positive impacts.
9. Every opportunity is used to deliver positive impacts across value chains, sectors, systems, and throughput to the natural world and society.
10. Organisations publicly engage in influencing policy for positive change.
11. Where key material areas are ecological, robust environmentally restorative and socially inclusive methods are applied.
12. An inclusive approach is adopted at every opportunity, ensuring affected communities are involved in the process of creating positive social and/or environmental impacts.

Having a Net Positive mindset helps to keep the organisation's ambition high. Organisations recognise that delivering a Net Positive approach requires new ways of understanding, measuring and managing. They may find that it isn't possible to measure every single thing, but that shouldn't prevent them from making the commitment in the first place. Measurement methods will continue to evolve as more companies make Net Positive commitments. But where it is possible to measure impacts, we should try to do so, because we know that modern organisations manage what they measure and measure what they manage.

### Purpose of this document

This document explores what to measure, how to measure it and how to use that information. During the research for this project we found a lot of good practice (for example, GeSI and the Greenhouse Gas Protocol) but some key questions were raised – such as how exactly social impact can be measured – which still need answering.

This document is for companies and organisations interested in becoming Net Positive, or who have already made Net Positive commitments they are looking to deliver. It is designed to help organisations identify key measurement areas and questions, and stimulate debate and practical action so questions can be refined and consensus reached on the answers.

This document is NOT trying to set in stone what it means to be Net Positive, nor to dictate who can claim to be Net Positive and who cannot. But we hope that clear and consistent measurement will help inform this debate.

The contents will be tested with further companies who are making their own Net Positive commitments and others that are pushing forward the Net Positive agenda. The final document will be published in October 2015.

## CONTENTS OF THIS DOCUMENT

**Common Terms** - We noticed that different organisations have been using different descriptions to describe their impacts. So for clarity, we have set out a list of descriptors of the terms used in this document. **(page 6)**

**Net Positive Measurement Principles** - It is too early in the development of Net Positive for standards. So instead we have identified seven principles that are important for helping you to develop the measurement of Net Positive. These are: Transparency, Consistency, Completeness, Keep different types of impact separate, Keep positive and negative impacts separate, Use existing methods where possible and Sharing data is vital. **(Section 2)**

**Measurement Activities** - When you begin to measure and manage your Net Positive approach, you will encounter some areas that are subjective and where the results are dependent on which approach you have taken. To help bring consistency and objectivity to the development of Net Positive we have outlined some key measurement steps, including Assessing Materiality, Measuring Impact, Extrapolation, Measuring Outcomes, Assurance and Transparency. **(Section 3)**

**Focus on Impact Areas** - Your Net Positive approach will be focused on the areas that are most material to your business. The following impact areas are most commonly referred to by companies as the most significant and therefore also demonstrate where good practice is emerging: • Carbon (including energy) • Water • Social • Material Use (including forestry and waste) • Ecological (including agriculture and biodiversity). For each impact area we highlight relevant guidance and standards, give examples used in practice and identify some of the key areas where good practice needs to be developed. **(Section 4)**

### Good practice that needs to be established

- The field of Net Positive measurement is relatively early on in its development. There are still many areas that need to be developed further outside of the Net Positive group. Here we collect the specific measurement areas discussed so far that we feel need to be explored further and where good practice should be established. (Section 5)

### Links to further information

- We set out useful websites (Appendix 1)

### Checklist of disclosures

- As the field of Net Positive is still developing (and there are not established standards to measure against) we recommend that organisations disclose key information that enables others to learn and compare (Appendix 2)

### Frequently asked questions

- To help the Net Positive practice develop we have worked hard to identify the difficult questions that need answering and suggest what companies can do to experiment and explore (Appendix 3)

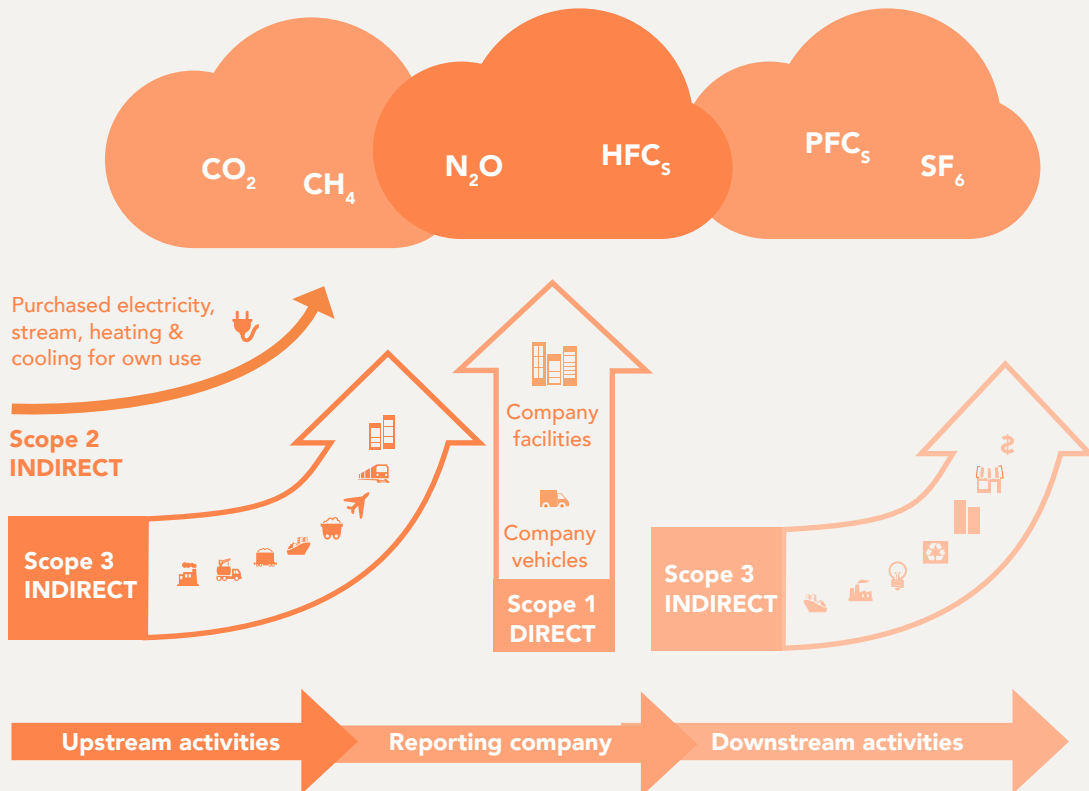
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## COMMON TERMS

We noticed that different organisations have been using different descriptions to describe their impacts. So for clarity, we have set out a list of descriptors of the terms used in this document. These descriptors are seen from the perspective of an organisation (in Greenhouse Gas Protocol terms – the reporting company) and relate to a product or service the organisation delivers as part of a value chain. They are not meant to be strict definitions but an aid to common understanding.

- Value chain – the different activities and organisations in the life cycle of a product or service that enable the product or service to be created, used and cycled back into its component parts
- Operations – an organisation’s activities in its value chain over which it has direct control
- Upstream – the part of the value chain that comes before an organisation’s own operations e.g. the supply chain
- Downstream – the part of the value chain that comes after an organisation’s own operations e.g. the customer
- Impact – the tangible and intangible consequence of an action – we use this term in a simplified sense – so the carbon impact of running a diesel engine is the carbon dioxide and other greenhouse gases that are emitted by the engine. The actual impact or outcome will be the consequences of the greenhouse gases on climate change and the resulting consequence on plant, animal and human life. Impact area – the type of impact – based on the area affected e.g. carbon, social, material use, etc. Impacts both upstream and downstream are outlined in the Greenhouse Gas protocol diagram on pg 7.
- Footprint – the negative impacts associated with an organisation’s activities
- Positive contribution – the positive impacts associated with an organisation’s activities. These positive impacts can either come from creating value (e.g. clean water) or helping reduce negative impacts (footprint avoided).

