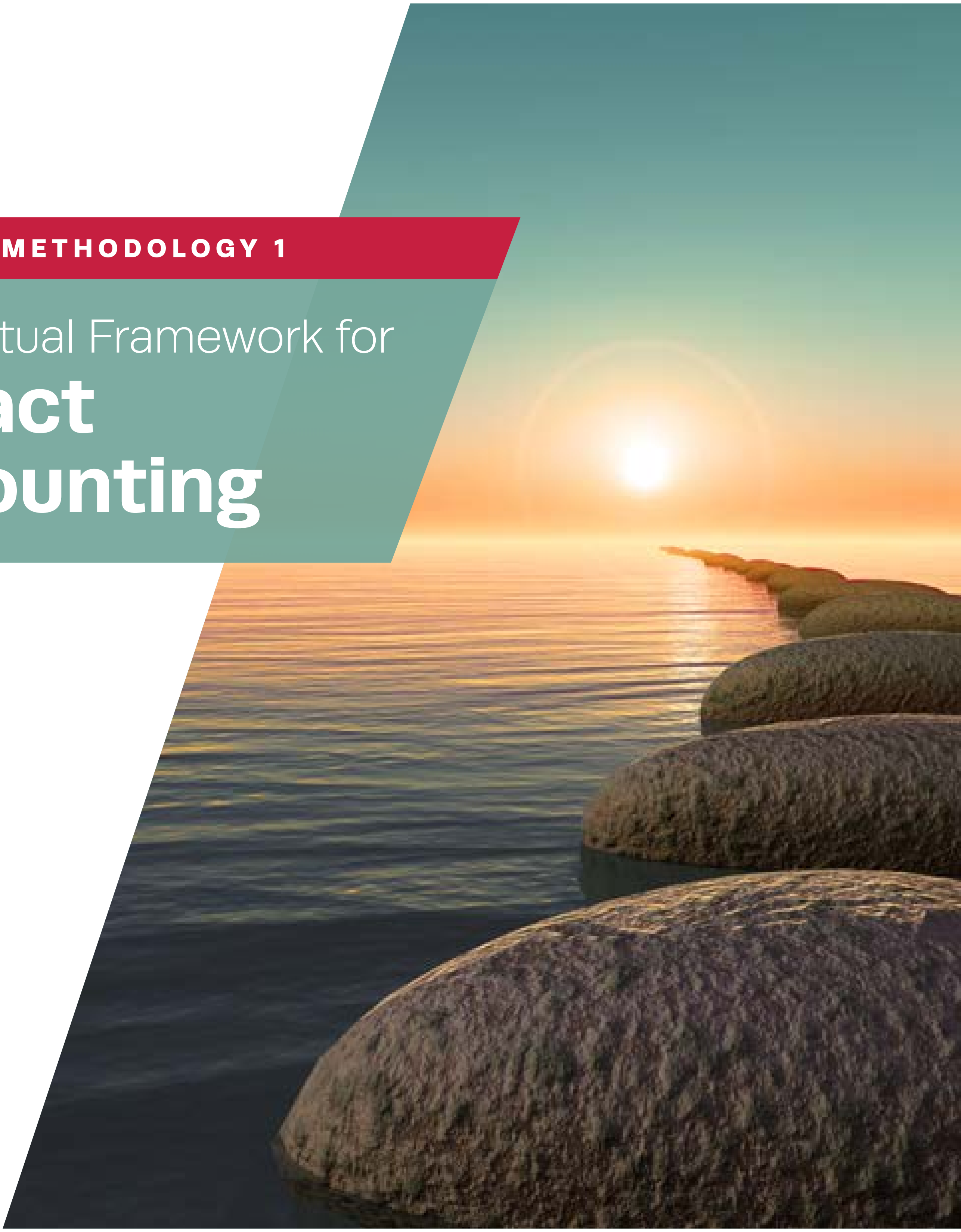
IFVI
INTERNATIONAL FOUNDATION FOR VALUING IMPACTS

value balancing alliance



GENERAL METHODOLOGY 1

Conceptual Framework for **Impact Accounting**

The International Foundation for Valuing Impacts, Inc. (IFVI) is a section 501(c)(3) public charity dedicated to building and scaling the practice of impact accounting to promote decision-making based on risk, return, and impact.

The Value Balancing Alliance (VBA) is an independent and not-for-profit member association organized under German law founded with the ambition of changing the way company performance is measured and valued so as to enable decision makers to act consciously.

Information contained in this publication does not constitute financial or legal advice and is not a substitute for the services of an appropriately qualified professional. IFVI and VBA disclaim all liability whatsoever arising from this publication or any use thereof.

This publication has been produced by the International Foundation for Valuing Impacts (IFVI) in partnership with the Value Balancing Alliance (VBA) as part of the impact accounting system (the Methodology). The Methodology is a globally applicable and comprehensive methodology for the public good for valuing organizational social and environmental impact that is designed for incorporation into financial analysis and organizational planning and decision-making.

The Methodology is governed by the Valuation Technical & Practitioner Committee (VTPC), an independent committee comprising 18 members, established by IFVI and authorized by its Terms of Reference to direct, validate, and approve impact accounting research and methodology produced by the cooperation of the IFVI and VBA.

VTPC members are global leaders in the fields of impact, sustainability, accounting, business, and finance. Members provide advice in their individual capacities as experts, with composition and procedures designed to ensure independence, balance, and the avoidance of conflicts of interest. Please refer to the full Terms of Reference for information regarding membership, voting, and approval processes.

Methodology development aims to follow a rigorous and credible due process balanced with the urgent and dynamic needs of stakeholders in the face of great social and environmental challenges. The development process is outlined in the Due Process Protocol and designed to be impact-focused, stakeholder-informed, collaborative, and transparent. As detailed in the Due Process Protocol, formal methodology statements undergo public exposure prior to final approval by the VTPC.

The IFVI Board of Directors provides oversight to the Due Process Protocol through its Due Process Oversight Committee. More information about the VTPC and Due Process Protocol are available in the VTPC Terms of Reference and Due Process Protocol.

Questions or comments about IFVI governance or methodology can be submitted to the VTPC at VTPCLeadership@ifvi.org, the Chair of the DPOC at DueProcessOversight@ifvi.org, or directly to technical staff at research@ifvi.org.

Table of Contents

1. Introduction

1. Introduction

1.1 DOCUMENT PURPOSE

1. The purpose of this document is to introduce the *impact accounting* system (the Methodology) that is being developed by the partnership between the International Foundation for Valuing Impacts (IFVI) and the Value Balancing Alliance (VBA) and to establish the foundations of its General Methodology, or the component of the Methodology that is generalizable across topics and industries. The General Methodology is to be developed through several methodological statements. This statement establishes key concepts, definitions, and principles for the Methodology.

2. The Methodology is a globally applicable system for measuring and valuing the *impacts* of corporate entities (entities or an entity) on people and the natural environment. For the purposes of the Methodology, the valuation of an impact is understood to mean the use of a monetary valuation technique, unless otherwise stated.[1]

3. The content of the Methodology builds on frameworks and protocols published by leading organizations in the impact management ecosystem and sustainability-related disclosures required by governing jurisdictions and international standard setters.

1.2 LONG-TERM VISION FOR IMPACT ACCOUNTING

4. The long-term vision for the Methodology is to develop a system of impact accounting that generates *impact information* that is as foundational to corporate and investor decision-making as financial information generated by financial accounting and contained in general purpose financial reporting.

