



CAPITALS
COALITION®

Accounting for Value: Emerging Approaches of Integrated Profit & Loss and Impact Statements

June 2025

Acknowledgements

This document is an output of the Capitals Coalition's Integrated Profit & Loss Working Group.

Authored by: Samuel Vionnet (Valuing Impact), Pedro Alexandre Martins and Tim Polaszek (Capitals Coalition).

We would like to express our deep appreciation and gratitude to the individuals who contributed their time, expertise, and insights to this publication. In particular, we thank the members of the Integrated Profit & Loss Working Group for their valuable guidance and collaboration throughout the development of this work.

Contributors include Alexandre da Rocha Leão (Natura), Anna Chilton (ING), Ben Carpenter and Craig Foden (Social Value International), Bianca Nijhof (Anthesis), Carl Obst (IDEEA Group), Christian Heller (Value Balancing Alliance), Ian Dickie and Nil Torreadella-Bulta (Economics for the Environment Consultancy – eftec), James Spurgeon (Sustain Value), Joanne Henstock, Marta Santamaria (Integrating Capitals), Nikita Asthana (Olam Agri), Ria Bakshi (olam food ingredients – ofi), Robert Zochowski (International Foundation for Valuing Impacts – IFVI), Sonja Haut (Novartis), Stephanie Hime (Little Blue Research), and Rayne van den Berg (Value Australia).

We would also like to thank Leap for the design.



Foreword

This era of disruptive events — ranging from escalating climate change, rapid advancements in technology, evolutions in consumer behavior, regulatory shifts, to recent market volatility and geopolitical conflict — has demanded that businesses consider all facets of their activities as they take a proactive approach towards increased resilience and long-term competitiveness.

Indeed, businesses increasingly recognize the need to move beyond being exclusively reliant on financial metrics as a measure of their overall performance. They are now moving towards valuing people and the planet. By embracing this more holistic perspective, which includes the positive and negative impacts of business activities on human, natural, and social capital – and recognizing and valuing their interconnectedness, businesses are in a better position to assess their value creation. Fundamentally, such integrated thinking is a critical step for businesses to improve decision-making and planning, better withstand and recover from disruptions, and to identify opportunities amongst challenges.

The Integrated Profit & Loss (IP&L) approach presented in this report incorporates value perspectives from a broad range of stakeholders enabling the organization to effectively assess impact and potential trade-offs - something that is ever more important and urgent

Though in its early development, IP&L is already proving to be an innovative framework for impact management – and for uses such as evaluation of projects and investments, strategic planning, and risk management, while supporting stakeholder engagement and communications. The case studies documented here offer an insightful overview of uses that range from internal decision-making to engagement and reporting, based on a multi-capital and value perspective.

We invite you to explore these detailed case studies, and to join these front-runner businesses in their effort towards embedding the value of all capitals in operational and strategic decision-making, and ultimately, into our economic and financial systems.

Rosimeiry Portela,

Ph.D. Senior Director at Capitals Coalition



Contents

Executive Summary	<u>5</u>
1. Accounting for Value	<u>6</u>
Objectives	<u>7</u>
2. Integrated Profit & Loss Statement and Impact Statement	<u>8</u>
Introducing the IP&L and Impact Statement	<u>8</u>
A brief history of the IP&L approach	<u>9</u>
Method used in this report	<u>10</u>
IP&L use case analysis	<u>11</u>
The features of an IP&L	<u>12</u>
Supporting frameworks, standards, and impact drivers in impact accounting	<u>13</u>
3. Case Studies	<u>16</u>
Case study summaries	<u>18</u>
4. Conclusion and Future Developments	<u>29</u>
Methodology	<u>29</u>
Strategy	<u>29</u>
Definitions	<u>30</u>
List of References	<u>31</u>
List of Acronyms	<u>32</u>
Appendix	<u>35</u>
Holcim case study	<u>35</u>
Natura Integrated P&L	<u>37</u>
ofi case study - Natural Capital Accounting using the BS 8632 standard	<u>40</u>
Recycling Lives Charity	<u>43</u>
Summa Equity case study	<u>46</u>
Value Balancing Alliance case study	<u>48</u>
Consumer goods company case study	<u>50</u>



Executive Summary

To prepare business models and markets that can thrive in increasingly turbulent economies, managing impacts and dependencies on climate, nature and people is no longer optional. It is essential. As companies begin to recognize that natural, social, human, and produced capitals are the bedrock of human wellbeing and economic prosperity, there is a growing appetite for accounting approaches that reflect this broader understanding of value.