The Greenhouse Gas Protocol diagram of Greenhouse Gas scopes and emissions across the value chain helps to illustrate upstream and downstream impacts outlined on pg 6.



**Scope 3  
INDIRECT:**

- Purchased goods and services
- capital good
- fuel and energy related activities
- transportation and distribution
- waste generated in operations
- business travel
- employee commuting
- leased assets

**Scope 3  
INDIRECT:**

- Transportation and distribution
- Processing of sold products
- End-of-life treatment of sold products
- leased assets
- franchises
- investments





# NET POSITIVE MEASUREMENT PRINCIPLES

# 2

It is too early in the development of Net Positive for standards. So instead we have identified seven measurement principles that are important for helping you to develop the measurement of Net Positive.

## 1. Transparency

Net Positive measurement requires a considerable number of calculations, assumptions, approximations and use of various sources of data. Rules and standards cannot be developed for every eventuality – but being transparent will enable others to compare and contrast and hence, allow appropriate rules to emerge. For instance, BT has published the methodology it used to calculate its steps towards its Net Positive ambition.

## 2. Consistency

Capturing positive and negative impacts in a consistent way and across the value chain, allows organisations to compare like with like. For example, if you are looking at the carbon saved by a product when used by a customer (carbon footprint avoided), you also need to look at the carbon it took to produce the product (carbon footprint across the value chain).

## 3. Completeness

Where information isn't available for a material area it is better to use a conservative estimate than to leave a gap. Be transparent about assumptions and lay out intentions for acquiring this data.

## 4. Keep different types of impacts separate

We don't yet have a clear understanding of how to balance or trade off different impacts against each other (e.g. water and social),

so compare them at an individual project level but keep them separate. For instance, the social value of employee training will not make up for deforestation. As organisations collect, analyse and use Net Positive information this will enable us all to better understand the relative importance of these impact areas.

## 5. Keep positive and negative impacts separate

Positive impacts don't always compensate for negative impacts (e.g. social: high levels of staff training don't compensate for poor working conditions). As a society we don't yet have a clear understanding of how to evaluate positive and negative impacts, so compare them at an individual project level and report totals or ratios, but do also disclose them separately.

## 6. Use existing methods where possible

Although Net Positive is a new way of doing business, there are a number of tried and tested methods such as the Greenhouse Gas Protocol that can be useful when analysing Net Positive carbon impacts.

## 7. Sharing data is vital

As Net Positive evolves, so will our understanding of data needs. Sharing data and building up libraries of data will accelerate this process and avoid wasted time and effort. For example, organisations in similar sectors with similar supply chains will need similar data about average carbon or resource use. One example of this is the Crown Estate's Total Contribution report, which includes data on everything from the economic value of their developments to the amount of CO<sub>2</sub> sequestered in their estate.

# 3

## MEASUREMENT ACTIVITIES

When you begin to measure and manage your Net Positive approach, you will encounter some areas that are subjective and where the results are dependent on which approach you have taken. To help bring consistency and objectivity to the development of Net Positive we have explored the following management steps:

Materiality

Measuring impact

Extrapolation

Measuring outcomes

Assurance

Transparency

Under the following headings:

- What is it? – Clear description based on current thinking and published work
- Recommended minimum disclosures
- Where to find guidance including relevant standards
- Examples

We have provided a checklist in Appendix 2 of the areas we recommend are disclosed.

As the field of Net Positive is still maturing, we recommend companies be as transparent as possible. So it is critical that any Net Positive approach focuses on the areas that are really material to the business.

### MATERIALITY

#### What is it?

Materiality is a measure of the significance of an area or impact to an organisation and its stakeholders. For example, it may be a large volume of a particular material that is sourced, or a small volume of a particularly high-risk material. Or it could be an area where the organisation has the opportunity to make a transformational change to society or the environment. Materiality helps you decide what products, solutions, services or activities you are going to measure and which outcomes and/or impact areas you will consider in your approach. Effective and efficient management suggest you focus your efforts on the material areas of your business. Materiality and assessment methodologies have been designed to help organisations identify their material areas.

Organisations have impacts across their supply chains from their suppliers through to their customers; and of course beyond that to their customers' customers and suppliers' suppliers and beyond again. When looking at how an organisation is Net Positive you must consider material impacts beyond its own boundaries – right across its value chain. Similarly, an organisation needs to consider its material impacts right across its product range and its operations. And it needs to consider all of its material impacts – not just selected ones.

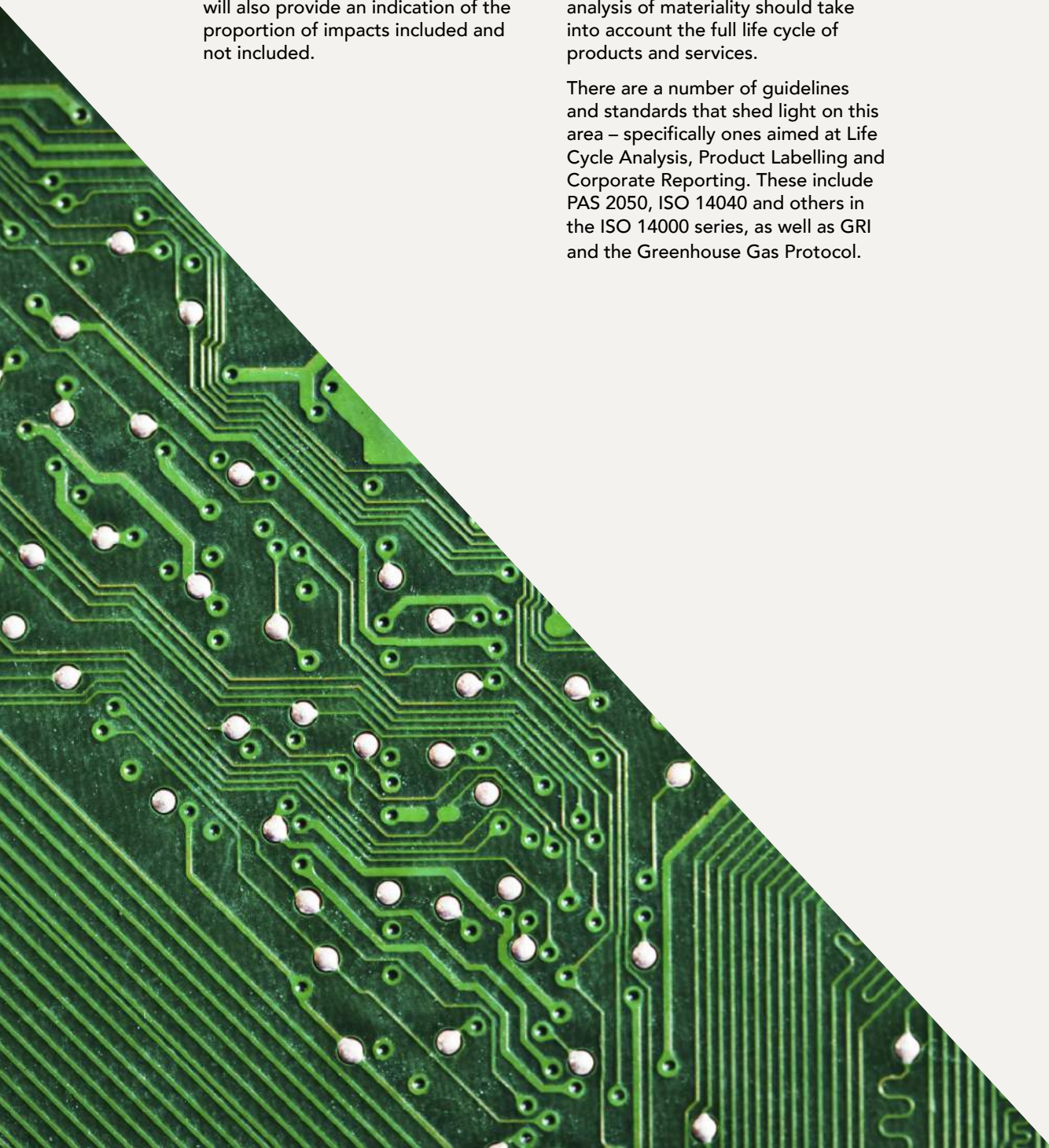
### Recommended disclosures

Follow an approach suitable to your business that is linked to your risk and strategy processes, and make sure you review and repeat this exercise regularly. As a minimum you need to disclose: how you identified your material areas; what they are; and your impacts in these areas, and be transparent about where you have drawn your boundaries, and where you have been selective. This will also provide an indication of the proportion of impacts included and not included.