5. In contrast to general purpose financial reporting, the line between preparers of information and users of information in impact accounting is not clearly defined. The Methodology is designed to be applied by either managers of an entity or investors in an entity to produce *impact accounts.*[2] Impact accounts measure the positive and negative impacts of an entity on people and the natural environment. To produce impact accounts, it may be advantageous to have direct access to the operational data of the entity; however, the Methodology is flexible enough to be applied by investors and other stakeholders to prepare impact accounts from an external perspective. An external perspective refers to the preparation of impact accounts from outside of the entity and may result in potential limitations, which are described throughout the Methodology.

6. Impact accounts are used to derive impact information. Impact information includes, but is not limited to, impacts that have been classified and aggregated for the purpose of presentation, supplemental notes that describe the assumptions, data, or methods used to measure and value impacts, and qualitative commentary that contextualizes impacts. The main users of impact information are managers of an entity, investors in an entity, and *affected stakeholders* of an entity's impacts. Impact information informs decision-making by interpreting impacts in comparable and understandable terms, specifically monetary units. Impact information is useful for considering trade-offs between different *sustainability topics* and between sustainability topics and financial topics.

7. To prepare impact accounts, an impact materiality perspective is applied to determine which impacts to include in an entity's impact accounts. Impacts that are material from an impact materiality perspective are included in impact accounts regardless of whether they trigger or may trigger material financial effects on the entity. The impact information derived from impact accounts[3] can be used to inform an entity's materiality assessment process. The monetary valuation of an impact in the Methodology is performed from the perspective of affected stakeholders, or society in general, as opposed to the perspective of the entity.

1. The role and importance of valuing impacts is aligned with the Natural Capital Protocol and the Social & Human Capital Protocol of the Capitals Coalition, the Impact-Weighted Accounts Framework of the Impact Economy Foundation, and Principle 3: Value the Things That Matter of Social Value International. In the case of the Capitals Coalition's protocols, valuation is recognized to encompass many different approaches, including monetization. In the case of the Impact Economy Foundation's Impact-Weighted Accounts Framework, the principle of commensurability recommends the use of a monetary unit. In the case of Social Value International's Principle 3: Value the Things That Matter, the use of a monetary valuation technique should be considered in light of the audience, the type of decision being made, and the level of rigor required.

2. Impact accounts is synonymous with and used in place of impact-weighted accounts throughout the Methodology.

3. Consideration of the effects of impacts on stakeholders to determine the relevance of information is consistent with the principles of relevance and significance in the Natural Capital Protocol and the Social & Human Capital Protocol of the Capitals Coalition, the double materiality view utilized in the Impact-Weighted Accounts Framework of the Impact Economy Foundation, and Principle 4: Only Include What Is Material of Social Value Inter-

1. Introduction

8. To a large extent, and consistent with general purpose financial reporting, impact accounts are based on estimates, judgments, and models rather than exact depictions. When impacts can only be estimated, measurement uncertainty arises. The use of reasonable estimates is an essential part of impact accounting and does not undermine the usefulness of the information if the estimates are accurately described and explained. Even a high level of measurement uncertainty would not necessarily prevent impact accounts from providing useful information.[4]

9. The vision for impact accounting is unlikely to be achieved in the short term because it takes time to socialize, understand, accept, and implement new ways of assessing corporate performance. Further, limitations exist to impact measurement and valuation, including that the valuation of certain impacts in monetary terms may not always produce decision-useful information. Nevertheless, establishing a goal towards which to strive, and continually addressing possible limitations, is essential if impact accounting is to evolve so as to improve its usefulness.[5]

10. There are many ways to conceptualize and implement impact valuation. The Methodology is intended to provide a credible and standardized approach that promotes the comparability of sustainability-related data at scale through monetary valuation. Additional approaches may nonetheless complement the impact accounting system developed in the Methodology.

1.3 ARCHITECTURE OF THE METHODOLOGY

11. The Methodology is developed through a system of interrelated statements.

a. **General Methodology:** The General Methodology establishes the system of and conceptual elements for impact accounting, including the purpose, qualitative characteristics, fundamental concepts, impact materiality, and measurement and valuation methods. The General Methodology is comprised of multiple statements, with this statement being the first.

b. **Topic Methodologies:** The Topic Methodologies include guidance for the measurement and valuation of impacts at the sustainability topic level. The inclusion of impacts related to any specific topic in an entity's impact accounts is based on the application of impact materiality. The Topic Methodologies are designed to apply across industries.

c. **Industry-specific Methodologies:** The Industry-specific Methodologies include guidance for the measurement and valuation of impacts at the industry-specific level. The inclusion of industry-specific impacts in an entity's impact accounts is based on the application of impact materiality. Industry-specific methodologies are developed in circumstances in which a topic cannot be generalized across industries.

12. Topic and Industry-specific Methodologies are published in the form of standardized *impact pathways*, and may include additional information related to data sources, measurement and valuation methods, and resources that establish links between the *activities* of an entity and impacts.

13. The Methodology is designed with consideration given to practical feasibility and scalability. Additional documents may be developed to support interpretation and application of the Methodology, separate from the Methodology itself.

4. Adapted from IFRS. (2023). *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information.*
5. Adapted from IFRS. (2018). *Conceptual Framework for Financial Reporting.*

1.4 OBJECTIVE OF THE GENERAL METHODOLOGY

14. The General Methodology serves as the foundation for the Methodology, meaning that it applies to all Topic and Industry-specific Methodologies. The concepts of and methods for impact accounting are not inherently consistent across sustainability topics and industries. The General Methodology provides guidance on the conceptual and methodological components that are generalizable.

15. The objective of the General Methodology is to:

a. develop a system of impact accounting and enable the development of Topic and Industry-specific Methodologies based on consistent concepts, definitions, methods, and principles;

b. assist preparers to generate impact accounts based on consistent approaches; and

c. assist users to understand and interpret impact information that is derived from impact accounts.

16. No content in the General Methodology overrides guidance in Topic and Industry-specific Methodologies. To meet the purpose of impact accounts, certain guidance may depart from aspects of the General Methodology. The General Methodology may be revised periodically and revisions of the General Methodology will not automatically lead to changes in Topic or Industry-specific Methodologies.

2. Purpose and Applications of the Methodology

2. Purpose and Applications of the Methodology

2.1 PURPOSE STATEMENT

17. The purpose of the Methodology is to produce impact accounts and generate impact information that enhances decision-making by entities and investors related to an entity's effects on sustainability. Impact information can be used to assess trade-offs between sustainability topics and alongside financial information to assess trade-offs between sustainability topics and financial topics.

18. Sustainability refers to the ability to meet the needs of the present without compromising the ability of future generations to meet their own needs. Sustainability incorporates meeting the basic needs of all, extending to all the opportunity to fulfill their aspirations for a better life, and observing limitations imposed by environmental resources and the ability of the biosphere to absorb the effects of human activities.[6]

19. The Methodology is useful for entities and investors seeking to manage sustainability-related risks, opportunities, and impacts, and it further supports decision-making aimed at generating positive impacts and reducing negative impacts in order to improve the lives of affected stakeholders as an objective in and of itself.

2.2 PREPARERS OF IMPACT ACCOUNTS AND USERS OF IMPACT INFORMATION

20. Any entity in any business sector, in any geography, and at any organizational level can use the Methodology to prepare impact accounts. The Methodology can also be applied by any investor in an entity to prepare impact accounts from an external perspective.

