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Impact Statement

Guidance Note to Presentation of Impact Data

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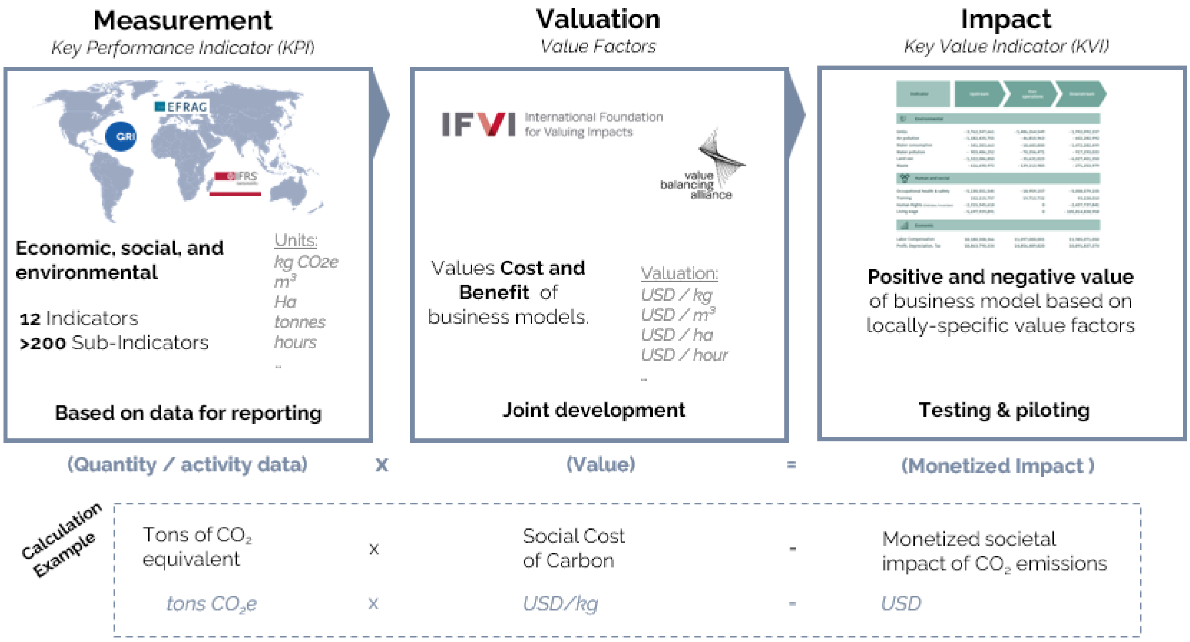
Contents

1 Introduction

The guidance of the impact statement supports companies (Reporting Entities) in disclosing their impact statement. The guidance of the impact statement aims to provide further recommendations on the disclosure of the impact building upon the work of the Sustainable Finance Advisory Committee of the Federal Government[1], based on the methodologies developed by VBA and IVFI, and considering the work around Integrated Profit & Loss Accounts as well as Environmental Profit & Loss Accounts.



[2]This publication identifies the major points:

- Recalling that an impact statement offers clear, concise, and comparable information about the effects of an organization's activities on society and the environment, the **transparency** helps stakeholders, including investors, customers, and regulators, understand an organization's contributions to sustainable value creation.
- Recalling that monetized impact data are not of the same nature as financial data, therefore should be disclosed alongside and interconnected to financial statements, but not integrated.
- Recalling that an impact statement enables Reporting Entities to aggregate, not to net, quantified activity data from different sustainability data based on regulatory requirements, impact statements **reduce the number of data** points into a manageable size in analogy to financial statements.