### Guidance available

GRI has useful guidance on identifying material areas. The financial reporting world also has standards on materiality. Although these standards are directed at financial reporting they provide useful background for any organisation. The social auditing world has standards, such as AA1000, that are useful for identifying the type of areas to look at as well as useful approaches. Any analysis of materiality should take into account the full life cycle of products and services.

There are a number of guidelines and standards that shed light on this area – specifically ones aimed at Life Cycle Analysis, Product Labelling and Corporate Reporting. These include PAS 2050, ISO 14040 and others in the ISO 14000 series, as well as GRI and the Greenhouse Gas Protocol.



### EXAMPLE:

**Kingfisher** has a focus within its approach on timber because it is a crucial raw material for the business and is used in 40% of the products it sells. The company has therefore aimed to protect forests and timber supplies by taking a restorative approach, creating more forest than it uses.

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### EXAMPLE:

**IKEA Group** has a clear articulation of its boundaries within its “People and Planet Positive” strategy. It aims to:

1. Inspire and enable millions of customers to live a more sustainable life at home. Take the lead in developing and promoting products and solutions that help customers save or generate energy, reduce or sort waste, use less or recycle water: at the lowest possible price.
  2. Strive for resource and energy independence. Securing long-term access to sustainable raw materials, promoting recycling and using resources within the limits of the planet. Produce more renewable energy than it consumes and drive energy efficiency throughout the value chain.
  3. Take a lead in creating a better life for the people and communities impacted by its business. Extending its code of conduct throughout the value chain; be a good neighbour, act in the best interest of children and support human rights.
- 

### EXAMPLE:

**SKF**- Products and solutions in the SKF Beyond Zero portfolio enable customers to help preserve the balance of the atmosphere, promote effective and responsible use of land and resources and avoid discharges into water.

## MEASURING IMPACT

### What is it?

When looking at the impact that an organisation has it is useful to think about it in terms of how much the existing system has changed? The key aspects to consider are:

- a. What has changed? What was the baseline? Has the problem shifted elsewhere? (rebound and displacement) How long will the benefit continue into the future before it is replaced? (drop-off/future benefits); and
- b. Responsibility for that change – including attribution and proportion claimed.

### Recommended disclosures

This is a complex area and good practice is emerging. Transparency is important. So, as a minimum, organisations should set out how they have addressed each of the areas set out above and explored in the worked example below.

### Guidance available from

The WBCSD has published guidance on measuring impact, including “Measuring socio-economic impact: A guide for business” which contains among other useful things an analysis of 10 tools or approaches. There are a number of guides to Social Return on Investment (SROI). “SROI – A guide to social return on investment” produced by the Cabinet Office and SROI Network includes chapters on impact measurement as well as useful information on the wider issues to take into account.

### EXAMPLE:

**TUI Group** partnered with PwC and the Travel Foundation to measure the impact of 60,000 TUI customers who visited 8 hotels in Cyprus during 2013 using PwC’s ‘Total Impact Measurement & Management’ (TIMM) methodology. The study measured and valued a wide range of economic, fiscal, social and environmental impacts. This is the first time the methodology has been applied to tourism, and is thought to be the most comprehensive impact assessment ever undertaken for tourism operation within a holiday destination. The positive economic and tax benefits were by far the greatest impact – amounting to €84 per guest per night – far exceeding the negative environmental (-€4) and social (-€0.2) costs. They did note however, that this is a one-year (2013) snapshot and does not take account of the construction of the hotels. In addition, many environmental and social impacts will accumulate over a longer timeframe.

## EXAMPLE:

**BT** publishes the detailed methodology used to measure its impact. For example, through the provision of a broadband network, BT enables workers to telecommute. That is, a telecommuter is someone who is able to work remotely, typically at home, using a broadband connection, avoiding the need to travel to a company office.

Generally, there are avoided carbon emissions from telecommuting associated with not having to travel to and from the office. There may also be reduced energy use within the office environment. There are also rebound effects of increased energy use in the telecommuter's home.

The calculation approach used was: Telecommuting carbon saving = Average carbon saving per telecommuter X Number of telecommuters enabled by BT. There are a number of external studies that have considered the carbon abatement due to telecommuting. These were separately reviewed as to their assumptions, rigour and relevance to the UK.

## The change itself: A worked example

Company XL develops a new lightweight material (Lighto) that enables cars to be 10% lighter but just as strong, this enables drivers to save 5% fuel and hence carbon.

- Baseline – When looking at the difference that Lighto has made, what are you comparing against? The two main methods that organisations use are: compare with the market average performance; and compare with the specific materials used before Lighto. Issues arise over time as the market average improves (partly moved on by good practice from Company XL). Good measurement practice is to re-set the baseline. We recommend the baseline is reviewed every two years.
- Rebound effect – Does the 5% fuel saving encourage people to drive further? This question does need to be addressed, either through new research or by making an allowance based on existing complementary research.
- Displacement – Does the use of Lighto mean a problem is moved somewhere else? This is more relevant to social impacts. For example, helping a vulnerable person find a job means someone else doesn't get that job.

- Drop off/future benefits – In future years, the amount of outcome is likely to be less or, if the same, will be more likely to be influenced by other factors, so attribution to your organisation is lower. Drop-off is used to account for this and is only calculated for outcomes that last more than one year. How long will the benefits of Lighto last, e.g. as the car ages so will its performance? However, we recommend that organisations only take account of future benefits in exceptional circumstances.
- Responsibility for the change – Having established that there is an impact of say 10,000 tonnes of carbon across all Lighto cars sold in a year how much of this can be attributed to or claimed by Company XL? The two main methods that organisations use are: ‘All or Nothing’ (would the impact have happened without XL? In this case, it wouldn’t so, XL claims 100%) or ‘Proportional’ (working along the supply chain can you assign responsibility? In this case, XL developed Lighto but it needed a car manufacturer to use it so they each claim 50%).

## EXTRAPOLATION

### What is it?

It is not often possible to capture and quantify the impacts across a whole organisation – so a number of assumptions and extrapolations are needed. For example, a company sells 10,000 widgets that enable its customers’ to save water. The actual water saved will depend on each customer’s own circumstances.

### Recommended disclosures

An organisation should make reasonable assumptions based on research and survey data to find an average impact and extrapolate that

over the population representative of where the company is operating, such as water use by an average consumer in the UK is different to water use by an average consumer in the US or Japan for instance. Industry averages may also be used – but these are likely to be less accurate than specifically commissioned research and surveys. The information sources should be publicly available and the calculations disclosed.

### Guidance available from

LCA does provide guidance – see for example “ILCD Handbook - General guide on LCA - Detailed guidance”. This guidance could usefully be tailored for Net Positive.

## EXAMPLE:

**GeSI** – “SMARTer2030 – ICT solutions for 21st century challenges” report set out comprehensive analyses of how ICT solutions have the potential to reduce carbon emissions.



## MEASURING OUTCOMES

### What is it?

Organisations can create significant value (both positive and negative) through their products (or services). For example, an IT company provides video conferencing for its clients; this enables the clients to improve productivity (value enabled) and reduce travel - with associated reductions in carbon emissions (footprint avoided).

Organisations can also enable others to create value through working with them or encouraging them (for example, a furniture retailer supporting their suppliers to achieve FSC certification).