21. For the avoidance of doubt, the Methodology should not be applied to present impacts in a manner that is slanted in favor of positive impacts or is not neutral, for example by emphasizing a division of an entity that generates more positive impacts and fewer negative impacts than the entity as a whole.

22. Impact information is derived from impact accounts and can be used for decision-making by the following users in the applications described below. The use of impact information is not limited to the scenarios described herein.

a. managers of the entity, including executives, finance departments, risk officers, and sustainability experts, can use impact information to inform decision-making related to:

    i. corporate management, including business acquisitions, mergers, and/or joint ventures, capital budgeting and investment, corporate strategy, distribution, procurement, and supply chain, employee compensation, engagement, and performance targets, governance controls, processes, and procedures, new market entry and restructuring, product portfolio decisions, research and development, and risk management; and

b. existing or potential investors, lenders and other creditors can use impact information reported in an entity's sustainability-related disclosures or can prepare impact accounts from an external perspective to inform investment decisions based on:

    i. an assessment of the positive and negative impacts of an entity; and

    ii. an assessment of an entity's enterprise value, including consideration of risks and opportunities that arise from an entity's impacts.

c. affected stakeholders, including individuals or groups whose well-being is affected or could be affected by the entity's activities and its *business relationships* across its *value chain*, can use impact information to understand the significance of impacts.

    i. Affected stakeholders use impact information to inform a range of decisions, including those related to consumption, employment, procurement, and policymaking.

6. The term sustainability is adopted from the complete definition of sustainable development in section 3.27 of Brundtland, G. H. (1987). *Our Common Future: World Commission on Environment and Development. United Nations.*

3. Qualitative Characteristics of Impact Information

3. Qualitative Characteristics of Impact Information

3.1 APPLYING THE QUALITATIVE CHARACTERISTICS OF IMPACT INFORMATION[7]

23. For the purposes of preparing impact accounts, which includes measuring and valuing the impacts of an entity, and disclosing impact information in sustainability-related disclosures, the following should apply:

a. the fundamental qualitative characteristics of impact information, i.e., relevance and faithful representation; and

b. the enhancing qualitative characteristics of impact information, i.e., comparability, verifiability, and understandability.

24. The qualitative characteristics of impact information should be applied at the time when impact accounts are prepared and any impact information derived from those accounts is disclosed. Over time, the qualitative characteristics may no longer apply to impact information from prior time periods.

3.2 RELEVANCE

25. In general purpose financial reporting, the ability of information to make a difference in the decision of users is the primary consideration for the relevance of financial information, whereas in impact accounting, the ability of impact information to influence the decisions of users is not the sole criterion.

26. The relevance of the impact information related to any particular impact is determined by applying the following perspectives:

a. the significance of the impact on affected stakeholders;

b. the capacity of the impact information to influence the decisions of users; and

c. the need for transparency and accountability towards affected stakeholders.

27. For impact information to be relevant, only one of the three perspectives needs to apply. For instance, impact information may relate to an impact that is significant to an affected stakeholder, but the impact information may not be decision-useful to certain users of impact information. In such a scenario, the impact information is relevant for the purposes of impact accounting.

28. Impact information is relevant if the underlying impact is significant to affected stakeholders. Impact information is more relevant as the significance of the underlying impact increases.

a. For actual impacts, the significance of the impact is based on the severity of the impact, while for potential impacts, it is based on the severity and likelihood of the impact. Severity is based on:[8]

i. scale: how grave the negative impact is or how beneficial the positive impact is on people's well-being, including the duration over which an impact lasts;[9]

ii. scope: how widespread are the negative or positive impacts. In the case of impacts to the natural environment, the scope may be understood as the extent of damage or a geographical perimeter. In the case of impacts on people, the scope may be understood as the number of people affected; and

iii. irremediable character: whether and to what extent the negative impacts could be remediated, i.e., restoring the natural environment or affected people to their prior state. The irremediable character of an impact does not apply to positive impacts.

b. In the case of a potential negative human rights impact, the severity of the impact takes precedence over its likelihood.[10]

7. The qualitative characteristics are primarily adapted from European Commission. (2023). *Annex I European Sustainability Reporting Standards*, ESRS 1 General Requirements and IFRS. (2023). *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information.* The technical principles of the Natural Capital Protocol and the Social & Human Capital Protocol of the Capitals Coalition, the general characteristics of useful impact information included in the Impact-Weighted Accounts Framework of the Impact Economy Foundation, and The Principles of Social Value International were also drawn upon to adapt the qualitative characteristics in this section.

8. Adapted from the severity categories of European Commission. (2023). *Annex I European Sustainability Reporting Standards*, ESRS 1 General Re-quirements.

9. Adapted from the Impact Frontiers. (2022). *How Much—Five Dimensions of Impact.*

3. Qualitative Characteristics of Impact Information

29. Impact information is relevant if it makes a difference in the decisions of users. Information may make a difference in a decision even if some users choose not to take advantage of it or are already aware of it from other sources.

a. Impact information may impact decisions of users if it has predictive value, confirmatory value, or both. Information has predictive value if it can be used as an input to processes employed by users to predict future outcomes. Information does not need to be a prediction or forecast to have predictive value, but rather has predictive value if employed by users in making their own predictions. Information has confirmatory value if it provides feedback about, by either confirming or changing, previous evaluations.[11]

b. Impact information may impact decisions of users if the entity has influence over the factors that contribute to the underlying impact. An entity has influence if it can make decisions that result in different *outcomes* for affected stakeholders. An entity does not have to directly control the *inputs,* activities, or *outputs* related to an impact to exert an influence over it.

30. Impact information is relevant if an expectation for transparency and accountability to affected stakeholders exists. Such expectations are determined through stakeholder engagement and set out in authoritative intergovernmental instruments.[12,13] While the Methodology helps preparers generate decision-useful impact information on an entity's significant impacts, impact information related to less significant impacts may be highly relevant in its own right as a public interest activity.[14]

3.3 FAITHFUL REPRESENTATION

31. Impact information should not only represent relevant impacts, it should also faithfully represent the substance of the impact that it purports to represent. Faithful representation requires impact information to be:

a. complete;

b. neutral; and

c. free from error.

32. A complete depiction of an impact includes all information necessary for the users to understand that impact. This includes information related to assumptions, data, and methods used to measure and value the impact.

33. Impact information is neutral if it is not slanted, emphasized, de-emphasized or otherwise manipulated to make it more likely that the users will receive that information favorably or unfavorably. It should consider positive and negative aspects of impacts. Positive impacts should not be used to obscure negative impacts in the presentation of impact information.

34. Neutrality is supported by the exercise of prudence which is the exercise of caution when making judgments under conditions of uncertainty. The exercise of prudence means that positive impacts are not overstated and negative impacts are not understated. Equally, the exercise of prudence does not allow for the understatement of positive impacts or the overstatement of negative impacts. In cases of uncertainty, preparers of impact accounts should default to avoiding the overstatement of positive impacts and the understatement of negative impacts.

10. Refers to human rights inherent to all human beings, which include, at a minimum, the rights set out in the United Nations (UN) International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

11. Adapted from European Commission. (2023). *Annex I European Sustainability Reporting Standards,* ESRS 1 General Requirements and IFRS. (2018). *Conceptual Framework for Financial Reporting.*

12. See Social Value International. (2019). *Standard on applying Principle 1: Involve Stakeholders.*

13. Examples include the International Labor Organization (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy; the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises; the United Nations (UN) Framework Convention on Climate Change (FCCC) Paris Agreement; and the UN Guiding Principles on Business and Human Rights.

