



NATURAL
CAPITAL
COALITION

Jessica Fries
The Prince's Accounting for Sustainability Project
Clarence House
London SW1A 1BA
United Kingdom

John Lelliott
Natural Capital Coalition c/o ICAEW
1 Moorgate Place
London
EC2R 7EF
UK

16/07/2018

Sir,

Thank you for giving me the opportunity to share some thoughts on the mission and impact of The Prince's Accounting for Sustainability Project to mark the occasion of your 70th birthday.

During my time working as the Chief Financial Officer for the Crown Estate, it became clear to me that taking account of the financial value of the Crown's holdings alone was failing to capture the full value that flowed from them.

As you know, as well as a substantial commercial portfolio, The Crown Estate is also responsible for more than half of the foreshore of the United Kingdom, virtually all of the Kingdom's territorial seabed, and much agricultural land and woodland. We felt that much of the value provided by these natural holdings was not represented on our balance sheets or in our reporting. For instance the value provided by the many ecosystem services such as carbon sequestration, crop pollination, air filtration, soil fertility and biodiversity habitat among numerous others.

When the formation and mission of The Prince's A4S was announced, we couldn't think of a better organization to adopt these aims and objectives. In fact, I was invited to join the A4S Advisory Council.

My interaction with A4S fed into and strengthened my interest in promoting integrated reporting and non-financial reporting more generally, and my drive to catalyse positive change in the accountancy profession by supporting a shift away from a sole focus on financial returns.

At the Crown Estate, I introduced and championed the concept of integrated reporting, with the first integrated report being released in 2012-13. The Crown Estate is now a recognised leader in this area, and on retiring from The Crown Estate I have become an ambassador for the International Integrated Reporting Council (IIRC).

My work in this field ultimately led to me being approached to accept the position of the Chair of the Natural Capital Coalition.

In 2016, the Natural Capital Coalition, released the world's first Natural Capital Protocol to harmonise the many approaches to natural capital measurement and valuation into an internationally standardised decision making framework. In fact, Your Royal Highness kindly mentioned the importance of the Protocol during your address at the A4S *Measure What Matters* event which took place the day before the Protocol's launch.

At the Natural Capital Coalition, we believe that we must take a systems approach to understanding an organizations relationships with its financial, social, human and natural capital, and we are working across the system to embed this approach in the business models and operational strategies and policies of businesses and governments around the world.

We look forward to continuing our work alongside A4S, and with Jessica Fries (A4S CEO) also a member of the Natural Capital Coalition's board, we're confident that our activities will continue to be complimentary and mutually strengthening.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "John Lelliott". The signature is stylized with large, sweeping loops and a prominent initial "J".

John Lelliott
Chairman of the Board
Natural Capital Coalition