In this context, an Integrated Profit & Loss (IP&L) account is emerging as a powerful tool.

Positioned as a specific application of an Impact Statement, the IP&L mirrors the structure of a traditional financial P&L account while quantifying, in monetary terms, an organization's positive and negative performance and impacts across its value chain, beyond financial metrics. Drawing from case studies of global companies and investors, this paper outlines the benefits of adopting IP&L, key features of IP&L, and what is needed for future development.

IP&L accounting provides a transparent and strategic lens through which organizations can understand the societal impacts of their operations. By translating sustainability impacts into monetary terms, IP&L helps raise internal awareness, foster stakeholder trust, and support strategy-setting by enabling materiality assessments and the prioritization of impact drivers. It empowers decision-makers to weigh financial and societal returns, facilitating informed choices across budgeting, investment, and sustainability efforts. Further, IP&L enables clearer communication with external stakeholders - such as investors and regulators - by framing impacts in accessible, comparable formats.

Key features of IP&L accounting include its comprehensive scope and structured alignment with financial reporting. It captures impacts across the full value chain and across multiple capital types - natural, social, and human - using standardized monetary valuation methods. Results are typically displayed in table formats similar to financial statements, facilitating integration with traditional P&L structures and supporting comparisons across business units. Methodological transparency is emphasized to contextualize findings and support accurate interpretation, ensuring that IP&L can function both as a strategic management tool and a reporting mechanism.

Despite its growing adoption, further development is needed to strengthen IP&L's consistency, clarity, and impact. Priorities include creating voluntary standards, clarifying the difference between IP&L and broader impact statements, and ensuring consistent valuation methods. Expanding IP&L to include capital stocks and dependencies would offer a more forward-looking approach to sustainability. Raising awareness and improving access to implementation tools and data are also essential steps to help organizations unlock the full potential of IP&L accounting for long-term value creation and decision-making.

While still emerging, the IP&L is ready to be used. Supported by current methodologies, active learning communities and a growing evidence base, companies can build confidence in managing risks and opportunities using IP&L.

Importantly, through approaches like IP&L, we can construct the economic infrastructure needed to value nature, people, and society within financial systems. The Capitals Coalition invites more organizations to explore and help shape a widely accepted framework for measuring and managing value across all four capitals.



1. Accounting for Value

A stable and resilient economy is mainly built upon three interconnected pillars: a cohesive and well-functioning society, individuals who are valued for their skills and contributions, and a thriving natural environment capable of sustaining people and business. The ways in which our economic and financial systems measure and communicate these values shape how and what kind of decisions market actors, regulators, and policy makers make.

As communities worldwide face overlapping challenges, wellbeing is affected in different ways across stakeholder groups, and by different pressures and drivers. The dominant focus on financial flows (profit and loss) and capital stocks (balance sheets) has overshadowed the broader landscape where value creation can occur, and where value is being eroded by externalizing costs and benefits from company accounts. However, a new wave of businesses, investors, financial institutions, and governments are building the infrastructure necessary to integrate impacts and dependencies on multiple capitals into decision making.

Impact accounting across organizations' value chains and across human, social, and natural capital is increasingly recognized as a necessity for managing competitive and resilient businesses. Accounting for this value, such as through IP&L statements and other related impact statements, provides insights into both risks and opportunities usually hidden from conventional financial accounts.

Increasingly, organizations are adopting impact accounting, leading to a shift in the way business is done, and investments are made. Among the emerging practices is the IP&L, further detailed throughout this report.

Impact accounting can be defined as 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.

Source: General Methodology 2: Impact Measurement and Valuation Techniques, IFVI (2024)

There is momentum building towards the inclusion of nature, people, and society-related risks and opportunities into corporate accounting. However, current systems do not allow a simple one-size-fits-all approach and lack a neat set of metrics that can be used to analyze value comprehensively. Furthermore, both positive and negative impacts on nature and people often unfold over longer time periods than annual snapshots provided by business performance reports. The approach chosen to communicate and act on these insights must recognize these differences. In the absence of standardized practice, or well-established norms for integrating impacts and dependencies on natural, social, and human capital with financial capital, there is a need to build a better understanding of how these hidden values can come into view in mainstream corporate accounting practices.