14. See Global Reporting Initiative. (2021). *GRI 1: Foundation 2021.*

3. Qualitative Characteristics of Impact Information

35. Impact information can be free from error without being perfectly precise in all respects. Information that is free from error implies that the entity has implemented adequate processes and internal controls to avoid material errors. The amount of precision needed and attainable, and the factors that make information free from error, depend on the nature of the information and the nature of the matters it addresses. For example, being free from error requires that:

a. factual information is free from material error;

b. descriptions are precise;

c. estimates, approximations and forecasts are clearly identified as such;

d. no material errors have been made in selecting and applying an appropriate process for developing an estimate, approximation or forecast, and the inputs to that process are reasonable and supportable;

e. assertions are reasonable and based on information of sufficient quality and quantity; and

f. information about judgments about the future faithfully reflects both those judgments and the information on which they are based.

3.4 COMPARABILITY

36. Impact information is comparable when it can be compared with impact information in previous periods and with the impact information of other entities, in particular those with similar activities or operating within the same industry.

37. Consistency is related to, but is not the same as, comparability. Consistency refers to the use of the same approaches or methods for the same impact from period to period. Consistency helps to achieve the goal of comparability. Maintaining consistency does not preclude the possibility of improvements and revisions to the Methodology. To maintain consistency, changes in the Methodology over time may require an entity to recalculate certain impacts when comparing impact information across time periods.

38. Comparability is not uniformity. For information to be comparable, like components should look alike and different components should look different. Comparability of information is not enhanced by making unlike things look alike any more than it is enhanced by making like things look different.

3.5 VERIFIABILITY

39. Verifiability helps to give users confidence that impact information is complete, neutral, and free from error. Information is verifiable if it is possible to corroborate either such information itself or the inputs used to derive it.

40. Verifiability means that various knowledgeable and independent observers could reach consensus, although not necessarily complete agreement, that a particular depiction is a faithful representation. Impacts should be identified, measured, valued, assessed for materiality, and disclosed in ways that enhance their verifiability, for example:

a. using information that can be corroborated by comparing it with other information available to users about the entity, about other entities, or about the external environment; and

b. providing information about assumptions, data, and methods used to measure and value impacts.

3.6 UNDERSTANDABILITY

41. Impact information is understandable when it is clear and concise. Understandable information enables any reasonably knowledgeable and willing user to readily comprehend the information being communicated.

42. The completeness, clarity, and comparability of impact information rely on the impact information being presented as a coherent whole. For impact information to be coherent, it should explain the context and the relationships between the related assumptions, data, and methods used to measure and value the impact. Individual impacts may be aggregated or categorized to enhance the clarity of impact information but never in violation of neutrality or to the point at which topic or industry–specific context is lost.

3. Qualitative Characteristics of Impact Information

43. The level of information, granularity and technicality should be aligned with the needs and expectations of users. Abbreviations should be avoided and the units of measure should be defined and disclosed.

44. Some impact information is inherently complex and might be difficult to present in a manner that is easy to understand. An entity shall present such information as clearly as possible. However, complex information shall not be excluded to make impact information easier to understand. Excluding such information would render those impact information incomplete and, therefore, possibly misleading.[15]

3.7 USE OF THE ENHANCING QUALITATIVE CHARACTERISTICS OF IMPACT INFORMATION[16]

45. Enhancing qualitative characteristics should be maximized to the extent possible. However, the enhancing qualitative characteristics, either individually or as a group, cannot make impact information useful if that information is irrelevant or does not provide a faithful representation of what it purports to represent.

46. Applying the enhancing qualitative characteristics is an iterative process that does not follow a prescribed order. Sometimes, one enhancing qualitative characteristic may have to be diminished to maximize another qualitative characteristic. For example, a reduction in comparability may be worthwhile to improve relevance or faithful representation.

15. Adapted from IFRS. (2023). *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information*

16. Adapted from IFRS. (2018). *Conceptual Framework for Financial Reporting.*.

4. Fundamental Concepts of Impact Accounting

4. Fundamental Concepts of Impact Accounting

4.1 THE ROLE OF IMPACT IN IMPACT ACCOUNTING

47. To establish a system of impact accounting, several fundamental concepts must be defined. Those concepts are introduced and described in this section.

48. Whereas general purpose financial reporting is grounded in the concepts of assets and liabilities, to report an entity's financial position, and income and expenses, to report an entity's financial performance, impact accounts are grounded in the concept of impact. The unit of measurement for impact accounts is monetary.

4.2 THE DEFINITION OF IMPACT

49. Impact can be defined as a change in one or more dimensions of people's well-being directly or through a change in the condition of the natural environment. An impact can be actual or potential, direct or indirect, intended or unintended, and positive or negative.[17]

50. Impacts in the Methodology are valued using monetary valuation techniques, and as a consequence, impact is interpreted through human well-being due to limitations associated with measuring the intrinsic value of nature. To the extent possible, the Methodology will over time consider impacts beyond an anthropocentric perspective.

51. An impact is potential in nature when its effects have a degree of uncertainty, in that they may have occurred in the past or may occur in the future, subject to a degree of likelihood. An impact is unintended when its effects were not the aim or expected result of an entity's activities. An impact does not have to be directly observed to be included in impact accounts. In many instances, the measurement and valuation of impacts are based on models rather than depictions of real-time changes in people's well-being or the condition of the natural environment.

4.3 COMPARISONS BETWEEN FINANCIAL AND SUSTAINABILITY TOPICS

52. The creation or erosion of value related to the well-being of people can be analyzed as a system of flows and stocks, in which flows of value are represented by impacts and stocks of value are represented by *capitals*. Capitals are defined as the resources and relationships affected and transformed by an entity.[18] Capitals are not entity-specific but are stocks of value upon which multiple stakeholders depend. General purpose financial reporting measures the creation or erosion of value for specific types of financial capital, such as the equity of an entity, whereas impacts can primarily be represented as changes in various types of non-financial capitals.[19]

4.4 FAIR PRESENTATION[20]

53. Impact accounts should provide a fair presentation of the impacts of an entity. Fair presentation requires that impact accounts include all material impacts of the entity and that those impacts are measured, valued, and/or disclosed in a manner that provides a faithful representation.

54. Fair presentation also requires that impact accounts provide for a *comprehensive assessment*. A comprehensive assessment evaluates the societal value created and/or eroded as a result of the entity's activities and business relationships across its value chain. A comprehensive assessment allows for a comparison of societal value creation and/or erosion between different entities, whether operating in the same industry or different industries, and between business units within an entity.