This positive contribution can be many times greater than the value consumed through the creation of that product or service.

There is currently discussion in this area about what companies can claim. Some industries (e.g. the ICT industry through GeSI) have developed guidance, others have yet to develop this.

The key questions in this area are:

- If you help a customer reduce their footprint (footprint avoided) – how do you calculate the footprint avoided?;
- If you help someone create value (value enabled) – how do you calculate the value enabled?; and
- How much of that reduction/value can you claim?

For example, a fridge manufacturer (FridgeCo) reduces the energy consumed by the fridges it makes (and hence the carbon emitted by the fridge while the customer uses it) by 10%. This means FridgeCo's indirect downstream carbon footprint would be reduced (as its customers use less energy). However, could FridgeCo also claim for footprint avoided? Or would that be double counting?

Would the answer be different for the retailer that sold the fridge to the customer or the consultancy that designed the micro-processor chip that enabled the fridges to use 10% less energy?

### Recommended disclosures

These questions have several answers and as yet there is no clear consensus on generally accepted good practice. We therefore recommend you are clear and transparent about what you have claimed – in particular, where you are claiming for footprint avoided and value enabled, you should disclose these separately and set out your calculations and assumptions.

### Guidance available from

GeSI (Evaluating the carbon-reducing impacts of ICT: An assessment methodology), Handprinter and The Carbon Trust have all looked at this issue. WRI and WBCSD have put out for consultation a proposal (under the Greenhouse Gas Protocol) to develop a standard in this area "Protocol Standard on Quantifying and Reporting on Avoided Emissions".

## EXAMPLES:

**Greater Manchester Fire and Rescue** aims to be carbon positive by 2050. To achieve this they will have:

1. Prevented enough fires to have a net positive Greenhouse Gas impact.
2. Dramatically reduced the energy consumption of their service, investing in ultra-low energy buildings and a state of the art retrofit.
3. Managed fuel efficiently through intelligent vehicle specification and fleet management.

**Dell** has commissioned research into the effect of on-line access to degrees. The study estimated that for each full time equivalent student there were savings of 33t CO<sub>2</sub>(e) and US\$545,000 in socio-economic value created.

## ASSURANCE

### What is it?

Assurance is the practice of gaining confidence in information; and ensuring that it is right in the first place. Assurance can be provided internally and externally.

### Recommended disclosures

As the field of Net Positive is still developing (and there are not established standards to measure against), we recommend an initial light touch assurance before working with external experts to identify which of the more rigorous assurance practices is most appropriate for your business.

### Guidance available from

Professional accounting institutes such as the Institute for Chartered Accountants in England & Wales (ICAEW) have published guidance on assurance (e.g. Sustainability Assurance: Your Choice). Accountability issued their AA1000 Assurance Standard in 2008 designed for Sustainability Assurance. The International Auditing and Assurance Standards Board (IAASB) issues guidance and standards on auditing and assurance. There are also certification schemes such as Rainforest Alliance and Fairtrade that provide methods and assurance for certain activities.

### EXAMPLE:

**BT** has 20 years' experience in measuring its corporate carbon emissions and has its annual sustainability report assured by Lloyd's Register Quality Assurance Limited (LRQA).

In 2012 BT announced its ambition to help reduce its customers carbon emissions by three times the amount of its own end-to-end carbon impact, including that of its suppliers, own operations and customer use of products and services.

In developing its carbon methodology, BT worked with the Carbon Trust and Camanoe Associates (researchers from MIT). The methodology is reviewed, updated and endorsed annually with the Carbon Trust.

Since 2012 BT has worked with external agencies to estimate and publish the carbon emissions associated with its supply chain.

BT's approach, methodology, assumptions and data sources are publically available and published online at [bt.com/3to1](http://bt.com/3to1).

## TRANSPARENCY

### What is it?

Transparency is an important approach to help an organisation build trust with its stakeholders and also gain valuable external insights. It means being as open as possible about your activities – whether through publication or accessibility or engagement.

### Recommended disclosures

As a minimum an organisation should set out its aims and ambitions for Net Positive; progress along the way; and set out the calculations, assumptions and data sources used to measure its impact.

### Guidance available from

There is nothing specific on Net Positive, however, there are a number of guides to sustainability and other reporting. For example, GRI and the CDP or Greenhouse Gas Protocol for Carbon.

### EXAMPLE:

**The Crown Estate** aims to be as transparent as possible. Its Total Contribution Report segments its data into three buckets:

- Direct contribution: The Crown Estate's activities.
- Indirect contribution: Activities commissioned by The Crown Estate within the current supply chain.
- Enabled contribution: Activities carried out on their portfolio or by their customers.

It has used recognised methodologies where possible, models and academic research to estimate results where necessary.



# FOCUS ON IMPACT AREAS

Your Net Positive approach will be focused on the areas that are most material to your business. The following impact areas are most commonly referred to by companies as the most significant and therefore also demonstrate where good practice is emerging:

Carbon (including energy)

Water

Social

Material Use (including forestry and waste)

Ecological (including agriculture and biodiversity)

For each impact area we highlight relevant guidance and standards, give examples used in practice and identify some of the key areas where good practice needs to be developed.

## CARBON

### What does taking a Net Positive approach to carbon mean (and so what needs to be measured)?

Being Net Positive in carbon means removing or avoiding the generation of more carbon than you create in your operations and/or across your value chain.

### How do you measure it?

Carbon is typically expressed in terms of kg of CO<sub>2</sub> or CO<sub>2</sub>(e). Carbon measurement is a mature practice with guidelines, standards and analysis and reports.

### Recommendations

- Starting out – Measure separate carbon footprint and footprint avoided (i.e. no netting off) for the organisation across the supply chain using the Greenhouse Gas Protocol Scopes (broken down into upstream, operations, downstream).
- Advanced – Measure separate geographic and product analysis as appropriate.
- In all cases disclose method and calculations.

### Resources and further information available

- Greenhouse Gas Protocol – “Corporate Standard” provides standards and guidance for companies and other organisations preparing a Greenhouse Gas emissions inventory.
- GeSI – SMART 2020 and SMARTer 2030 reports show how carbon calculations can be prepared.
- ISO – ISO 14000 series and other standards for product and organisation measurement.

- CDP – provides guidance on climate change reporting including industry specific guidance and a database of company reporting.
- Horizons - provides useful background information and links to further resources on climate change.
- PAS 2050 - is a publicly available specification for assessing the lifecycle Greenhouse Gas emissions of goods and services.

## EXAMPLES:

**Kingfisher** – Aim for every Kingfisher store and customer home to be zero carbon or generate more energy than it consumes. 2020 target: 38TWh of energy saved for customers. In 2015 it reported that customers are now saving 8.6 TWh of energy every year, from the energy-saving products and services they have purchased from Kingfisher since 2011/12.

**Greater Manchester Fire and Rescue** – Aim to halve carbon footprint by 2020 compared to 2009, and by 2050 to be entirely carbon positive. To achieve this target it will: prevent enough fires to have a significant positive greenhouse gas impact; dramatically reduce the energy consumption of service, investing in ultra-low energy buildings and state of the art retrofit; manage fuel efficiency through intelligent vehicle specification and fleet management. Between 2009 and 2014 the company cut significantly its carbon equivalent footprint by 23%. This was achieved through a reduction in main areas of greenhouse gas intensity – gas use, electricity use and vehicle fuel.

## Good practice that needs to be established

- Offsetting – An established but debated practice, but under what conditions can offsetting be claimed? And when can it be used to reduce a footprint?
- Avoided emissions – under what conditions can avoided emissions be claimed?

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## WATER

What does taking a Net Positive approach to water use mean (and so what needs to be measured)?

Being Net Positive in water use means helping to create more accessible water and better quality water than you consume across your operations or your value chain.