In this scenario, the Capitals Coalition plays a critical role in bringing together different organizations to build trust and confidence in the approaches and the values used to create robust and confident decision-making processes.

The Capitals Coalition convenes over 500 partners committed to embedding the value of all capitals into decision making, working together to build a resilient economy that values what matters. The network strengthens methodologies that drive standardization in order to build best practice and influence policymaking globally.

The Capitals Coalition and its network of practitioners work with accountants and regulators to update the governance processes that oversee businesses and financial institutions. This collaboration aims to build confidence and trust in the use of capitals as an operating system across financial markets and management decisions. The network bridges the skills and knowledge gaps, empowering people to act using novel information available to them through capitals approaches. This pathway lays the foundations to embed the value of all



capitals into decisions across the economic and financial system, ultimately creating a resilient economy that values what matters. The Framework for Integrated Decision-Making has been developed to present the premises and the conceptual foundations for such an integrated approach to decision-making. Alongside, Governance for Valuation sets the criteria and requirements needed for ensuring confidence and transparency in the values used.

Framework for Integrated Decision-Making

Capitals Protocol: provides technical guidance on four capitals' assessments, with three phases to ensure that the information gathered is relevant and useful for decision-making:

- **Assemble** – For a first scoping of impacts and dependencies
- **Assess** – For measuring and valuing material impacts and dependencies
- **Act** – For making the decision and integrating it into the organizational actions and strategy.

Governance for Valuation: provides technical guidance on how to build confidence in valuation to increase transparency and consistency in valuation. It introduces a common structure that supports better understanding of how capitals information has been generated, provides criteria to judge whether it's fit for purpose, and helps to summarize how it informs the decision at hand.

Members of the Capitals Coalition Advisory Panel recognized a growing need for a harmonized understanding of how to measure, manage, and communicate the broader capitals the economy impacts and depends on, driving value creation both for business and society. In 2024, a separate peer-to-peer learning group on IP&L statements and similar methodologies was initiated. The objective of this working group has been to convene practitioners and exchange experiences about approaches, methods, data, and overall learning to develop and deploy IP&L approaches. This report is one of the outputs of this working group and is the first publication arising from this collaborative effort, bringing together use cases across business, finance, and the public and third sectors.

Objectives

This report's objective is to explore current practice of this emerging approach, derived from impact accounting, and in the absence of an agreed definition or standards, explore its main characteristics and use cases.

This report is intended for business and finance professionals, especially those interested in exploring novel accounting approaches for impact, and regulators, supervisors, and policymakers who are keen to understand the relevance and state-of-the-art of integrated impact accounting.

More specifically, this paper aims to:

- **Assess the latest developments** in understanding the relationship between nature, people, and society, and the financial performance of businesses and financial institutions.
- **Identify common characteristics, use cases, and emerging practices** in IP&L implementation across sectors.
- **Highlight development areas** and methodological refinements that could strengthen the IP&L approach.
- **Promote interest and uptake** of the IP&L methodology among organizations seeking to enhance resilience, transparency, and long-term value creation.



2. Integrated Profit & Loss Statement and Impact Statement

Introducing the IP&L and Impact Statement

An IP&L is a specific type of impact statement, with a structure that attempts to mirror “P&L” statements. This report uses “IP&L”, “impact statement” and “integrated statement of performance and impact” interchangeably, though further exploration of the definitions, scope of the account, complementary statements, and specific use for each term is encouraged, as outlined in Section 4. The term “statement of performance” is used in financial accounting and could also be considered to describe these approaches.

An IP&L or impact statement can be described as an accounting framework that quantifies and values, in monetary terms, the positive and negative performance and/or impacts of an organization during a defined measurement period, such as a specified annual period. This framework is used to present the organization’s statement of performance and impact for the specified period using a multiple capitals perspective: natural, social, and human capital. Measurement of performance and impact is viewed through the organization’s value chain and its identified impact drivers.