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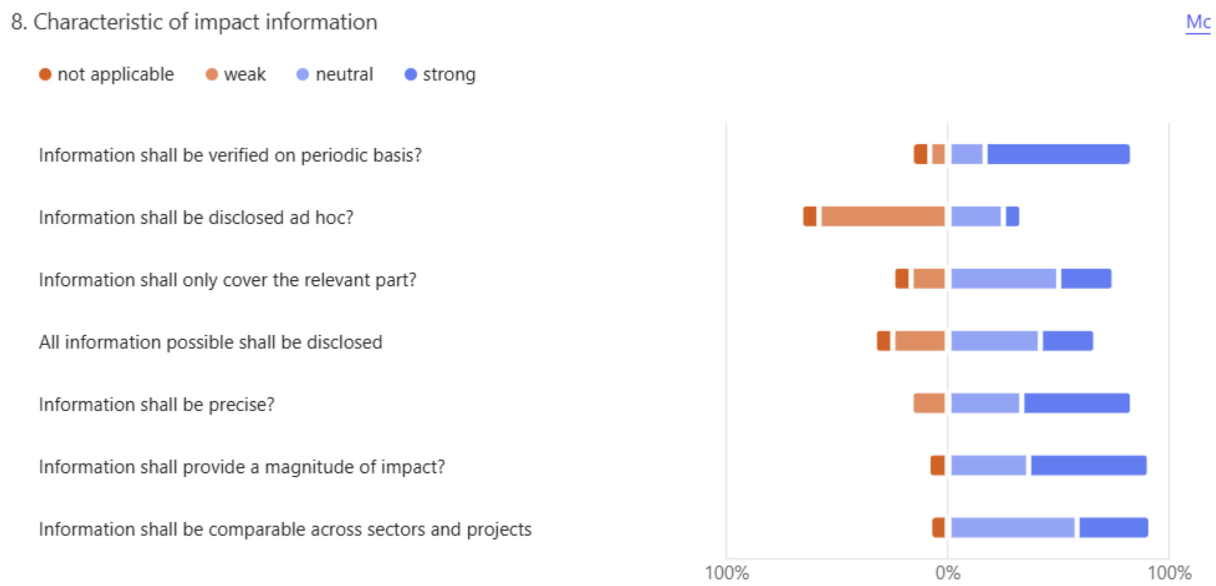
[1] SFB, Konzeptpapier der Arbeitsgruppe „Sustainability Accounting" des Sustainable Finance-Beirats der Bundesregierung Juli 2024, https://sustainable-finance-beirat.de/wp-content/uploads/2024/07/SFB_AG-SA_Konzeptpapier_final.pdf.
[2] Calculation logic for impact statements ensuring better contextualization, comparability, aggregation, and a universal language for sustainability performance data.

- Recalling that **documenting and reporting** on organizations impacts, organizations can demonstrate accountability for their actions, the impact statement outlines commitments to sustainable value creation, allowing stakeholders to evaluate whether these commitments are being fulfilled.
- Recalling that access to detailed impact information enables stakeholders to make more **informed decisions**, the considerations provide basis for capital allocation and investment decision, consumer choices, and policymaking, as stakeholders can assess an organization's performance against social and environmental impacts of business models.
- Recalling that regulations around sustainability reporting drastically increased in the last years, an impact statement supports organizations in meeting legal requirements and standards, such as those established by the CSRD and ESRS that benefits organization's compliance **assessing impacts**, **mitigating risks, identifying opportunities, and enhancing credibility**.
- Recalling that an impact statement can facilitate the alignment of an organization's operations with broader sustainability goals, such as the **Sustainable Development Goals (SDGs)**, this guidance ensures that business strategies reflect commitments to sustainability, contributing to long-term viability and competitiveness.
- Recalling by evaluating and reporting on their impacts, organizations can **identify** potential risks associated with **sustainability matters,** topics and other factors, this guidance enables organizations to address risks before they escalate into significant issues.
- Recalling that the impact statements foster **dialogue with stakeholders** by indicating that an organization values their input and is responsive to concerns, the guidance assists engaging stakeholders in discussions about impacts to build trust and strengthen relationships.
- Recalling that undertakings effectively communicate their impact may **differentiate their product and services** in the marketplace, the guidance supports organization's ability to articulate environmental and social responsibility to attract customers who prioritize these values for personal or regulatory reasons.

To gain deeper insights into our organization's needs and reporting environment, the VBA conducted an internal survey among its members. The questionnaire, carried out by several experts within the VBA, identified key areas for improvement of the reporting universe: the major points are addressing uncertainty and clearer guidance with regard to sustainability information.[3]

[3] VBA, Survey conducted between 2024 Q1 and Q2 among the VBA members.

To improve the characteristic of impact information, the VBA members mainly recommended that impact information should be disclosed on a periodic basis and undergo verification to ensure its reliability and relevance.[4]



Therefore, embracing the style and structure of IFRS IAS 1, the prior work of the VBA methodologies and publications, and the current suggestions of the IFVI and VBA common methodology, the VBA suggests the following guidance note for disclosing impact in a standardized statement.

