



GIST and Value Balancing Alliance: Joint Statement

Forging new expectations towards measuring corporate performance

LONDON / FRANKFURT, March 16th, 2022.

GIST and the Value Balancing Alliance (VBA) are pleased to announce that they have agreed to work together with the shared aim to help companies and investment professionals measure corporate performance across four key dimensions of impact: natural, human, social and financial capital.

Together, GIST and VBA will partner to forge new expectations towards measuring corporate performance. To help companies and investors improve their impacts on people and the environment, they will provide specially developed monitoring, reporting and decision-making products, alongside expert guidance.

“The urgency to recognize and measure all dimensions of impact of investment portfolios has never been greater. In order to inform better decisions, we need a holistic approach that goes beyond conventional financial and ESG measurements,” said Pavan Sukhdev, Founder and CEO of GIST. *“Our collaboration with VBA will help us move the needle in this respect.”*

And while investors explore ways to fully measure the impact of their portfolios on society and the environment, companies are also coming under increased pressure to redefine value creation *beyond* financial profit & loss.

“As we transition from shareholder to stakeholder capitalism, it is of paramount importance that we create consensus on how we measure impact,” added Christian Heller, CEO of VBA and G7 ITF Sherpa to Saori Dubourg. *“There is a great sense of urgency around this, and we should not miss this opportunity. VBA and GIST are fully aligned on how we can best raise the bar for corporate performance and help companies to optimise their value contribution to society and nature.”*

VBA, a network aiming to develop a harmonised approach and standards for measuring non-financial impact, and GIST, a pioneering sustainability data and analytics provider with the same mission, believe that monetary impact valuation is the way forward for sustainability accounting to improve business decision making, steer improved disclosure and standardise stakeholder reporting.

The science and economics-based frameworks and methodologies of GIST and VBA have been compared and found consistent in terms of definition, measurement and valuation of sustainability performance. In particular, VBA welcomes GIST’s I360X as a very valuable tool to enable corporates to measure, value and report multi-capital stakeholder impacts based on VBA’s Impact Statement v0.1. A respective impact report from I360X, based on publicly disclosed data, has successfully been generated for five VBA members.

As part of their collaboration, GIST and VBA intend to:

1. Provide GIST's I360X tool to VBA member companies. Impact reports based on publicly available data will be generated for other member companies as part of the piloting phase.
2. Cooperate to integrate published VBA methodologies in GIST's I360X tool and further develop areas to standardise methodology for assessing corporate sustainability performance using monetary impact valuation.
3. Collaborate with data and assurance providers to encourage companies to report more data, more consistently and transparently.
4. Extend the use of the I360X tool for direct applications of stakeholder impact evaluation, including decision-making, steering transition, and disclosure.

GIST and VBA plan to make their cooperation and outcomes publicly available and invite further initiatives and experts to support and join their efforts.

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