The IP&L is by intent a specific application of the concept of an organization’s statement of financial performance (or financial profit and loss, “P&L”, statement), and the structure of the IP&L seeks to mirror that of the financial statement of performance, with some important clarifications regarding its boundaries:

- The IP&L similarly applies the objective of presenting the organization’s impact measurement and performance using a multi-capitals perspective, and with measurement of impact and performance referenced to the organization’s value chain and impact drivers.
- Unlike the IP&L, a financial P&L statement presents the company’s financial performance over a specified period, based on the official boundaries used in its financial reports, which follow the core concept of “control” (meaning the company includes only what it controls in its financial reporting).

The IP&L can take different forms, as illustrated through the case studies and the discussion in this report. While its future should evolve towards a standardized framework, today it stands as an emerging approach, referred to as IP&L approach in this context. The approach addresses the following questions:

- What positive and negative impacts does an organization have on society and nature across its entire value chain?
- Which impacts are higher than others (comparability)?
- How does an organization’s overall impact compare to others across a portfolio?

The approach has different use cases, further analyzed on page 11. They include raising awareness, informing strategies, supporting prioritization and other decision-making processes, comparing performance, and improving reporting and communication. As a result, organizations can experience several benefits when applying the IP&L approach:

- Clearly and concisely communicating the societal impact of an organization for disclosure and decision-making purposes.
- Derive new insights on material issues, trade-offs, and comparability with financial performance that other methods may not be able to provide.
- Reach additional audiences as a result of consolidating sustainability information in monetary terms and improve its use for strategic purposes, complementing reporting and disclosure approaches.
- Build brand reputation and trust in the organizations’ sustainability strategy.



A brief history of the IP&L approach

In 2011, Puma was the first private-sector brand to publish an Environmental Profit & Loss Account (EP&L)¹, showing the overall environmental externalities across the supply chain and direct operations, and across a range of natural capital impact drivers covering climate change, land and water use, air and water pollution and waste. It ignited a trend by business and investment stakeholders to capture impacts that were not identified in conventional financial accounts. This groundbreaking initiative expressed the environmental impacts of Puma's operations and supply chain in monetary terms, revealing an adverse impact valued at 94.4 million euros (for a revenue of 3 billion euros at that time). The latest assessment estimated a loss of 415 million euros (for a revenue of 8.6 billion euros in 2023). This EP&L highlighted that the biggest drivers of negative impacts on natural capital originate early in the supply chain ('tier 4'; raw material production in Puma's supply chain), linked to land use, water pollution and to a lesser extent greenhouse gas emissions and water use, as shown in Figure 1.

Figure 1 - Puma EP&L, adapted from original (2023)



At the time of its first release in 2011, Puma's EP&L represented a key development in corporate transparency and sustainable value creation. Publishing this level of additional information, particularly when sustainability reporting was still in its infancy, was an unprecedented move. The results revealed the significant negative externalities associated with Puma's operations, raising concerns that such transparency might trigger public or stakeholder backlash. Nevertheless, the EP&L was widely recognized as a bold act of leadership, setting a new benchmark in the field. Over a decade later, despite the emergence of numerous similar initiatives, the Puma case remains a reference point in integrated sustainability valuation.

Soon after this first case study, and building on various other related initiatives, the Natural Capital Coalition was launched in 2012, publishing the Natural Capital Protocol in 2016. The Social & Human Capital Protocol, published in 2019, was merged into the Capitals Coalition (updated name from the Natural Capital Coalition) from 2020. In 2025, the Coalition launched the Framework for Integrated Decision-Making, focusing on the integration of natural, human, and social capital.

¹ <https://annual-report.puma.com/2023/en/sustainability/environmental-key-performance-data/index.html>