17. Adapted from Impact Management Platform. (2023). *Key terms and concepts.*

18. Adapted from Impact Management Platform. (2023). *Key terms and concepts.*

19. A categorization of capital types, which includes human capital, natural capital, produced capital, and social capital, can be found in Capitals Coalition. (2021). *Principles of Integrated Capitals Assessments.*

20. Adapted from IFRS. (2023). *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information.*

4. Fundamental Concepts of Impact Accounting

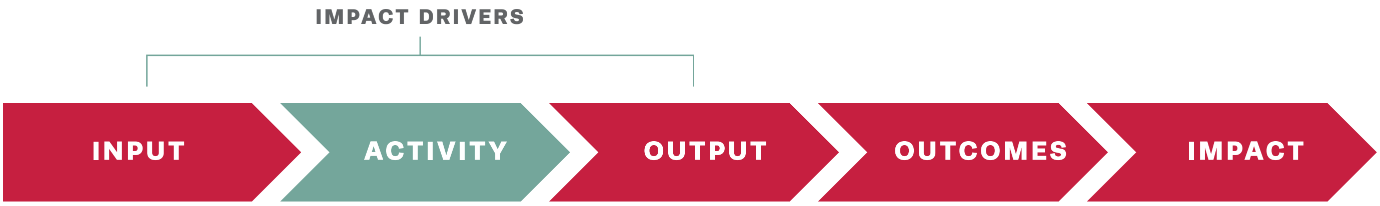


Figure 1: Impact pathway

4.5 IMPACT PATHWAYS[21]

55. An impact pathway describes the series of consecutive, causal relationships, ultimately starting at an input for an entity's activities and linking its actions with related changes in people's well-being.[22] Impact pathways provide a consistent method to measure impacts, allowing for comparability across time and between entities for a specific sustainability topic.

56. Impact pathways consist of the sequence of events shown in Figure 1 and described below.

a. Input: the resources and business relationships that the entity draws upon for its activities.

b. Activities: everything that an entity does, including operations, the procurement of inputs, the sale and provision of products and/or services, as well as any supporting activities. Activities span a large number of different actions that altogether contribute to outputs and ultimately, outcomes and impact.

c. Output: the direct result of an entity's activities, including an entity's products, services, and any by-products.

d. Outcome: the level of well-being experienced by people or condition of the natural environment that results from the actions of the entity, as well as from external factors. Outcomes are used to describe the one or more dimensions of people's well-being that are affected by an input, activity and/or output.

e. Impact: the change in one or more dimensions of people's well-being directly or through a change in the condition of the natural environment. As such, the term outcome describes a resulting state or condition, where impact refers to the change and evolution in this state or condition as a result of the entity's activities.

57. *Impact drivers* refer to an entity's inputs and outputs that lead to outcomes and cause or contribute to impacts.[23] Impact drivers are typically input or output related data that are measured by the entity.

58. The boundaries between the different elements of the impact pathway, particularly outcomes and impacts, are dependent on the nature of the underlying phenomena. In some cases, certain components of the pathway may be implicitly modelled as part of the monetary valuation. This may depend on, for instance, the specific sustainability topic or industry of the entity.

4.6 REFERENCE SCENARIO

59. An impact does not occur in isolation but in relationship to a *reference scenario*. A reference scenario is referred to as a counterfactual scenario in other frameworks and protocols.[24] A reference scenario is the set of activities and related outcomes that is assumed to happen in the absence of the entity's activities.[25] In the Methodology, a reference scenario is not the same concept as a baseline scenario, which is a set of observations at a point in time against which change is measured.

---

21. Definitions for input, activities, output, and outcome stages of the impact pathway are from Impact Management Platform. (2023). *Key terms and concepts.*
22. Adapted from ISO. (2019). *ISO 14008:2019 Monetary valuation of environmental impacts and related environmental aspects.*
23. Adapted from Impact Management Platform. (2023). *Key terms and concepts.*
24. For example, see Capitals Coalition. (2021). *Principles of Integrated Capitals Assessments.*
25. Adapted from Impact Economy Foundation. (2022). *Conceptual Framework for Impact-Weighted Accounts.*

4. Fundamental Concepts of Impact Accounting

60. The default reference scenario in the Methodology assumes that the entity's activities, and any comparable substitutes, do not exist. The default reference scenario does not imply that the activities of the entity are replaced by a competing entity that conducts its activities in a similar manner or provides a next best alternative. As a result, the change in one or more dimensions of people's well-being in the definition of an impact refers to the change between the outcome stage of an impact pathway and the default reference scenario.

61. The use of the default reference scenario results in the measurement of absolute impact.[26] Absolute impact reflects the gross change in well-being. If a reference scenario is selected that does not result in the measurement of absolute impact, that reference scenario should be disclosed to users of impact information such that it is clear what is measured in the impact calculation.

4.7 THE PERSPECTIVE OF MONETARY VALUATION

62. Impacts can be valued from the perspective of the financial opportunity or risk to the entity or from the perspective of affected stakeholders. Monetary valuation in the Methodology is performed from the perspective of affected stakeholders. In some instances, an impact cannot be isolated to affected stakeholder groups and is valued from the perspective of society in general.

63. While impact accounts are valued from the perspective of affected stakeholders, or society in general, they may be used to inform assessments of an entity's dependencies on people and the natural environment. Dependencies occur when an entity's impacts, or changes in the external environment in which it operates, affect an entity's cash flows, or future cash flows, and therefore create or erode investors' determination of its enterprise value.[27]

64. Monetary valuation of impacts from the perspective of affected stakeholders refers to the estimation of the relative importance, worth, or usefulness of impacts to the people who experience the impact, expressed as a monetary value. Impacts can be experienced by people directly or through changes to the planet or the economy.[28] An anthropocentric approach is utilized whereby any change in the condition of the natural environment is valued from the perspective of the impact on human well-being. The valuation of an impact is typically performed with a monetary value factor.

65. The use of monetary valuation is intended to provide a standardized approach that allows for the comparability of sustainability-related data at scale and is not meant to represent or put a valuation on the intrinsic value of human well-being.

66. The well-being of people cannot be separated from social context and the valuation of impacts should consider local or regional differences to provide relevant information.

26. See the definition of absolute impact in Impact Economy Foundation. (2022). *Conceptual Framework for Impact-Weighted Accounts.*

27. Adapted from Impact Management Platform. (2023). *Key terms and concepts.*

28. See definition of monetization from Impact Management Platform. (2023). *Key terms and concepts.*

4. Fundamental Concepts of Impact Accounting

VALUE CHAIN	UPSTREAM	OWN OPERATIONS	DOWNSTREAM
DESCRIPTION	**Cradle-to-gate** Includes suppliers of products and services used in entity's own operations, including immediate suppliers and indirect suppliers further upstream.	**Gate-to-gate** Covers all activities over which entity has direct control. Same scope as general purpose financial reporting.	**Gate-to-grave** Includes distribution and processing of sold products, use phase by consumers and end-users, and end-of-life treatment.

Figure 2: Value chain levels of an entity

4.8 VALUE CHAIN

67. The value chain of an entity is the full range of activities and business relationships related to the entity's business model and the external environment in which it operates. A value chain encompasses the activities and business relationships the entity uses and relies on to create its products or services from conception to delivery, consumption, and end-of-life.[29] The value chain can be distinguished into three different levels (see Figure 2).

a. Upstream: covers all activities and business relationships from cradle-to-gate, including products and services that the entity has purchased from its immediate suppliers and indirect suppliers further upstream.

b. Own operations: covers all activities over which the entity has control.

c. Downstream: covers all activities and business relationships from gate-to-grave linked to distribution and transportation, direct customers, product use by consumers and end-users, and product end-of-life.

68. In line with sustainability reporting standards and established frameworks such as the GHG Protocol, the Methodology includes impacts on all three value chain levels and is applicable to the full value chain of an entity. The scope of own operations in impact accounts is consistent with that of the reporting entity in general purpose financial reporting.

69. A *direct impact* of an entity is an impact caused or contributed to by the entity's own operations. An *indirect impact* is an impact directly linked to the entity's own operations, products, or services through its business relationships in the upstream and/or downstream value chain. While the cause of indirect impacts is outside of the entity itself, the entity exerts an influence on the pathway that determines the significance of the impact.