### How do you measure it?

Water is location and quality specific. High water use in one area may be of little or no consequence, while low water use in a highly water-stressed area may be a significant concern. One litre of water used in an arid region (where supply is scarce and demand is greater than supply) is different from one litre used in a wet region of the world. Water can be classified as Blue (fresh surface water and ground water), Green (rain water that stays on the land) and Grey (an indicator of fresh water pollution). Water consumption is measured in litres (or gallons) or in cubic metres and multiples thereof.

## Recommendations

- Starting out - Measure separate water footprint, footprint avoided and value created (i.e. no netting off) for the organisation showing: blue; green; and grey water use across the supply chain (broken down into upstream, operations, downstream).
- Advanced – Measure separate geographic and product analysis as appropriate.
- Disclose method and calculations.

## Resources and further information available

- Water Footprint Assessment Manual – setting the global standard
- CDP Water Program – provides guidance on water reporting including industry specific guidance and a database of company reporting
- WBCSD – Water for Business – Version 3 – summary of water tools available including references to WBCSD Tools, WRI, The Water Footprint Network, CDP, ISO Water Footprint, GRI all have guidance
- WWF Freshwater Programme – background information on water issues
- Forum for the Future's Horizons tool provides useful background information and links to further resources on water
- There are tools to help an organisation assess whether or not it is doing business in water-stressed areas (either with respect to supply chain, operations or product use.) Two of these tools are WRI's Aqueduct tool and WBCSD's Global Water Tool.





### Good practice needs to be established

- Water used in growing crops – the distinction between blue and green water; and whether and how to account for this?
- Location specific analyses – how to summarise these across an organisation’s supply chain?

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## SOCIAL

### What does taking a Net Positive approach to your impacts on society mean (and so what needs to be measured)?

Being Net Positive in social terms means not destroying social value and creating social value across your value chain. Social value is a term interpreted in different ways - we take it to mean adding to human and social capital.

Human Capital consists of people’s health, knowledge, skills, motivation and wellbeing. Social Capital concerns the institutions that help us maintain and develop human capital in partnership with others; e.g. families, communities, businesses, trade unions, schools, and voluntary organisations.

Organisations create and erode Social and Human Capital principally through their operations (how they treat their employees and the opportunities provided to employees; the effect on the local community); their upstream supply chain (how they treat their suppliers and consider their employees); and their downstream supply chain (how their customers use their products and services) and what the products and services enable the customers to do.

### How do you measure it?

There are as many different measures of social value as there are different elements to social value. This does make comparison and aggregation difficult but not impossible.

### Recommendations

- Starting out – share a description of how the organisation creates social value across the supply chain (broken down into upstream, operations, downstream); identifying the factors to be tracked.
- Advanced – put numbers against the value created; finding ways to aggregate the information in a meaningful way.
- In all cases disclose method and calculations.

### Resources and further information available

- SROI (or Social Return on Investment) is a measurement approach that looks at the social value created by an organisation through its activities.
- The Human Capital Index developed by the World Economic Forum looks at country level social value.
- Horizons provides useful background information and links to further resources on social aspects including skills, resilience, empathy and health.
- PWC has developed Total Impact Management and Measurement (TIMM) as a tool to help others evaluate their impacts including Social impact.

### EXAMPLES:

**The Crown Estate** has mapped its Total Contribution – looking at its contribution to Wellbeing, Education and Employment. These are measured in terms of proxies including an economic figure for wellbeing based on the value to visitors to its sites of £40million; education – the number of visitors; and employment – they calculate that they support 92,000 full time equivalent jobs.

### Good practice needs to be established

- The consequences of using economic value as a measure of social value. Social measurement is still developing and as noted earlier there are as many different measures of social value as there are different elements to social value. This does mean that there is a real drive to find a common currency – the most popular being economic. However, this brings with it issues including, for example, the tendency to substitution – if you can compute the economic value of poor health then can you compensate for that with charitable donations?

## **MATERIAL USE (including Forestry and Waste)**

'Material use' refers to the consumption of a renewable (e.g. wood or tidal energy) or non-renewable resource (e.g. copper or oil). We focus here on renewable resources; and in particular on non-energy resources. But an organisation could have a Net Positive impact in material use by creating a product which negates the need for further resources ie online streaming services such as Spotify which replace the need for physical CDs. An organisation could also have a transformational impact on its supply chain which leads to a dramatic reduction in material use. Renewable energy resources (e.g. wind or tidal energy) are currently not being exploited near their sustainable limits and so do not currently need to be considered. Further work is needed on non-renewable resources.

### **What does taking a Net Positive approach to material use mean (and so what needs to be measured)?**

Being Net Positive with a renewable resource means renewing more resource than you consume across your value chain and sourcing it in a responsible way.

#### **How to measure it**

Each resource has its own measures. For example, organisations that use wood products refer to the number of trees they use. This is an imprecise measure (how big were the trees?) but is generally sufficient for the purposes of understanding how to become Net Positive (planting more trees than are used).

Where this is more complex, organisations are also looking at the sustainability of the sourcing of the resources they consume. For

instance, does their wood, leather, cotton etc come from a responsible supply chain? Are they certified with recognised certification schemes ie FSC or Better Cotton? They are then measuring the percentage of their sourcing that is certified. By doing this they are ensuring that that resource will continue to be available far into the future.

Organisations are also looking at the amount of waste they generate and aiming to reduce this waste and divert it to positive uses in line with a circular economy approach.

### **Recommendations**

- Starting out - Measure separate footprint, footprint avoided and value created (i.e. no netting off) for each resource for the organisation across the supply chain (broken down into upstream, operations, downstream).
- Advanced – Measure separate geographic and product analysis as appropriate; finding ways to aggregate the information in a meaningful way.
- In all cases disclose method and calculations.

### **Resources and further information available**

- CDP Forests Programme provides guidance on forest reporting including an analysis of company reporting.
- Ellen MacArthur foundation provides guidance on circular economy indicators.
- Forum for the Future's Horizons provides useful background information and links to further resources on renewable and non-renewable resources.

## EXAMPLES:

**IKEA Group** has a goal to become forest positive by 2020, which means contributing to ending deforestation by promoting the adoption of sustainable forestry methods across the whole industry. The commitment includes targets: to source 100% of their wood, paper and cardboard from more sustainable sources by 2020 (these sources are currently defined as FSC certified or recycled wood) and to contribute to FSC certification of another 10 million hectares of forest in priority areas – which is equivalent to more than double the total area needed to supply IKEA. This is in addition to 35 million hectares of FSC forest already added through earlier partnership projects, and an area the size of Germany. To meet its goals, IKEA Group is working to transform the market that it works in through working with suppliers to help them to meet the strict timber standards and working with partners such as WWF to improve forestry management practices and fight illegal logging and deforestation.

IKEA Group is also working to transform the sustainability of the cotton market and make more sustainable cotton a mainstream commodity. The company has a target for all cotton used in IKEA products to be sourced from more sustainable sources by 2015. The retailer reported that it sourced 76% of its cotton from more sustainable sources in FY14, up from 72% in FY13. IKEA defines 'more sustainable sources for cotton' as: Better Cotton, cotton grown to other sustainability standards in the USA, and cotton from farmers working towards the Better Cotton Initiative standards.

**Kingfisher:** Aims to create more forest than it uses. By 2020 it aims to source 100% of the timber and paper in its operations sustainably. The company reached 92% responsibly sourced timber and paper products ahead of its 2016/17 milestone. B&Q UK is already at 100% and a further four companies are over 90%. The company is moving attention to responsible timber sourcing in other areas of its business, including packaging and construction.

**PepsiCo:** Leveraging a "Net Zero Waste" approach PepsiCo Turkey has developed an innovative recycling programme taking organic potato waste from a PepsiCo foods manufacturing facility and turning it into a fertilizer named "Naturalis", with which it aims to reduce chemical usage in fertilizers for potato production by 40%.