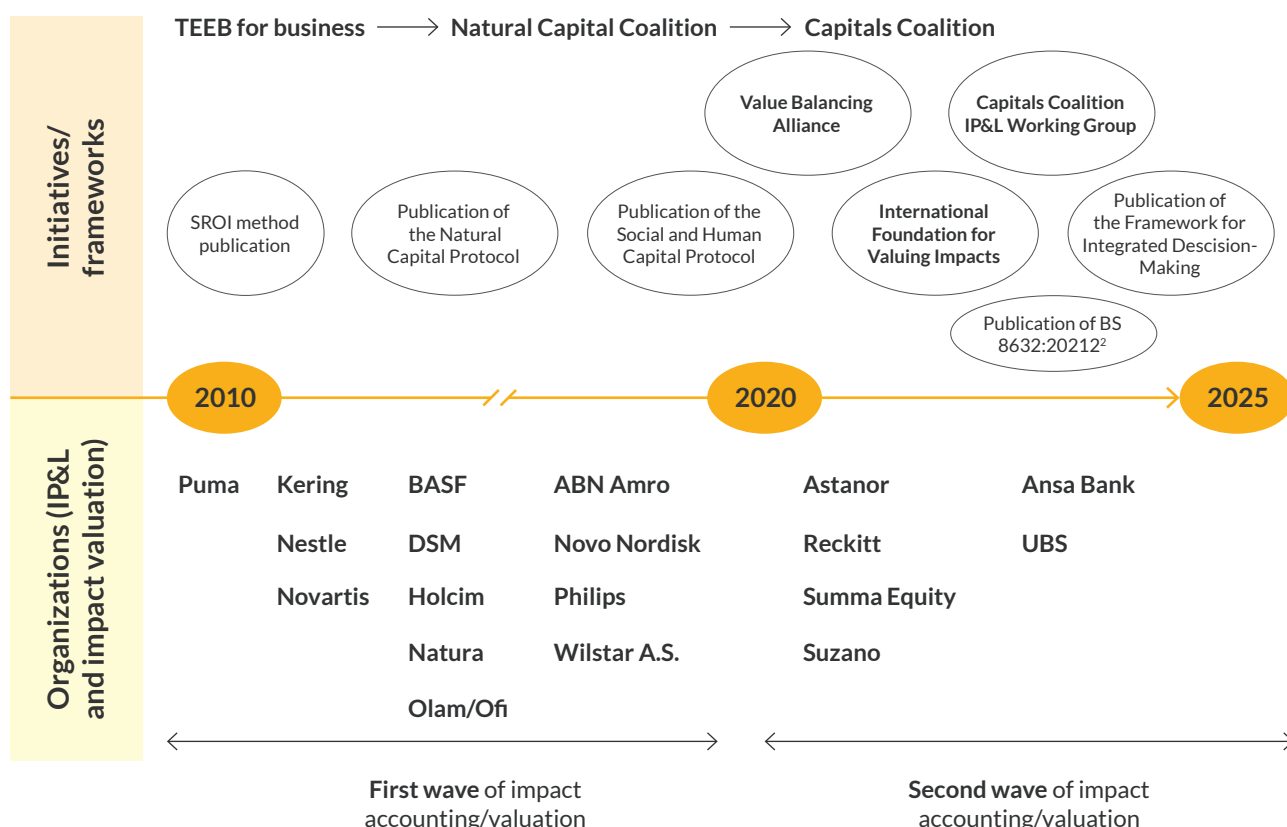


Within this period many organizations published their own EP&L, focused on natural capital, until later combining social and human capital to produce the integrated approaches we see today. These provide a more comprehensive view of the societal externalities of an organization or investment across the value chain.

The timeline in Figure 2 shows the publication of key initiatives and frameworks, together with various organizations that have developed their own case studies over the years.

Many more organizations have explored these approaches since, some of those showcasing their results in this report.

Figure 2 - Non-exhaustive timeline representing the adoption of impact accounting/valuation/ IP&L by selected organizations and the development of key initiatives and frameworks.



Method used in this report

The IP&L approach is not a standard yet, although different actors, such as the Capitals Coalition Advisory Panel IP&L Working Group, are working together to advance its development.

In the absence of a widely agreed definition of IP&L, this working group has chosen to identify, analyze, and report on common practices among its members and beyond. Working group members were invited to contribute case studies illustrating IP&L or similar approaches. Some case studies already existed (Natura, ofi, Social Value UK, Holcim), while some others were adapted for this report (Summa Equity, Consumer goods company, Value Balancing Alliance). A case study template was developed, and it supported the process of both creating new case studies and consolidating existing ones in a common format.

The case studies, summarized to fit this report format in page 11, were analyzed to identify common use cases and features. The case studies in their original format can be found in the Appendix. The working group provided feedback on this analysis and report, to further improve the relevance of the report's content.

This publication is not intended to provide technical definitions or formal guidance on how to create an IP&L. The report showcases current practices and real examples, to raise awareness about this innovative approach and ultimately promote its development and use.