2 Objective

The objective of this guidance is to bridge the gap between the need for monetized impact disclosure and the lack of standardization and data transparency. The guidance note encourages Reporting Entities to disclose impact statements in line with regulatory

[4] VBA, Survey conducted between 2024 Q1 and Q2 among the VBA members.

requirements and voluntary disclosures, while allowing flexibility in the depth of data provided. The guidance note presents practices for reporting monetary impact data without addressing specific legal or financial details, ensuring relevance amid evolving sustainability regulations. It aligns with the mission of major organizations like VBA, IFVI, and GRI to support informed decision-making on corporate sustainability and aims to be compatible with key regulations, including the EU's CSRD and the SEC's climate disclosure rules.

3 Scope

3.1 Purpose

The primary objective of this Impact Statement (IS) is to transparently disclose the impacts, both positive and negative, that the reporting entity has on society and the environment in a clear, comparable, and concise way similar to financial statements. The IS is not intended to assess the impact on financial metrics or enterprise value (dependencies).

3.2 Minimum Disclosure Requirements

Following the scope of the present guideline, Reporting Entities should disclose data points under the following categories, at minimum, depending on their own needs and regulatory frameworks:

- For Natural Capital: Greenhouse Gas Emissions, Land Use, Water and Waste
- For Social Capital: Occupational Health and Safety Incidents, Training and Living Wages.

Note that these categories are part of the methodological work developed by the VBA and the IFVI, aimed at standardizing and advancing sustainability impact measurement practices.[5]

Reporting Entities either provide the required minimum disclosure or explain the reasons for non-disclosure. Reasons for non-disclosure may be a lack of sufficient or reliable data to make an informed estimate. Reporting Entities should invest reasonable effort to explain underlying assumptions and methodologies and enable transparency if estimates are used instead of precise data and valuation techniques are used to transfer outputs into impacts.

Reporting Entities should make a reasonable effort to obtain data for their value chain beyond their own operations. This implies that while perfect or complete data may not always be feasible, Reporting Entities should actively seek and utilize the best available information to provide a transparent and meaningful representation of their impacts and dependencies.

3.3 Disclosure Coverage

The reporting entity should strive for comprehensive disclosure, encompassing:

[5] https://ifvi.org/methodology/methodology-development/.

3.3.1 Regulatory Data Points

Specific metrics or information mandated by relevant regulations. Reporting Entities have the discretion to select relevant metrics from regulatory catalogues, prioritizing those identified as material through internal analysis and stakeholder feedback.

3.3.2 Voluntary Disclosure (Positive and Negative)

Beyond regulatory requirements, entities are encouraged to disclose metrics or information that enhance transparency and accountability, regardless of whether they positively or negatively impact society and the environment.

3.4 Methodological Guidance

3.4.1 Time, Interpretation

The IS follows the periodicity of the financial statement and applies the principles of the financial statements in light of the purpose of the IS.

3.4.2 VBA & IFVI Methodologies

Reporting Entities are encouraged to leverage published topic methodologies by VBA & IFVI as valuable tools for disclosing monetary values (value factors[6]) in the IS. These methodologies also offer guidance on data estimation techniques, impact measurement approaches, and the development of impact pathways.

3.4.3 Alternative Methodologies

While VBA & IFVI methodologies are recommended, Reporting Entities can utilize other publicly available methodologies for valuation techniques. However, any chosen methodology must adhere to the following criteria:

Comply with the principle of faithful representation, particularly ensuring neutrality and the absence of material errors.

Provide references to value factors grounded in the latest academic research, allowing for updates as new information emerges, and capturing the economic value stakeholders attribute to each impact item comprehensively.

Align with the guidance of the Value Commission[7] and with relevant industry practices.

Provide reference to the uses data sources and value factor databases used.

3.5 Value Chain Coverage

The IS should address impacts across the entire value chain:

3.5.1 Upstream (supply chain scope 2 and 3)

Encompasses procurement activities and business relationships from the extraction of raw materials to the point of ownership or control by the reporting entity, including interactions with suppliers and subcontractors.

3.5.2 Own Operations (scope 1)

Covers all activities directly controlled and managed by the entity, including production, manufacturing, research and development, marketing, and sales.

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[6] Access to value factors https://ifvi.org/methodology/environmental-topic-methodology/interim-methodologies/download-form-global-value-factor-database/

[7] https://capitalscoalition.org/project/the-value-commission/

3.5.3 Downstream (product impacts scope 3)

Encompasses activities and relationships after the entity relinquishes control, including distribution, retail, consumer use, end-of-life management, and associated environmental or social impacts.