## Good practice needs to be established

- The quality of resources: How to compare the quality of different natural resources (e.g. is an ancient woodland the same as new woodland? Or is an acre of eucalyptus the same as an acre of mahogany?)
- Offsetting: An established but debated practice; under what conditions can offsetting be claimed? And should it be used to reduce a footprint?
- Non-renewables: "Stocks of non-renewable resources must not be depleted faster than the introduction of substitutes or discovery of new sources" but how do we capture this? And in particular, how do we make this relevant to individual organisations?

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## ECOLOGICAL (including Agriculture and Biodiversity)

'Ecological' refers to an organisation's impact on natural capital. Natural capital has been described by the Natural Capital Coalition as "the stock of natural ecosystems on Earth including air, land, soil, biodiversity and geological resources. This stock underpins our economy and society by producing value for people, both directly and indirectly." A Net Positive organisation will be keen to understand its dependence on natural capital as well as its impact on natural capital.

Biodiversity is an indication of how diverse an ecosystem is and hence how resilient it is to shocks and changes.

## What does a Net Positive approach to ecological impacts mean (and so what needs to be measured)?

Being Net Positive in ecological areas means enhancing more Natural Capital in what you do (e.g. farming in a way that adds to the productivity of the land and builds the biodiversity of insect life) than you consume across your value chain.

The IUCN advocates a biodiversity mitigation hierarchy for projects - within this framework, project developers are able to identify, first those impacts that should be avoided (e.g. because there is no ability or capacity to compensate for them), then those that can be minimized, and those that will require restoration. Finally, developers must consider those impacts where additional actions may be required (i.e. to compensate for residual negative impacts).

## How do you measure it?

There are as many different measures of Natural Capital as there are different elements to Natural Capital. This does make comparison and aggregation difficult but not impossible.

This is 'work-in-progress'. The Natural Capital Coalition has stated an ambition to "provide clear guidance on qualitative, quantitative and monetary valuation of natural capital impacts and dependencies and when to apply which level of assessment".

## Recommendations

- Starting out – Measure separate footprint, footprint avoided and value created (i.e. no netting off) for each element on Natural Capital for the organisation across the supply chain (broken down into upstream, operations, downstream).
- Advanced – Measure separate geographic and product analysis as appropriate; finding ways to aggregate the information in a meaningful way; explore the different qualities of natural capital e.g. 'natural' or indigenous forests could arguably said to have more 'value' than newly planted forests.
- In all cases disclose method and calculations.

## Resources and further information available

- Natural Capital Coalition – as noted above this is a work in progress.
- BSR has published an analysis of relevant tools "Making the Invisible Visible: Analytical Tools for Assessing Business Impacts & Dependencies Upon Ecosystem Services January 2015 update".
- IUCN – No Net Loss and Net Positive Impacts for Biodiversity report.
- Horizons provides useful background information and links to further resources on land use and biodiversity.



## EXAMPLES:

**Rio Tinto's** biodiversity goal is to achieve a net positive impact on biodiversity before, or by closure, of the operation. It is the company's goal to be Net Positive Impact as early in the life of the operation as possible. It has set targets to ensure that priority sites are implementing NPI programmes within defined timeframes. It follows a mitigation hierarchy and assesses the biodiversity values of landholdings and surrounding areas. It also assesses land in proximity to biodiversity-rich habitats, species of conservation significance, additional site-specific biodiversity values and threats, and the external conservation context.

Operations are ranked as being in areas that have either "very high", "high", "medium" or "low" biodiversity values, which helps them prioritise actions and channel resources where they are most needed – the very high and high sites.

**PepsiCo** has developed a Sustainable Farming Initiative (SFI) tool to engage with growers to assess and promote practices that reduce environmental and social impacts. Agriculture is central to PepsiCo's business and it continues to build on decades of expertise within diverse geographies, crops and suppliers to reduce impacts. SFI addresses a host of climate-related factors: carbon footprint, water use and agricultural chemical management, including reducing the use of and replacing nitrogen-based fertilizers, proper tilling practices and on-farm fuel reductions.

### Good practice needs to be established

- Offsetting – An established but debated practice, but under what conditions can offsetting be claimed? And when can it be used to reduce a footprint?
- The extent to which an economic value can be used as a measure of Natural Capital.





# GOOD PRACTICE THAT NEEDS TO BE ESTABLISHED

The field of Net Positive measurement is relatively early on in its development. There are still many areas that need to be developed further outside of the Net Positive group. Here we collect the specific measurement areas discussed so far that we feel need to be explored further and where good practice should be established.

## OVERALL

The debate around Net Positive is not currently mature enough for a standard to be developed. But there is general agreement that a standard could be useful in the future.

## TRACKING CHANGE

There is a need for greater clarity around tracking and claiming for change including:

- Boundaries and scope.
- Footprint avoided (avoided emissions).
- Tracking and attributing change (including baseline and rebound effect).
- Extrapolation.

While the ICT industry working through GeSI are advanced on this, a wider Net Positive consensus could be needed. This might in part be provided by building on the GeSI work and by WRI and WBCSD who have put out for consultation a proposal (under the Greenhouse Gas Protocol) to develop a standard in this area "Protocol Standard on Quantifying and Reporting on Avoided Emissions".

## GOING BEYOND MEASUREMENT

Measurement enables evidence to be gathered and discussion informed. Three particular areas of relevance are:

- The critical issue of measurement is how the measurement data is used. It would be useful to be able to assess where companies have made decisions based on the Net Positive data they have.
- There is a question as to whether it is better for a company to aim to be Net Positive across a range of material impacts or whether it is better for them to have very ambitious, in-depth commitments around one specific area.
- Eliminating negatives? Is it possible to eliminate all the negatives – and what should the ultimate ambition be?

## IMPACT AREA SPECIFIC QUESTIONS

### Carbon

- Offsetting – offsetting is an established but debated practice – under what conditions can offsetting be claimed? And when can it be used to reduce a footprint?
- Avoided emissions – under what conditions can avoided emissions be claimed?

### Water

- Water used in growing crops –

the distinction between blue and green water; and whether and how to account for this?

- Location specific analyses – how to summarise these across an organisation’s supply chain?

### Social

- The consequences of using economic value as a measure of social value. Social measurement is still developing and as noted earlier there are as many different measures of social value as there are different elements to social value. This does mean there is a real drive to find a common currency – the most popular being economic. However, this brings with it issues, including, for example, the tendency to substitution. If you can compute the economic value of poor health for example, then can you compensate for that with charitable donations?

### Resources

- The quality of resources – such as, how to compare the quality of different natural resources (e.g. is an ancient woodland the same as new woodland? Or is an acre of eucalyptus the same as an acre of mahogany?)
- Offsetting – This is an established but debated practice – but under what conditions

can offsetting be claimed? And should it be used to reduce a footprint?

- Non-renewables – “Stocks of non-renewable resources must not be depleted faster than the introduction of substitutes or discovery of new sources” – but how do you capture this? And in particular, how can we make this relevant to individual organisations?

### Ecological

- Offsetting – An established but debated practice, but under what conditions can offsetting be claimed? And when can it be used to reduce a footprint?
- The extent to which an economic value can be used as a measure of Natural Capital.