4.9 STAKEHOLDERS

70. *Stakeholders* are defined as those who can affect or be affected by the entity.[30] For impact accounts, the affected stakeholder groups are of central importance. Affected stakeholders are individuals or groups whose well-being is affected or could be affected, positively or negatively, by the entity's activities and business relationships across its value chain.

71. Common categories of stakeholders are authorities, including central banks, governments, regulators, and supervisors, business partners, civil society, employees, other workers, and trade unions, consumers, customers, and end-users, existing and potential investors, lenders, and other creditors, local communities and vulnerable groups, non-governmental organizations, and suppliers. Nature is considered a silent stakeholder, in that nature is affected by the impacts of entities, but it is the responsibility of people to act as stewards of the natural environment.

29. European Commission. (2023). *Annex II Acronyms and Glossary of Terms, European Sustainability Reporting Standards.*
30. Adapted from European Commission. (2023). *Annex II Acronyms and Glossary of Terms, European Sustainability Reporting Standards.*

4. Fundamental Concepts of Impact Accounting

4.10 TIME PERIODS AND ACCRUAL IMPACT ACCOUNTING

72. The time period for which an entity measures its impacts can be customized depending on the type of impact information that is required by users. For the purposes of disclosing impact information in sustainability-related disclosures, this would normally be the reporting period of the entity, but impacts can also be measured for the period of a specific project or the life of a product.

73. Impacts materialize over time and many impacts triggered by an entity's activities do not materialize within the period being considered. Impacts that do not materialize in the period may have materialized in a prior period or may materialize in a future period. For example, an impact can have materialized in a prior period when it affected a stakeholder in the entity's upstream value chain during the manufacture of an input that the entity draws upon for its activities in the current period. An impact can materialize in a future period when a good that the entity manufactures in the current period affects a stakeholder in the entity's downstream value chain in a future period.

74. Accrual impact accounting depicts the impacts on affected stakeholders in the period in which the related activities of the entity occur. Impact accounts for a particular period should reflect all of the impacts connected to activities of the entity that occurred in the period even if the impacts materialized in a prior period or may materialize in a future period.

4.11 ATTRIBUTION OF IMPACTS

75. The attribution of an impact refers to the portion of an impact that is reflected in an entity's impact accounts. Attribution is performed by partitioning the inputs or outputs related to an impact and determining the portion that is linked to the entity. Inputs and outputs may be partitioned based on the underlying physical relationship, an economic relationship, or an industry-specific practice. Inputs and outputs should be partitioned in a way that best reflects the causal relationship between the inputs and outputs and the impact.[31]

76. Different attribution methods may yield significantly different results. Entities that have a choice between multiple methods for a given impact should evaluate each method to determine the range of possible results before selecting a single method. Topic and Industry-specific Methodologies will provide guidance on the attribution method that should be applied.

77. Categorizing impacts as either direct or indirect helps to determine the appropriate level of attribution.

a. Direct impacts that are caused by an entity's own operations are likely fully attributable to the entity. The fact that direct impacts caused by an entity may exist in a system that other entities are linked to does not prevent their full attribution to the entity.

b. Direct impacts that are contributed to by an entity, such as climate-related impacts to the natural environment that are measured from a societal perspective, should be assessed for the appropriate level of attribution by partitioning the inputs or outputs related to the impact and determining the portion that is linked to the entity.

c. Indirect impacts that occur upstream from the entity should be assessed for the appropriate level of attribution by partitioning the outputs of an upstream supplier that are linked to an impact and determining the portion that is drawn on by the entity for its activities.

d. Indirect impacts that occur downstream from the entity should be assessed for the appropriate level of attribution by partitioning the inputs of an activity, product, or service downstream and determining the portion that is linked to the own operations of the entity.

31. Adapted from Greenhouse Gas Protocol. (2011). *Corporate Value Chain (Scope 3) Accounting and Reporting Standard*, Supplement to the GHG Protocol Corporate Accounting and Reporting Standard and *ISO. (2014). ISO 14044:2006 Environmental management—Life cycle assessment*. The approach to attribution in the Methodology is based on the concepts used to allocate GHG emissions in the GHG Protocol and more broadly to allocate input and outputs flows in lifecycle assessments. Such approaches are typically referred to as allocation, as the objective is to allocate input and output flows within a product system or across a value chain. Attribution in the Methodology assumes that after allocating an impact to an entity, the full portion of the allocated amount is attributed to the entity.

4. Fundamental Concepts of Impact Accounting

78. The inclusion of an impact in an entity's impact accounts does not preclude another entity that is linked to the impact from including a portion of the impact in its impact accounts. As a result, double counting of impacts may occur across the value chain. This approach to attribution allows for complete information on value chain responsibility at the entity level; however, impacts should not be aggregated across companies to determine the total impact in a value chain as the result may overcount impact.

79. Double counting occurs when the direct impact of one entity is the indirect impact of another entity. Double counting also occurs when indirect impacts are accounted for by two separate entities, such as when the impact to the natural environment from the transportation of a product is accounted for as an indirect impact by the upstream manufacturer and the downstream retailer.

5. Impact Materiality and the Preparation of Impact Accounts

5. Impact Materiality and the Preparation of Impact Accounts

5.1 IMPACT MATERIALITY AS THE BASIS FOR IMPACT ACCOUNTS

80. Impact materiality serves as the basis for preparing impact accounts. Before a preparer can use the Methodology to prepare impact accounts at a point in time, the impacts of the entity under consideration should be identified, measured, and valued, and an impact materiality perspective should be applied to determine which impacts to include in impact accounts.

81. Impact materiality is an entity-specific aspect of the relevance qualitative characteristic of impact information. Preparers should assess whether impacts that have been identified are relevant. The Methodology does not include mandatory impacts or a uniform threshold for applying impact materiality.

82. As part of generating impact accounts, the relative importance, worth, or usefulness of impacts is assessed through monetary valuation. As a result, the impact information derived from impact accounts provides a data driven and empirical foundation to support an entity's materiality assessment process. Ultimately, the process of identifying, measuring and valuing impacts, and assessing them from an impact materiality perspective is an iterative and ongoing process.

5.2 THE SCOPE OF IMPACT MATERIALITY[32]

83. An impact can be material if it pertains to the entity's material actual or potential, positive or negative, intended or unintended impacts on the well-being of people directly or indirectly through changes in the natural environment over any time horizon. Material impacts can include direct impacts caused or contributed to by the entity's activities and indirect impacts that are directly linked to the entity's own operations, products, or services through its business relationships. Business relationships include the entity's upstream and downstream value chain and are not limited to direct contractual relationships.

5.3 THE PREPARATION OF IMPACT ACCOUNTS[33]

84. To prepare impact accounts, the following steps should be considered.

a. Steps related to impact identification, measurement, and valuation:
   i. understand the sustainability context of the activities and business relationships of the entity under consideration;
   ii. identify impacts through engaging with topic and industry-specific research, stakeholders, and experts; and
   iii. measure and value the impacts identified to understand their significance.

b. Step to prepare impact accounts at a point in time:
   i. apply an impact materiality perspective to determine which impacts to include in the entity's impact accounts.

85. The first three steps relate to the entity's ongoing impact management process. These steps allow the entity or investor to actively manage and assess impacts as they evolve and as new ones arise. In step four, the preparer determines which impacts to include in the impact accounts for a particular time period.