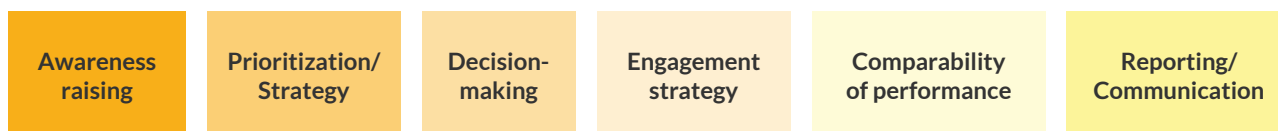
² BS 8632:2021. Natural Capital Accounting for Organisations – Specification, from British Standards Institution, 2021

IP&L use case analysis

The different IP&L case studies presented in Section 3 and in the appendix highlight the diversity of uses for which organizations are applying this emerging approach.

There is no single, predominant use case for IP&L statements. Instead, it has been applied across a wide variety of purposes, often serving multiple functions simultaneously. These applications are frequently interrelated and may evolve through sequential stages, as illustrated in Figure 3. Additionally, the Capitals Coalition's Framework for Integrated Decision-Making offers further guidance on how impact valuation and IP&L can inform decisions beyond the scope outlined here.

Figure 3 - The different generic use cases of the Integrated P&L



The following section explores these applications in greater detail.

- **Transparency and awareness raising:** Sustainability activities are often addressed separately from core business strategy, which can create a disconnect within organizations. Sustainability professionals face challenges in justifying their work to other departments and leadership. Using an IP&L can serve as a powerful foundation for raising awareness by clearly demonstrating how sustainability efforts impact business and society (see Holcim multi-year IP&L reporting and social return on investment (SROI) case study). Quantifying impacts can influence perception of initiatives or investments and can build confidence. This is crucial in addressing the existing knowledge gap among business leaders about sustainability, as communicating in financial terms allows practitioners to engage decision-makers more effectively.
- **Prioritization/strategy:** Comparing and prioritizing impact areas, based on an exhaustive view of an organization's value to society across its value chain and impact drivers. Impact valuation enables comparisons in monetary terms of impact drivers and financial metrics, essential for materiality assessments. Two different value perspectives are needed: value to society and value to business (see the case study on the consumer goods company). These insights are also used to define and refine business and sustainability targets, supporting the alignment of strategic priorities (see the Natura, Value Balancing Alliance, and Holcim case studies).
- **Decision-making:** Supporting and enhancing decision making. IP&Ls are used to manage initiatives, track progress, and compare scenarios. The decision-making context often requires combining more than one valuation perspective to work. For instance, Natura used the ratio between financial value (revenue) and societal value to calculate SROI and directly compare different activities alongside its financial P&L to analyze the efficiency of societal value creation in relation to financial value creation. More informed allocation decisions can be made by identifying areas that deliver the strongest combined financial and societal returns. IP&L has been used for business value creation (e.g., avoided risks), trade-off analysis or even solution costs to inform cost-benefit analysis or return on investment analysis, including at product level.
- **Engagement strategy:** Supporting an engagement process with a range of internal and external stakeholders. These results support further awareness raising and stakeholders' mindset shifts, particularly among investors (see Natura case study), investees or portfolio companies (Summa Equity uses its IP&L to follow an engagement strategy to influence business strategy), other business partners, and internal departments.
- **Comparability of performance:** Comparing performance across different investments, for example within portfolios or funds. Although this often results in the aggregation of the impact valuation results to a direct comparison level between different organizations, this should not be the only basis of comparison. Important trade-offs, such as a negative natural capital impact and positive human capital impact, are hidden when aggregated and need detailed understanding for effective decision making. This is one of the potential decision-making use cases when used between investments or organizations, rather than within an organization.
- **Reporting/Communication:** reporting is one of the drivers for sustainability measurement and has a central role in sustainability strategies. The Taskforce on Nature-related Financial Disclosures (TNFD) or the Corporate Sustainability Reporting Directive (CSRD) in the European Union, for instance, are great examples of standards or regulations that

drive the need to measure business value to society, and environmental and social business risks. Four case studies presented in this report (Natura, Holcim, Value Balancing Alliance, ofi) have been published publicly, showing the interest in using IP&L as part of organizations' communication strategy. However, the more traditional reporting initiatives (e.g., Global Reporting Initiative) do not yet require IP&L.