# APPENDIX 1: LINKS TO FURTHER INFORMATION

## NET POSITIVE GROUP MEMBERS

| Name                               | Link  |
|------------------------------------|---|
| BT                                 | <a href="http://www.btplc.com/betterfuture/netgood/">http://www.btplc.com/betterfuture/netgood/</a>   |
| Capgemini                          | <a href="https://www.uk.capgemini.com/about/corporate-responsibility/our-corporate-responsibility-sustainability-approach">https://www.uk.capgemini.com/about/corporate-responsibility/our-corporate-responsibility-sustainability-approach</a> |
| The Crown Estate                   | <a href="http://www.thecrownestate.co.uk/our-business/how-we-measure-value/">http://www.thecrownestate.co.uk/our-business/how-we-measure-value/</a>   |
| Dell                               | <a href="http://www.dell.com/learn/us/en/uscorp1/2020-goals">http://www.dell.com/learn/us/en/uscorp1/2020-goals</a>   |
| Forum for the Future               | <a href="http://www.forumforthefuture.org/project/net-positive-group/overview">http://www.forumforthefuture.org/project/net-positive-group/overview</a>   |
| Greater Manchester Fire and Rescue | <a href="http://manchesterfire.gov.uk/about_us/sustainability.aspx">http://manchesterfire.gov.uk/about_us/sustainability.aspx</a>   |
| IKEA Group                         | <a href="http://www.ikea.com/ms/en_GB/about_ikea/people_and_planet/">http://www.ikea.com/ms/en_GB/about_ikea/people_and_planet/</a>   |
| Kingfisher                         | <a href="http://www.kingfisher.com/netpositive/index.asp?pageid=1">http://www.kingfisher.com/netpositive/index.asp?pageid=1</a>   |
| PepsiCo                            | <a href="http://www.pepsico.com/Purpose/Performance-with-Purpose">http://www.pepsico.com/Purpose/Performance-with-Purpose</a>   |
| SKF                                | <a href="http://www.skf.com/uk/our-company/environmental-care/beyondzero/index.html">http://www.skf.com/uk/our-company/environmental-care/beyondzero/index.html</a>   |
| The Climate Group                  | <a href="http://www.theclimategroup.org/">http://www.theclimategroup.org/</a>   |
| TUI Group                          | <a href="https://www.tui-group.com/en/sustainability">https://www.tui-group.com/en/sustainability</a>   |
| WWF                                | <a href="http://www.wwf.org.uk/about_wwf/working_with_business/">http://www.wwf.org.uk/about_wwf/working_with_business/</a>   |

## MATERIALITY, REPORTING AND ASSURANCE

| Name  | Link  |
|---|---|
| Accountability issued their AA1000 Assurance Standard in 2008 designed for Sustainability Assurance   | <a href="http://www.accountability.org/standards/">http://www.accountability.org/standards/</a>   |
| GRI – the Global Reporting Initiative (G4 Sustainability Reporting Guidelines include useful insight into materiality)                      | <a href="https://www.globalreporting.org/Pages/default.aspx">https://www.globalreporting.org/Pages/default.aspx</a>   |
| Institute for Chartered Accountants in England & Wales (ICAEW) published guidance on assurance (e.g. Sustainability Assurance: Your Choice) | <a href="http://www.icaew.com/en/technical/audit-and-assurance/faculty/audit-and-assurance-faculty-publications">http://www.icaew.com/en/technical/audit-and-assurance/faculty/audit-and-assurance-faculty-publications</a> |
| The International Auditing and Assurance Standards Board (IAASB) issues guidance and standards on auditing and assurance                    | <a href="http://www.ifac.org/auditing-assurance">http://www.ifac.org/auditing-assurance</a>   |

## CARBON

| Name  | Link  |
|---|---|
| Greenhouse Gas Protocol – “Corporate Standard” provides standards and guidance for companies and other organisations preparing a Greenhouse Gas emissions inventory | <a href="http://www.ghgprotocol.org/standards/corporate-standard">http://www.ghgprotocol.org/standards/corporate-standard</a>   |
| GeSI – SMARTer2030- ICT solutions for 21st century challenges demonstrates the carbon savings from ICT.   | <a href="http://smarter2030.gesi.org/explore-the-data/">http://smarter2030.gesi.org/explore-the-data/</a>   |
| ISO – ISO 14000 series and other standards for product and organisation measurement   | <a href="http://www.iso.org/iso/home/standards/management-standards/iso14000.htm">http://www.iso.org/iso/home/standards/management-standards/iso14000.htm</a>   |
| CDP – provide guidance on climate change reporting including industry specific guidance   | <a href="https://www.cdp.net/">https://www.cdp.net/</a>   |
| Horizons - provides useful background information and links to further resources on climate change  | <a href="http://horizons.innovateuk.org">http://horizons.innovateuk.org</a>   |
| PAS 2050  | <a href="http://shop.bsigroup.com/en/Browse-By-Subject/Environmental-Management-and-Sustainability/PAS-2050/">http://shop.bsigroup.com/en/Browse-By-Subject/Environmental-Management-and-Sustainability/PAS-2050/</a> |

## WATER

| Name  | Link  |
|---|---|
| Water Footprint Assessment Manual – setting the global standard from the Water Footprint Network  | <a href="http://waterfootprint.org/en/standard/global-water-footprint-standard/">http://waterfootprint.org/en/standard/global-water-footprint-standard/</a>   |
| CDP Water Program – provides guidance on water reporting including industry specific guidance and a database of company reporting                 | <a href="https://www.cdp.net/water">https://www.cdp.net/water</a>   |
| WBCSD – Water for Business – Version 3 – summary of water tools available including references to WBCSD Tools, WRI, CDP, ISO Water Footprint, GRI | <a href="http://www.wbcd.org/waterforbusiness3.aspx">http://www.wbcd.org/waterforbusiness3.aspx</a>   |
| WWF Freshwater Programme – background information on water issues   | <a href="http://wwf.panda.org/what_we_do/how_we_work/conservation/freshwater/">http://wwf.panda.org/what_we_do/how_we_work/conservation/freshwater/</a>   |
| Horizons provides useful background information and links to further resources on water   | <a href="http://horizons.innovateuk.org">http://horizons.innovateuk.org</a>   |
| Unilever  | <a href="http://www.unilever.com/sustainable-living/the-sustainable-living-plan/reducing-environmental-impact/water-use/Our-Water-Footprint/">http://www.unilever.com/sustainable-living/the-sustainable-living-plan/reducing-environmental-impact/water-use/Our-Water-Footprint/</a> |
| WRI – Aqueduct tool helps companies to map out and understand water risks across the globe.   | <a href="http://www.wri.org/our-work/project/aqueduct">http://www.wri.org/our-work/project/aqueduct</a>   |
| WBCSD – Global Water Tool – A free, publicly available resource for identifying corporate water risks and opportunities.                          | <a href="http://www.wbcd.org/work-program/sector-projects/water/global-water-tool.aspx">http://www.wbcd.org/work-program/sector-projects/water/global-water-tool.aspx</a>   |

## SOCIAL

| Name  | Link  |
|---|---|
| SROI (or Social Return on Investment) is a measurement approach that looks at the social value created by an organisation through its activities  | <a href="http://www.thesroinetwork.org/sroi-analysis/the-sroi-guide">http://www.thesroinetwork.org/sroi-analysis/the-sroi-guide</a>   |
| The Human Capital Index developed by the World Economic Forum looks at country-level social value   | <a href="http://www3.weforum.org/docs/HCR/2013/HCR_Part1_2013.pdf">http://www3.weforum.org/docs/HCR/2013/HCR_Part1_2013.pdf</a>   |
| Horizons provides useful background information and links to further resources on social aspects including skills, resilience, empathy and health | <a href="http://horizons.innovateuk.org">http://horizons.innovateuk.org</a>   |
| PwC has developed Total Impact Management and Measurement (TIMM) as a tool to help others evaluate their impacts including social                 | <a href="http://www.pwc.com/totalimpact">http://www.pwc.com/totalimpact</a>   |
| Results of TUI Group, PwC and the Travel Foundation's study into the impact of TUI customers in Cyprus.   | <a href="http://www.thetravelfoundation.org.uk/projects/destinations/cyprus/measuring_tourisms_impact">http://www.thetravelfoundation.org.uk/projects/destinations/cyprus/measuring_tourisms_impact</a> |

## RESOURCES

| Name  | Link  |
|---|---|
| CDP Forests Programme provides guidance on forest reporting including an analysis of company reporting                  | <a href="https://www.cdp.net/en-US/Programmes/Pages/forests.aspx">https://www.cdp.net/en-US/Programmes/Pages/forests.aspx</a>   |
| Ellen MacArthur foundation provides guidance on circular economy indicators   | <a href="http://www.ellenmacarthurfoundation.org/circular-economy/research-initiatives">http://www.ellenmacarthurfoundation.org/circular-economy/research-initiatives</a> |
| Horizons provides useful background information and links to further resources on renewable and non-renewable resources | <a href="http://horizons.innovateuk.org">http://horizons.innovateuk.org</a>   |