32. Adapted from European Commission. (2023). *Annex II Acronyms and Glossary of Terms, European Sustainability Reporting Standards.*

33. Adapted from Global Reporting Initiative. (2021). *GRI 3: Material Topics 2021.*

5. Impact Materiality and the Preparation of Impact Accounts

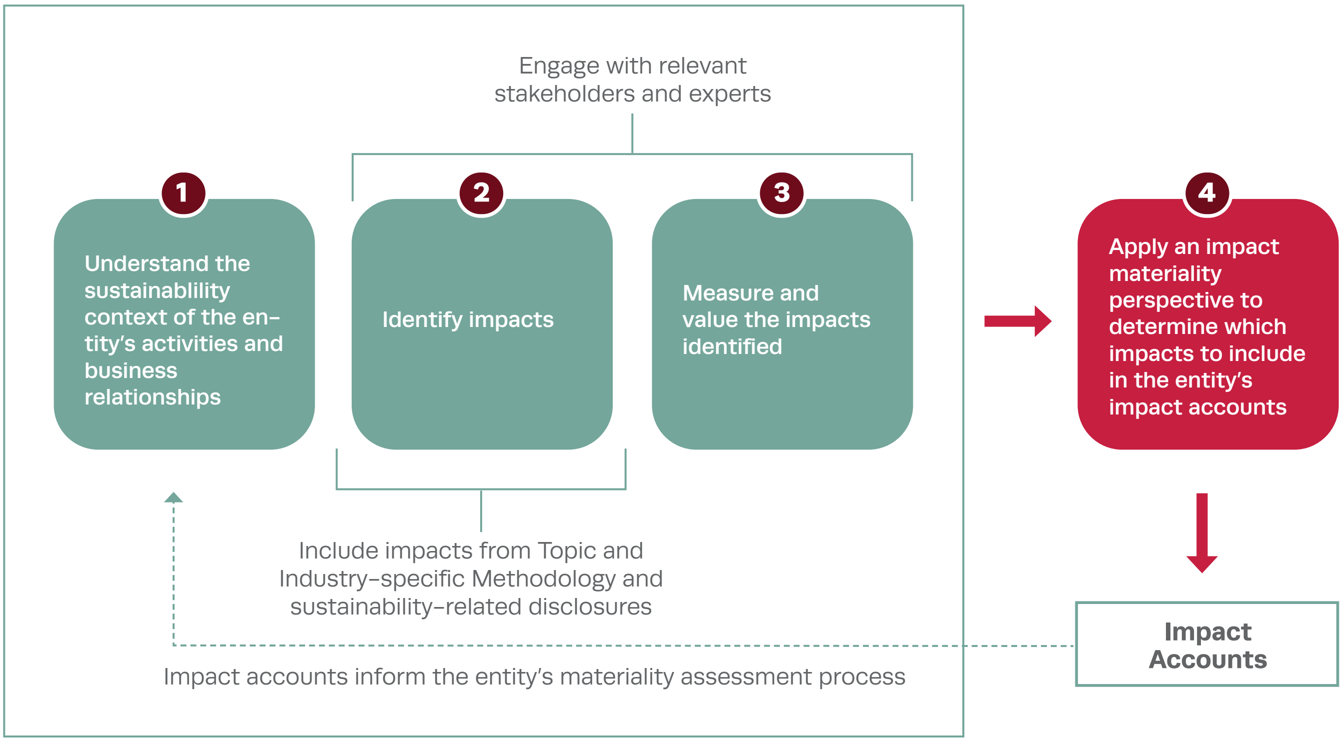


Figure 3. The preparation of impact accounts[34]

5.4 SUSTAINABILITY CONTEXT, IMPACT IDENTIFICATION, AND MEASUREMENT AND VALUATION

86. The following areas should be considered to understand the sustainability context of an entity's activities and business relationships: economic, environmental, human rights, and other societal topics that affect the well-being of people at local, regional, and global levels related to the entity's sectors and the geographic location of its activities and business relationships.[35]

87. An entity's stakeholders are central to the ongoing practice of preparing of impact accounts. The measurement and valuation of impacts should be informed by those affected by, and who affect, the underlying activities of the entity.[36]

88. The Methodology is being developed to include standardized impact pathways at the Topic and Industry-specific level. Impact pathways in the Methodology are a starting point to identify impacts, but they do not necessarily identify all impacts of the entity. A preparer should also include impacts identified as part of the entity's sustainability-related disclosures and impacts identified through an entity's periodic materiality assessment process.

34. Adapted from Global Reporting Initiative. (2021). *GRI 3: Material Topics 2021.*

35. Adapted from Global Reporting Initiative. (2021). *GRI 1: Foundation 2021.*

36. Adapted from Social Value International. (2019). *Standard on applying Principle 1: Involve Stakeholders.*

5. Impact Materiality and the Preparation of Impact Accounts

Stakeholder Categories	Value Chain Stage		
	Upstream	wOwn Operations	Downstream
Consumers & end-users			
Employees & other workers			
Natural environment			
Governments & local communities			

Figure 4: Example of a materiality map for impact identification

89. A material impact will always affect one or more stakeholder groups of the entity. To identify impacts, a preparer should consider impacts for each stakeholder category at each stage of an entity's value chain. A map that displays stakeholder categories and value chain stages may be a helpful for identifying potential impacts and ensuring a fair presentation (see Figure 4).

5.5 IMPACTS FOR WHICH A STANDARDIZED IMPACT PATHWAY IS NOT AVAILABLE

90. Impacts that have been identified should be measured and valued in accordance with standardized impact pathways included in Topic and Industry-specific Methodologies. When an entity concludes that an impact not covered or covered with insufficient granularity by Topic or Industry-specific Methodologies is material due to its specific facts and circumstances, the impact should still be measured, valued, and included in the entity's impact accounts to provide for a fair presentation. The preparer should ensure that:

a. an impact pathway approach is utilized;

b. the measurement and valuation process meets the qualitative characteristics of impact information; and

c. measurement and valuation methods described in the Methodology are applied as applicable.

91. When measuring and valuing impacts for which a standardized impact pathway is not available, the preparer should carefully consider:

a. comparability between entities, while still ensuring relevance of the information provided, recognizing that comparability may be more limited. The entity should consider whether the available and relevant frameworks, protocols, and reporting standards provide elements that can support comparability to the maximum extent possible; and

b. comparability over time, as consistency of methodologies and disclosures is a key factor for achieving comparability over time.[37]

37. Adapted European Commission. (2023). *Annex II Acronyms and Glossary of Terms, European Sustainability Reporting Standards.*