While the current applications of the IP&L approach show significant potential, several development challenges remain. Addressing these challenges is essential to lower the barriers to adoption, enhance relevance, comprehensiveness, and comparability, and broaden the applicability of IP&L in strategic and decision-making contexts. Section 4 outlines key challenges that must be addressed to support a broader adoption of the IP&L approach.

The features of an IP&L

In the absence of a unified standard for the development of IP&Ls, practical case studies and expert insights – including those from the Capitals Coalition's IP&L Working Group and other networks – offer valuable guidance in shaping the understanding of what constitutes an IP&L. As outlined in Section 4, further work is required to mature these insights into a formal methodology or framework.

From the cases examined, several recurring features emerge:

1. **Objective:** provides an overview of an organization's societal impact covering a similar scope and reporting format to a financial P&L statement. It informs the business and sustainability strategy of the organization, and it covers diverse needs, such as investor relations, reporting, performance management, materiality assessment, business innovation, risk assessment, and so on.
2. **Organizational scope:** covers its entire value chain (direct operations, upstream and downstream activities). Some cases may have a reduced scope, covering the supply chain and direct operations only. There is a clear trend in case studies to cover the full value chain or provide justification for the reduced scope.
3. **Capital Coverage:** covers drivers across natural, human, and social capital, aiming for an exhaustive view of impact on society (see below for an illustrative list). Some case studies only focus on natural capital. However, a reduced scope might affect the capacity to connect to some use cases or might lead to biased insights. Note that produced capital is usually excluded from impact statements, as it is covered by financial reporting.
4. **Metrics and valuation method:** express impact using monetary units³. The valuation technique should be consistent across the scope covered, although its choice may vary depending on the objective set. Valuation approaches may consider impact in different ways, such as human well-being, market value, mitigation cost, revealed or statement preferences, and business risks or value.
5. **Format:** indicates how results are expressed, often across the two dimensions of scope - organizational scope (upstream, direct operations, downstream) and capital coverage (natural, social, and human), at different levels of granularity depending on the use.
6. **Alignment with financial information:** allows direct comparison, or in some cases reconciliation, with the financial P&L⁴.
7. **Methodology notes:** most of the case studies presented here are a summary of the organizations' impact, which should be complemented by contextual notes.

In summary, as mentioned previously, an IP&L or Impact Statement is an accounting framework that quantifies and values, in monetary terms, the positive and negative performance and/or impacts of an organization during a defined measurement period, such as a specified annual period. This framework is used to present the organization's statement of performance and impact for the specified period using a multiple capitals perspective: natural, social, and human capital. Measurement of performance and impact is viewed through the organization's value chain and its identified impact drivers. Figure 4 is an illustration of the typical format used to report an IP&L.

The IP&L valuation technique must be consistent but can vary according to its use. Most of the IP&L examples do not directly communicate the integration with a financial P&L, although it is done in practice in some cases. Embedding societal value within financial accounting has been explored and is still under development^{5,6}.

³ Even though quantitative (financial or physical) measures of impact drivers are used to then derive their value in monetary units.

⁴ Financial and societal value are not directly reconcilable and shouldn't be added together.

⁵ <https://capitalscoalition.org/publication/disclosing-impacts-on-natural-social-human-capital-in-financial-statements/>

⁶ <https://capitalscoalition.org/publication/improving-natures-visibility-in-financial-accounting/>



Figure 4 - Most basic and common format elements used to report an IP&L

Value chain steps	Capitals types and impact drivers		
	Natural capital	Human capital	Social capital
	Supply chain		
	Direct operations		
	Downstream operations		
	Total		

The Framework for Integrated Decision-Making, including the Governance for Valuation and the Capitals Protocols, can be used as reference guides to explore how data points within different capitals can be used, analyzed, and processed to assess overall impact, resulting in an IP&L, if desired. The IP&L is an integrated statement of performance and impact, with a similar structure to a financial P&L, as explained above.

Supporting frameworks, standards, and impact drivers in impact accounting

Figure 5 shows a non-exhaustive mapping of the different frameworks, standards, methods, and value factor sources which provide a starting point for newcomers to impact valuation. They are not specific to the IP&L approach, but all of them provide a building block in developing one. It shows the dynamism in the sector, although further framework developments currently driven by Capitals Coalition, the Value Balancing Alliance (VBA) and the International Foundation for Valuing Impacts (IFVI), should help converge those initiatives in the future.