3.6 Clarifications

The IS primarily focuses on actual information. The activity data is monetized with valuation techniques that reflect the actual impact of the reporting entity.

Prospective information, if included, should address plausible events with probabilities below those already considered in financial statements. The activity data is forecasted using scenarios and monetized with valuation techniques that reflect the potential impact of the reporting entity. The valuation technique reflects macroeconomic scenarios available and applied in the respective sector and geography considering comparability and consistency of the purpose of the IS.

Explanatory Notes

The scope of the impact statement encompasses the impacts a reporting entity has on society and the environment, excluding financial metrics or enterprise value. It mandates the disclosure of impacts under a natural or environmental category, in line with CSRD requirements, beyond following the IFVI/VBA methodologies, and impact driver as the reporting entity deems relevant and material.

Impact data should not be integrated into financial statements. The IS should be disclosed alongside the financial statements as complementary information about the sustainable value creation of the reporting entity. The information should be linked and interconnected to the (future) financial performance of the reporting entity – value to business.

Beyond regulatory compliance, the statement promotes voluntary disclosure of positive and negative impacts, enhancing transparency and accountability. It recommends using IFVI/VBA methodologies for monetary valuation and impact measurement but permits the use of other publicly available methodologies that meet specific criteria.

The statement should cover the entire value chain (upstream, own operations, downstream), with flexibility for further breakdown using Scopes 1, 2, and 3. It emphasizes prioritizing reported data from value chain partners and utilizing reputable data providers when necessary. It also encourages the use of modelling techniques and scenarios for enhanced forecasts, ensuring data is context-specific and relevant.

The scope balances flexibility with transparency, promoting comprehensive impact disclosure while allowing for adaptation to specific contexts and data availability. It encourages the use of established methodologies like IFVI/VBA but remains open to other approaches that meet quality criteria. The ultimate goal is to provide stakeholders with a clear and meaningful understanding of the entity's impacts across its entire value chain.

4 Definitions

The reporting entity should adhere to the definitions established within its regulatory framework. In cases where the regulatory environment lacks specific definitions or clarity is needed, the definitions provided by the IFVI and VBA can be adopted, unless the reporting entity explicitly states otherwise.

4.1 Data

Data point

Data points cover all data inputs for the IS whether actual information, prospective information, or estimates.

Activity Data

Quantitative and sometimes qualitative information on the level or magnitude of a human activity that might have environmental, social, or economic implications during a given period.

5 Impact Statement (Structure, Content, and Notes)

5.1 Transparency, Flexibility and Best Practices

The IS should prioritize transparency, especially when disclosing voluntary data beyond regulatory requirements. The reporting entity provides transparency about the nature of the activity data used and discloses valuation techniques used to monetise data.

The data can be disclosed at various levels of granularity, offering flexibility to the reporting entity. The options include reporting for the entire business, specific divisions (e.g., based on geography or line of business), individual departments, or even specific projects (e.g., public-private partnerships or project finance initiatives).

5.2 Levels of Commitment to Data Disclosure

5.2.1 Compliance Data (Mandatory)

This refers to activity data that the reporting entity is legally obligated to disclose, covering both its own operations and others of its value chain.

5.2.2 Commitment Data (Voluntary)

This encompasses data that the entity voluntarily chooses to disclose, extending beyond legal mandates, to demonstrate its commitment to transparency and accountability regarding its impacts on society and the environment including monetized impacts. This data can also cover the entity's own operations and others in its value chain.

5.2.3 Sector, Industry, or Other Impact Estimates

This involves estimates provided by third-party providers for impacts related to the entity's sector, industry, or other relevant areas. These estimates can cover both the entity's own operations and others of its value chain.

5.3 Impact Table ('Table')

The IS is designed to capture and present the monetary value of a company's impacts across its value chain. It is structured along three key dimensions Capital Types, Value Chain Stages, and Metrics.

