



Value Beyond Accounting: Value Balancing Alliance Impact Valuation and Measurement in Asset Management

**Asset Managers may rely on data delivery from accepted and reputable data providers while assessing impact according to the Value Balancing Alliance (VBA) Impact Measurement and Valuation (IMV) methodology. Whereas regulations enacted in 2022 and thereafter will significantly redefine the scope of non-financial disclosures – and consequently the availability and quality of publicly available reporting data – robust secondary and primary data are also key in providing appropriate information to understand investments. Asset managers intending to take the impact of their investment decisions on nature and society into account proactively and in line with evolving regulatory best practices can rely on the context-specific yet holistic solution offered by VBA Financial Market.**

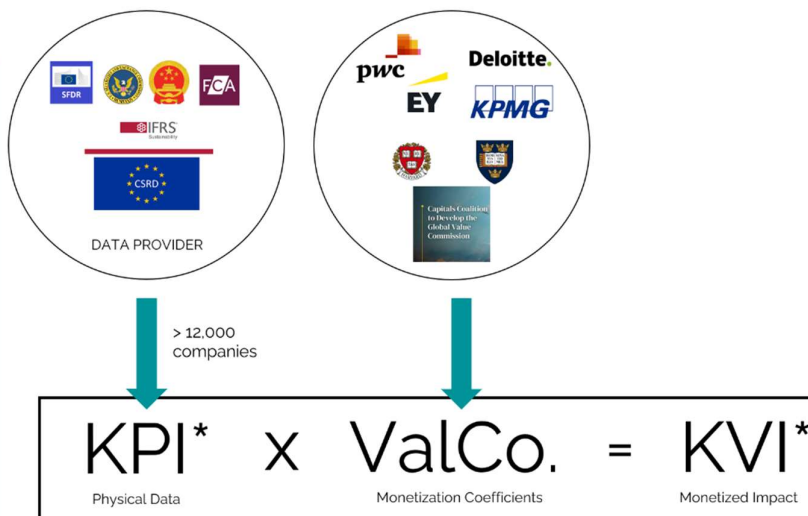
<b>KPI</b>	<b>Name (version 2022)</b>
<b>Social</b>	Occupational, Health & Safety Training
	Child Labor
	Forced Labor
	Living Wages
<b>Environment</b>	GHG
	Other Air Emissions
	Water Consumption
	Water Pollution
	Land Use
<b>Economic</b>	Waste
	GVA

Since some market participants voluntarily report data on climate and some of the SDGs, such disclosures can be highly fragmented, opaque, and thus difficult to compare – which ultimately makes their use for investment decisions a burdensome challenge. This is why many financial market participants are exploring the value of the VBA IMV to provide a holistic, robust, and practically relevant methodology to express the social, environmental, and economic value of the individual investments within their portfolios.

## Value Beyond Accounting

Enabling smart decision making by

- (a) Identifying relevant KPIs and
- (b) Making them context-specific



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\*Key Performance Indicator (KPI); Key Value Indicator (KVI)

While the data quality of already disclosing entities is a concern, the biggest question – especially among financial market participants – is how to obtain data from non-disclosing entities and assets. To address this fundamental challenge, the VBA Financial Market chapter transfers the lessons learned from Input-Output Modeling in operations and supply chain management to other financial market participants. Data providers are willing to gather data that could fill existing data gaps by crawling through non-financial reports under the CSRD and similar international regulations.

Data providers aim to complement primary data with structured secondary data for asset managers and other users. Asset managers have access to KPI-specific data for their suggested investments and turn to auditors to ensure their offers and investment decisions. Investors use asset managers' offers and assess the performance of these investments based on a value-to-society and value-to-business analysis using appropriate value coefficients/factors. The VBA IMV approach stands at the interface between these different roles in day-to-day asset management. Thus, VBA IMV contributes to a monetary, holistic, robust, and comparable assessment of any investment.

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