Appendix A: Glossary

Appendix A: Glossary

TERM	DEFINITION	SOURCE[38]
Activities	Everything that an entity does, including operations, the procurement of inputs, the sale and provision of products and/or services, as well as any supporting activities. Activities span a large number of different actions that altogether contribute to outputs and ultimately, outcomes and impact.	Impact Management Platform
Affected stakeholders	Affected stakeholders are individuals or groups whose well-being is affected or could be affected, positively or negatively, by the entity's activities and its business relationships across its value chain.	N/A
Business relationships	The relationships the entity has with business partners, entities in its value chain, and any other non-State or State entity directly linked to its business operations, products or services. Business relationships are not limited to direct contractual relationships. They include indirect business relationships in the entity's value chain beyond the first tier, and shareholding positions in joint ventures or investments.	European Sustainability Reporting Standards
Capitals	The resources and relationships affected and transformed by an entity.	Impact Management Platform
Comprehensive assessment	A comprehensive assessment evaluates the societal value created and/or eroded as a result of the entity's activities and business relationships across its value chain	N/A
Direct impact	An impact caused or contributed to by the entity's own operations.	N/A
Impact	A change in one or more dimensions of people's well-being directly or through a change in the condition of the natural environment.	Impact Management Platform
Impact accounting	A system for measuring and valuing the impacts of corporate entities and generating impact information to inform decisions related to an entity's effects on sustainability.	N/A
Impact accounts	A set of accounts that contain the material positive and negative impacts of an entity valued in monetary terms.	N/A
Impact drivers	Refer to the sequence of an entity's inputs and outputs that may have positive and/or negative impacts on people's well-being.	Impact Management Platform
Impact information	Impact information is derived from impact accounts and informs decision-making related to an entity's effects on sustainability. Impact information includes, but is not limited to, impacts that have been classified and aggregated for the purpose of presentation, supplemental notes that describe the assumptions, data, or methods used to measure and value impacts, and qualitative commentary that contextualizes impacts.	N/A

38. Some definitions are adapted from the original source.

Appendix A: Glossary

TERM	DEFINITION	SOURCE
Impact pathway	The series of consecutive, causal relationships, ultimately starting at an input for an entity's activities and linking its actions with related changes in people's well-being.	ISO
Indirect impact	An impact directly linked to the entity's own operations, products, or services through its business relationships in the upstream and/or downstream value chain.	N/A
Input	The resources and business relationships that the entity draws upon for its activities.	Impact Management Platform
Outcome	The level of well-being experienced by people or condition of the natural environment that results from the actions of the entity, as well as from external factors. Outcomes are used to describe the one or more dimensions of people's well-being that are affected by an input, activity, and/or output.	Impact Management Platform
Output	The direct result of an entity's activities, including an entity's products, services, and any by-products.	Impact Management Platform
Reference scenario	The set of activities and related outcomes that is assumed to happen in the absence of the entity's activities.	Impact Economy Foundation
Stakeholder	Stakeholders are defined as those who can affect or be affected by the entity.	European Sustainability Reporting Standards
Sustainability topic	A term used broadly to denote aspects of stakeholder well-being (e.g. health, wealth, safety), or business activities or practices that are evidenced drivers of well-being (e.g. employment, diversity and inclusion). This term is synonymous with 'sustainability matters', 'impact areas', or 'general issue categories' which are similar terms used by different standard setters.	Impact Management Platform
Sustainable development	Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.	Report of the World Commission on Environment and Development
Value chain	The value chain of an entity is the full range of activities and business relationships related to the entity's business model(s) and the external environment in which it operates. A value chain encompasses the activities and business relationships the entity uses and relies on to create its products or services from conception to delivery, consumption, and end-of-life.	European Sustainability Reporting Standards

Bibliography

Bibliography

Brundtland, G. H. (1987). Our Common Future: World Commission on Environment and Development. United Nations.

Capitals Coalition. (2016). ***Natural Capital Protocol.*** https://capitalscoalition.org/capitals-approach/natural-capital-protocol/?fwp_filter_tabs=guide_supplement.

Capitals Coalition. (2019). ***Social & Human Capital Protocol.*** https://capitalscoalition.org/capitals-approach/social-human-capital-protocol/.

Capitals Coalition. (2021). ***Principles of Integrated Capitals Assessments.*** https://capitalscoalition.org/publication/principles-of-integrated-capitals-assessments/.

Capitals Coalition. (2022). ***Conceptual Framework for Sustainability Reporting.*** https://capitalscoalition.org/publication/conceptual-framework-for-sustainability-reporting/.

European Commission. (2023). ***Annex I European Sustainability Reporting Standards.*** https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13765-European-sustainability-reporting-standards-first-set_en.

European Commission. (2023). ***Annex II Acronyms and Glossary of Terms, European Sustainability Reporting Standards.*** https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13765-European-sustainability-reporting-standards-first-set_en.

Global Reporting Initiative. (2021). ***GRI 1: Foundation 2021.*** https://www.globalreporting.org/standards/.

Global Reporting Initiative. (2021). ***GRI 2: General Disclosures 2021.*** https://www.globalreporting.org/standards/.

Global Reporting Initiative. (2021). ***GRI 3: Material Topics 2021.*** https://www.globalreporting.org/standards/.

Greenhouse Gas Protocol. (2011). ***Corporate Value Chain (Scope 3) Accounting and Reporting Standard.*** https://ghgprotocol.org/sites/default/files/standards/Corporate-Value-Chain-Accounting-Reporing-Standard_041613_2.pdf.

IFRS. (2018). ***Conceptual Framework for Financial Reporting.*** https://www.ifrs.org/projects/completed-projects/2018/conceptual-framework/#published-%20documents.

IFRS. (2023). IFRS S1 ***General Requirements for Disclosure of Sustainability-related Financial Information.*** https://www.ifrs.org/content/dam/ifrs/publications/pdf-standards-issb/english/2023/issued/part-a/issb-2023-a-ifrs-s1-general-requirements-for-disclosure-of-sustainability-related-financial-information.pdf?bypass=on.

Impact Economy Foundation. (2022). ***Conceptual Framework for Impact-Weighted Accounts.*** https://impacteconomyfoundation.org/impactweightedaccountsframework/#:~:text=Impact%2DWeighted%20Accounts%20(or%20IWAs,environment%20and%20the%20broader%20society.

Impact Frontiers. (2022, ***February 24). How Much – Five Dimensions of Impact.*** https://impactfrontiers.org/norms/five-dimensions-of-impact/how-much/.

Impact Management Platform. (2023). ***Key terms and concepts.*** https://impactmanagementplatform.org/terms-and-concepts/.

ISO. (2014). ***ISO 14044:2006 Environmental management – Life cycle assessment.*** https://www.iso.org/standard/38498.html.

ISO. (2019). ISO 14008:2019 ***Monetary valuation of environmental impacts and related environmental aspects.*** https://www.iso.org/standard/43243.html.

Social Value International. (2012). ***A Guide to Social Return on Investment.*** https://static1.squarespace.com/static/60dc51e3c58aef413ae5c975/t/60f7fa286b9c6a47815bc3b2/1626864196998/The-SROI-Guide-2012.pdf.

Social Value International. (2019). ***Standard on applying Principle 1: Involve Stakeholders.*** https://static1.squarespace.com/static/60dc51e3c58aef413ae5c975/t/60f058babaa9e46167496599/1626364102534/Standard-for-applying-Principle-1.pdf.

Bibliography

Social Value International. (2021). ***Principles of Social Value.*** https://static1.squarespace.com/static/60dc51e3c58aef413ae5c975/t/6127b55936e97e03e86297ea/1629992289441/Principles+of+Social+Value+.pdf.

Transparent Project. (2023). ***Standardized Natural Capital Management Accounting: A methodology promoting the integration of nature in business decision making.*** https://www.value-balancing.com/_Resources/Persistent/b/4/a/3/b4a3b71520ec2ad7f0dd4b083e7ceed67b093bf5/Transparent_NCMA%20Methodology-Final2.pdf.

Value Balancing Alliance. (2021). ***Impact Statement General Paper, Version 0.1.*** https://www.value-balancing.com/_Resources/Persistent/2/6/e/6/26e6d344f3bfa26825244ccfa4a9743f8299e7cf/20210210_VBA%20Impact%20Statement_GeneralPaper.pdf.