	(Total)1	Upstream	Own Operations	Downstream
Environmental Capital				
	GHG	$-4,797,667,277.25 (23,988,336 CO_2 t eq.)	$-1,685,292,496.18	N/A
	Air Emissions	$-2,563,601,334.87	$-1,913,661,881.45	N/A
	Land Use	$-326,760,208.60	$-2,238,341.63	N/A
	Water Consumption	$-708,783,236.04	$-651,262,755.86	N/A
	Water Pollution	$-23,296,757.80	$-760,024.43	N/A
	Waste	$-484,562,172.86	$-3,565,855,834.48	N/A
Social & Human Capital				
	OHS (Injuries)	$-456,976,881.31	$-1,065,626,988.83	N/A
	OHS (Disease)	$-302,620,929.30	$-1,536,112,094.34	N/A
	Training	$460,128,134.62	$636,801,335.85	N/A
	Living Wage	$ 3.932.663.324	$4.816.961.072	N/A
	Child Labour	$-115,572,151.14	N/A	N/A
	Forced Labour	$-176,663,712.66	N/A	N/A
Economic				
	Tax	$14,884,687,785.24	$17,822,087,207.18	N/A

1 Downstream data not available. Upstream data estimated by data provider name based on input output modelling, physical units not disclosed. Own operations data based on input output modelling based on provider name, physical units not disclosed, despite GHG based on regulatory compliance under domestic law.

The table allows for the presentation of multiple items under each capital type and value chain stage.

Totals are calculated for each capital type across the value chain, providing an overview of the overall impact in monetary terms.

Negative monetary values indicate negative impacts or costs, while positive values represent positive impacts or benefits.

5.3.1 Reporting Entity

				Fiscal Year 202x		
				UPSTREAM	OWN OPERATIONS	DOWNSTREAM
Natural Capital				Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)
	Item 1	Measure	Metric			
	Item n	Measure	Metric			
			TOTALS			
Economic Capital				Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)
	Item 1	Measure	Metric			
	Item n	Measure	Metric			
			TOTALS			
Social Capital				Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)
	Item 1	Measure	Metric			
	Item n	Measure	Metric			
			TOTALS			

				Fiscal Year 202x						
				UPSTREAM			OWN OPERATIONS	DOWNSTREAM		
Value Stage				3 -n	2	1		1	2	3 - n
Natural Capital				Monetary Value (Currency, k/m)			Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)		
	Item 1	Measure	Metric							
	Item n	Measure	Metric							
			TOTALS							
Economic Capital				Monetary Value (Currency, k/m)			Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)		
	Item 1	Measure	Metric							
	Item n	Measure	Metric							
			TOTALS							
Social Capital				Monetary Value (Currency, k/m)			Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)		
	Item 1	Measure	Metric							
	Item n	Measure	Metric							
			TOTALS							

5.3.2 Impact statement industry

Industry			Fiscal Year 202x		
			Entity 1	Entity 2	Entity 3
Natural Capital			Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)
Item 1	Measure	Metric			
Item n	Measure	Metric			
		TOTALS			
Economic Capital			Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)
Item 1	Measure	Metric			
Item n	Measure	Metric			
		TOTALS			
Social Capital			Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)
Item 1	Measure	Metric			
Item n	Measure	Metric			
		TOTALS			

5.3.3 Impact statement across the industry

Country / Region / World			Fiscal Year 202x		
			Industry 1	Industry 2	Industry 3
Natural Capital			Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)
Item 1	Measure	Metric			
Item n	Measure	Metric			
		TOTALS			
Economic Capital			Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)
Item 1	Measure	Metric			
Item n	Measure	Metric			
		TOTALS			
Social Capital			Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)
Item 1	Measure	Metric			
Item n	Measure	Metric			
		TOTALS			

5.3.4 Impact statement across the periods

Time			Company/ Industry / Country		
			Period 1	Period 2	Period 3
Natural Capital			Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)
Item 1	Measure	Metric			
Item n	Measure	Metric			
		TOTALS			
Economic Capital			Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)
Item 1	Measure	Metric			
Item n	Measure	Metric			
		TOTALS			
Social Capital			Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)
Item 1	Measure	Metric			
Item n	Measure	Metric			
		TOTALS			

5.4 Capital Types

The IS should categorize and present impact data in a structured manner to enhance clarity and understanding.

5.4.1 Regulatory Structure

This category should prioritize the disclosure of data points mandated by relevant regulations, ensuring compliance and transparency regarding legally required information.

5.4.2 Natural Capital

This category focuses on the company's impact on the natural environment, encompassing aspects such as greenhouse gas emissions, water usage, waste generation, and biodiversity.

5.4.3 Human and Social Capital

This category considers the company's impact on various stakeholders, including employees, communities, and society as a whole. It covers areas like health and safety, human rights, labour practices, and community development.

