



19 December 2017

Dear UK Corporate Governance Code team

UK Corporate Governance Code – Consultation

The Scottish Wildlife Trust is a founding member of the Scottish Forum on Natural Capital alongside Scotland's 2020 Climate Group, the University of Edinburgh, The Institute of Chartered Accountants of Scotland and the Institute of Directors Scotland.

The Scottish Forum on Natural Capital is an initiative bringing together public, private and voluntary sector organisations to protect and rebuild Scotland's natural capital and the then first Minister Alex Salmond announced the Scottish Government's support for the initiative in his address to delegates at the inaugural World Forum on Natural Capital, which took place in Edinburgh on 21 and 22 November 2013.

Natural Capital can be defined as the stocks of natural assets which include geology, soil, air, water and all living things. It is from this Natural Capital that humans derive a wide range of services, often called ecosystem services, which make human life possible. The value of Scotland's natural capital to sectors like tourism, food and drink, and to society as a whole is huge. ¹

In the Scottish Governments Economic Strategy natural capital is described as being “*fundamental to a healthy and resilient economy*”. ² The Scottish Government's programme for Government Programme for Scotland 2017-18 states that “*Scotland that will safeguard our natural capital and continue Scotland's leading role in addressing environmental challenges.*”³

The Natural Capital Committee, who provide advice to the UK government on the sustainable use of natural capital, have stated that: “*The evidence that exists indicates we are failing to conserve our natural capital assets and invest in them adequately. In many cases we are increasingly demanding more from them while at the same time eroding their capacity to deliver. The risk is that rather than underpinning future growth and prosperity, degraded natural capital assets will act as a break on progress and development. Furthermore, by failing to invest adequately in maintenance and enhancement, we risk missing opportunities that better management and stewardship of natural capital can offer.*”

It is acknowledged sustainably managing our natural capital will be vital to meeting the UN Sustainable Development Goals⁴, to which the UK is a signatory. ⁵

It is with reference to these above points that the Scottish Wildlife Trust would like to make comment on the UK Corporate Governance Code and specifically question four on page eight of the consultation document.

The Trust would very much be in favour of including more specific reference to the UN SDGs in both the main code document and in the guidance and would see this as important way of sending the correct signals to corporate bodies with regard to the SDGs and the hugely important role that business must play.

We hope that this comment is helpful and we would be happy to provide further detail on the natural capital elements of the SDGs if it is required.

¹ Please see: <http://naturalcapitalscotland.com/about/natural-capital/#.WhMGrVI-00>

² Please see: <http://www.gov.scot/Resource/0047/00472389.pdf>

³ Please see: <http://www.gov.scot/Resource/0052/00524214.pdf>

⁴ Please see: <https://sustainabledevelopment.un.org>

⁵ Please see: <https://naturalcapitalforum.com/news/article/sustaining-nature039s-worth/> and <https://naturalcapitalforum.com/news/article/natural-capital-in-the-fourth-stage-of-industrial-revolution/>

Protecting Scotland's wildlife for the future

Yours sincerely,

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