## GENERAL

| Name  | Link  |
|---|---|
| Handprint- Harvard University's Sustainability and Health Initiative for NetPositive Enterprise is working on developing a methodology for measuring an organisation's "handprint" ie their positive impacts vs their "footprint", their negative impacts | <a href="http://www.chgeharvard.org/topic/handprint-new-unit-measuring-impact">http://www.chgeharvard.org/topic/handprint-new-unit-measuring-impact</a> |
| BSR   | <a href="http://www.bsr.org/">http://www.bsr.org/</a>   |
| WRI   | <a href="http://www.wri.org/">http://www.wri.org/</a>   |

## ECOLOGICAL

| Name   | Link  |
|--|---|
| Natural Capital Coalition – as noted above this is a work in progress  | <a href="http://www.naturalcapitalcoalition.org/why-natural-capital/natural-capital.html">http://www.naturalcapitalcoalition.org/why-natural-capital/natural-capital.html</a> |
| BSR has published an analysis of relevant tools "Making the Invisible Visible: Analytical Tools for Assessing Business Impacts & Dependencies Upon Ecosystem Services January 2015 update" | <a href="http://www.bsr.org/reports/BSR_Analytical_Tools_for_Ecosystem_Services_2015.pdf">http://www.bsr.org/reports/BSR_Analytical_Tools_for_Ecosystem_Services_2015.pdf</a> |
| IUCN – No Net Loss and Net Positive Impacts for Biodiversity report  | <a href="http://iucn.org/?20232/">http://iucn.org/?20232/</a>   |
| Horizons provides useful background information and links to further resources on land use and biodiversity  | <a href="http://horizons.innovateuk.org">http://horizons.innovateuk.org</a>   |
| Rio Tinto  | <a href="http://www.riotinto.com/ourcommitment/features-2932_8529.aspx">http://www.riotinto.com/ourcommitment/features-2932_8529.aspx</a>                                     |



# APPENDIX 2: CHECKLIST OF DISCLOSURES

As the field of Net Positive is still developing (and there are not established standards to measure against) we recommend that organisations disclose key information that enables others to learn and compare

| OVERALL APPROACH                                    | As a minimum an organisation should set out:  |
|---|---|
| Aims and ambitions                                  | Aims and ambitions for Net Positive; progress along the way; and set out the calculations and assumptions used to measure its impact.   |
| Material areas                                      | Identified material areas; what they are; and impacts in these areas.   |
| Boundaries and scope                                | Boundaries – and where you have been selective give an indication of the proportion of impacts included and not included.   |
| SPECIFIC IMPACT AREAS                               |   |
| Positive contribution (including Footprint avoided) | What you have claimed – in particular, where you are claiming for footprint avoided you should disclose this separately and set out your calculations and assumptions.  |
| Change  | How you have treated: <ul style="list-style-type: none"> <li>• Baseline - What has changed? – The baseline (or deadweight)?</li> <li>• Rebound and displacement - Has the problem shifted elsewhere?</li> <li>• Drop-off / future benefits - How long will the benefit continue into the future before it is replaced?</li> </ul> |
| Attribution   | Responsibility for that change – including attribution and proportion claimed: <ul style="list-style-type: none"> <li>• Upstream</li> <li>• Own operations</li> <li>• Downstream</li> </ul>   |
| Extrapolation                                       | Information sources and the calculations.   |

## APPENDIX 3: FREQUENTLY ASKED QUESTIONS

To help the Net Positive practice develop we have worked hard to identify the difficult questions that need answering and suggest what companies can do to experiment and explore.

We found it helpful to think in terms of:

- the management steps required to deliver Net Positive
- working out what Net Positive means in practice
- how to avoid 'greenwash' – key risk areas.

### MANAGEMENT STEPS

| Questions  | Help and guidance   |
|--|---|
| How do you take the first steps?   | Make a commitment. Explore selected areas. Use the MEASUREMENT PRINCIPLES to help guide your exploration.   |
| How do you decide which areas to address?  | Materiality helps you to decide what products, solutions, services or activities you are going to measure and which outcomes and/or impact areas you will consider in your approach. See MATERIALITY.   |
| How do you measure outcomes and footprint?<br><ul style="list-style-type: none"> <li>• How do you assess impact?</li> <li>• How do you put a number on specific impact areas (e.g. carbon, water, social)?</li> </ul>  | Impact measurement techniques help to track and measure the impact that an organisation has.<br><br>See MEASURING IMPACT and IMPACT AREAS (Carbon; Water; Social; Material Use; Ecological)   |
| When can you take account of avoided footprint?<br><ul style="list-style-type: none"> <li>• If you help a customer reduce their footprint (footprint avoided) – how do you calculate the footprint avoided?;</li> <li>• How much of that reduction can you claim?</li> </ul> | Helping others reduce their footprint is an essential step towards a more sustainable world.<br><br>Techniques are evolving to calculating footprint avoided. See MEASURING OUTCOMES.<br><br>The ICT industry through GeSI has developed techniques for calculating how much an organisation can claim.<br><br>However, there is debate around this area. See GOOD PRACTICE |
| How do you check your work – both to your satisfaction and the satisfaction of external stakeholders?  | Assurance is the practice of gaining confidence in information; and ensuring that it is right in the first place. Assurance techniques exist in related fields. See ASSURANCE   |
| How do you communicate your work, process, results and conclusions?  | Transparency is an important approach to help an organisation build trust with its stakeholders and also gain valuable external insights. It means being as open as possible about your activities – whether through publication or accessibility or engagement. See TRANSPARENCY   |

## NET POSITIVE IN PRACTICE

| Questions  | Help and guidance   |
|--|---|
| How do you balance positive and negative impacts?                          | Positive impacts don't always compensate for negative impacts (e.g. social: high levels of staff training don't compensate for poor working conditions). As a society we don't yet have a clear understanding of how to evaluate positive and negative impacts, so compare them at an individual project level and report totals or ratios but do also disclose them separately. See MEASUREMENT PRINCIPLES and GOOD PRACTICE   |
| How do you compare across different impact types (e.g. carbon and social)? | We don't yet have a clear understanding of how to balance or trade-off different impacts against each other (e.g. water and social), so compare them at an individual project level but keep them separate. For instance, the social value of employee training will not make up for deforestation. As organisations collect, analyse and use Net Positive information this will enable us all to better understand the relative importance of these impact areas. See MEASUREMENT PRINCIPLES and GOOD PRACTICE |
| When is offsetting appropriate?  | Offsetting is an established practice – whereby your negative impact in one area is compensated for by creating benefit in another area. However, this is a temporary solution while more permanent solutions are found. There is debate around this area. See GOOD PRACTICE  |

## HOW DO I AVOID GREENWASH? WHAT ARE THE KEY RISK AREAS?

| Risk area  | Help and guidance  |
|--|--|
| Being partial or incomplete with the impacts reported        | There is a risk, if you are looking at one aspect of your business, that you miss the bigger picture. For example, when looking at the carbon saved by a product, it is important that you also consider the carbon used to produce and operate the product. You also need to consider the other impacts associated with the product (if they are significant). So, be consistent (See MEASUREMENT PRINCIPLES (Consistency)) and be transparent (See TRANSPARENCY) |
| Over-claiming or over-optimistic calculations                | It is important to use conservative assumptions, firstly to allow for inaccuracy in measurement and secondly to build confidence in those using the term Net Positive. Be transparent. See TRANSPARENCY  |
| Covering unacceptable negative impacts with positive impacts | There are some negative impacts that can be mitigated and some that are considered to be unacceptable. Society determines what is unacceptable, and this can vary with time and location. Be transparent. See TRANSPARENCY and GOOD PRACTICE.  |

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