5.4.4 Economic

This category relates to the company's financial performance and its broader contributions to the economy. It includes aspects such as job creation, tax payments, local economic development, and investments in research and innovation.

5.5 Value Chain Stages

The IS should comprehensively cover the entire value chain, encompassing upstream, own operations, and downstream activities.

The reporting entity is expected to disclose data for both Upstream and Downstream activities. There is flexibility to further break down this data, for example as defined by the Greenhouse Gas Protocol.

5.5.1 Upstream

This pertains to activities and impacts occurring before the reporting entity's direct operations, primarily involving suppliers.

5.5.2 Own Operations

This covers impacts directly resulting from the reporting entity's activities.

5.5.3 Downstream

This concerns impacts occurring after the reporting entity's operations, such as product use and disposal.

5.6 Metrics

The IS should disclose monetised activity data for each impact driver using the following metrics:

1. Item: Specific impact or dependency item (e.g., Greenhouse Gas Emissions).
2. Measure: Unit of measurement for the item (e.g., tons of CO_2e).
3. Metric: Quantitative value of the impact using the specified measure.
4. Monetary Value: The monetary value assigned to the impact, typically in thousands or millions of the reporting currency (e.g., Euros).

5.6.1 Process

Monetization is the process of converting the measured impacts (expressed in various units like tons of CO_2, number of employees, etc.) into a common monetary unit (e.g., Euros). This is achieved by multiplying the quantitative metric of each data point with its corresponding Value Factor.

5.6.2 Value Factor Reference

Value Factors are essentially conversion rates that assign a monetary value to a unit of impact. The selection of appropriate Value Factors is crucial for accurate monetization.

5.6.3 Established Value Factors

Reporting Entities should utilize Value Factors that are already established and accepted in the market. These Value Factors should be[8]:

- Conceptually clear and well-defined
- Based on internationally recognized reporting methods
- Derived from widely adopted standards
- Supported by regularly produced, decision-useful, and assured data
- Grounded in scientific evidence and based on internationally accepted valuation methods

[8] See also https://capitalscoalition.org/project/the-value-commission/

5.6.4 Transparent Disclosure for Non-Established VFs

In cases where no established value factors exist for a particular KPI, the reporting entity must provide detailed transparency on how they derived their Value Factor and the underlying data used.

5.7 Time Horizon:

5.7.1 Actual information

The IS should, as a minimum, present actual information for at least one fiscal year. It is considered best practice to also include data from the previous fiscal year for comparison, mirroring the approach in financial statements.

5.7.2 Prospective Information

The statement can also incorporate prospective information, such as projections or forecasts, that align with regulatory commitments or voluntary targets set by the entity. These projections can reference scenarios, outlooks, or other forecasting methods to provide insights into potential future impacts.

5.8 Notes

The notes contain information necessary to understand the table. This may include reasons for avoidance of data, data sources used, and background valuation techniques, especially for data that goes beyond regulatory requirements. This involves clear disclosure of:

1. Data Sources: Whether the data is of the reporting entity (collected directly by the entity), from third parties (from reputable data providers), or estimated.
2. Value Factors: The specific value factors used to monetize impacts, with clear explanations for any non-established value factors.
3. Valuation Techniques: The methodologies used to derive value factors or monetize impacts when no established factors exist.
4. Assumptions and Limitations: Any assumptions made, or limitations encountered in the data collection and valuation process.

Explanatory Notes

The impact table should be adaptable to various reporting scenarios, accommodating different levels of data granularity (whole business, divisions, departments, or projects) and time horizons (backwards looking and prospective). It should also allow for the inclusion of both mandatory (compliance) and voluntary data, reflecting the entity's specific context and sustainability goals. While flexibility is important, the impact table must also prioritize transparency, especially for data that goes beyond regulatory requirements.

The impact table should strike a balance between these two needs. It should provide enough flexibility to accommodate different reporting scenarios and data availability, while also ensuring that the disclosed information is transparent, reliable, and understandable to stakeholders.

The table should present the impact data across different value chain stages (upstream, own operations, downstream) and for each relevant impact driver. This allows stakeholders to understand the specific activities and relationships that contribute to the entity's overall impact.

The emphasis on flexibility and transparency in the impact table aligns with the IFVI/VBA methodology's principles of relevance, faithful representation, and understandability.

By providing clear and comprehensive information on data sources, valuation techniques, and assumptions, the impact table enables stakeholders to make informed decisions based on reliable and relevant impact data.

				Fiscal Year 202x		
				UPSTREAM	OWN OPERATIONS	DOWNSTREAM
Natural Capital				Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)
	Item 1	Measure	Metric			
	Item n	Measure	Metric			
			TOTALS			
Economic Capital				Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)
	Item 1	Measure	Metric			
	Item n	Measure	Metric			
			TOTALS			
Social Capital				Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)	Monetary Value (Currency, k/m)
	Item 1	Measure	Metric			
	Item n	Measure	Metric			
			TOTALS			

6 Principles

6.1 Prioritize Reported Data

Whenever possible, use reported data (verified or unverified) from your value chain partners (suppliers, customers, etc.).

6.2 Utilize Data Providers

When reported data is unavailable, source data from reputable third-party data providers. These providers offer industry averages and benchmarks, useful for estimating impacts when direct data is lacking.

6.3 Enhance Forecasts with Modelling

Refine impact assessments by incorporating modelling techniques and scenarios, ensuring the methodologies and data used are reliable and well-documented. This enables a prospective perspective on potential impacts and dependencies.

6.4 Contextualize Data

Ensure any reported data, estimates, or averages are context-specific and relevant to the entity's industry, geography, and demographics. This ensures an accurate reflection of the operating environment and avoids generalizations.

6.5 Monetize Impacts

Convert impacts into monetary values using appropriate value factors, disclosing the specific factors used.

Each item on the IS must be monetized by a publicly available value factor.

6.6 Disclose Valuation Techniques

When no established value factor exists, Reporting Entities disclose the valuation techniques and data sources used.

6.7 Voluntary Disclosure

Reporting Entities can report any non-regulated data, especially positive data or data demonstrating progress.

6.8 Value Factor Preference

Reporting entities prioritize IFVI/VBA methodologies for value factors, but other publicly available sources are allowed.

Reporting Entities may establish their own value factor if a public value factor is not available.

6.9 Comparability

Reporting Entities present comparable information for monetized values with the preceding fiscal year.

6.10 Consistency

Reporting Entities maintain consistent presentation and classification of items unless changes necessitate adjustments.

6.11 Assurance

Reporting Entities seek limited assurance from a recognized auditor as a best practice.

6.12 Timeliness

Reporting entities disclose the Impact Statement at least annually.

6.13 Benchmarking

Reporting Entities consider industry averages when reporting and interpreting data.

6.14 Data Gaps

Reporting Entities are encouraged to proactively anticipate potential data gaps, implement measures to prevent them and adjust their data collection processes accordingly.

Reporting Entities shall actively engage with stakeholders as well as monitor regulatory changes to ensure their disclosures are always relevant and free from gaps.

6.15 Estimates

Reporting Entities shall strive to disclose data that is accurate, even if it is not fully precise in all respects. In such cases, an entity can disclose approximations that might need to be reviewed later on.

Estimates should be free from material error, reasonable and based on information of sufficient quality and quantity. In addition, they must be accurately described and explained in the notes.

6.16 Reported Data

Utilize primary data as reported data and, if primary data is not available, alternatively use secondary data from reliable sources.

6.17 Industry Averages

Industry averages can be obtained by reputable data providers and sources must be fully disclosed in the notes.

6.18 Aggregation

Reporting Entities combine similar outcomes and impact for a summarized overview aggregated per impact driver.

6.19 Impact drivers

Reporting Entities define and present impact drivers related to impacts.

6.20 Netting

Reporting Entities avoid netting across different capitals and impact drivers subject to aggregation. Aggregation of impact drivers should only be made within the different capitals (economic/financial, human/social, natural).

Explanatory Note

The proposed disclosure principles reflect the IFVI/VBA methodology. They emphasize the preference for data of the reporting entity, the acceptance of data of third parties and modelling when necessary, and the importance of contextualizing data. These notes also underscore the core principle of the IFVI/VBA methodology, which is to translate impacts into monetary terms for comparability and interconnectivity with financial information. Additionally, they stress the importance of transparency in disclosing data sources and methodologies, particularly when dealing with estimates or non-established value factors. Finally, the notes highlight the alignment with IFVI/VBA principles regarding comparability, consistency, and the use of estimates, promoting the creation of reliable and informative impact statements.

value
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