Figure 5 – Non-exhaustive mapping of frameworks/standards, methods, and value factors. Acronym definitions are listed on page 32

Framework/standards			
Natural Capital Protocol	ISO 14007 & 14008	BSI 8632	
Social & Human Capital Protocol	ISO 14054	OECD Guidelines	
Capitals Protocol	IFVI/VBA General, GHG, Water, Wages, OHS	IRIS+	IMM

Methods			
GIST impact 360	KPMG True Value	eQALY	Impact Weighted Accounts
PwC TIMM	VBA	SROI	IFVI
Deloitte SIA		SEEA	

Value Factors			
CE Delft – Environmental prices handbook	GVE	Environmental Valuation Reference Inventory	GIST
True Price – Monetisation Factors	WifOR		Valuing Impact
	IFVI		ESVD
	UNDESA		

Natural capital accounting (BS 8632, and subsequent ISO 14054 standards) is the compilation of consistent and comparable data on natural capital and the flow of services generated, using an accounting approach to show the contribution of the environment to the economy or business and the impact of the economy or business on the environment, presenting it in formats that are familiar to decision makers. It defines both a natural capital balance sheet and a natural capital income statement. Additionally, the System of Environmental-Economic Accounting (SEEA) has a similar objective, focusing on a global standard for natural capital accounting for countries' statistical agencies, for the purpose of complementing countries' economic statistics.

GHG Accounting

To help practitioners understand the scope of an IP&L, the Greenhouse Gas (GHG) Protocol serves as a useful reference, as it outlines the value chain stages typically considered. Many organizations already conduct GHG accounting, which can provide a foundation for developing a more comprehensive impact accounting framework across natural, social, and human capitals. While this can be a strong starting point, an IP&L should ideally cover all Scope 1, 2, and 3 emissions (across the 15 categories). Exceptions may be acceptable if appropriately justified.

Table 1, on the next page, summarizes the range of impact drivers covered in IP&L statements, based on the review of existing case studies (see Section 3). In terms of natural capital, the impact drivers vary according to the type of modeling that is used. Generally, Input-Output (IO) modeling⁷ uses fewer impact drivers given that they contain a limited amount of information on environmental impact compared to Life Cycle Assessment (LCA) methodologies (LCA, ISO 14040-44). On the other side, IO models are regionalized (while LCA models are not necessarily regionalized). Those two approaches are sometimes used together in the same application, as it applies to different data sources. IO modeling relies on financial data while LCA relies on physical flows.

The IFVI and VBA have jointly published a paper with a proposed architecture for impact accounting methodologies, outlining key impact drivers to be considered in such exercises⁸. VBA also published a white paper regarding "impact statements" which aligns closely with the IP&L approach described in this report⁹. One of the case studies featured in this document (see Section 3) illustrates the application of this impact statement described in the VBA white paper. Together, these publications offer complementary perspectives on which impact drivers should be incorporated into an IP&L.

⁷Value Balancing Alliance (2021) Methodology. Impact Statement. Extended Input-Output Modelling. Version 0.1.

⁸International Foundation for Valuing Impact & Value Balancing Alliance (2025) A vision for the impact accounting methodology. Provisional architecture including proposed structure and topics for methodology development.

⁹Value Balancing Alliance (2024) Impact Statement – Guidance note to presentation of impact data.

Table 1 - List of impact drivers covered in the IP&L case studies

Natural capital	Human capital	Social capital	Other
IO based models (or measurement):	Wages	Taxes	Labor compensation
Climate change	Gap to living wage/ Adequate wages	Avoided social costs	Profit
Water depletion	Diversity (incl. gender inequalities)	Infrastructures	Depreciation
Freshwater and marine toxicity	Training and skills	Services/institutions	Taxes
Freshwater and marine eutrophication	Occupational safety		Gross Value Added
Plastic in oceans	Health		Dividends
Ionizing radiation	Education		
Particulate matter formation	Financial conditions		
Ozone depletion	Child labor		
Human toxicity (cancer and non-cancer)	Forced labor		
Terrestrial ecotoxicity	Overtime		
Land use	Well-being (subjective, sense of inclusion, personal safety, self confidence, sense of purpose, etc.)		
Terrestrial acidification			
Metal depletion			
Fossil depletion			
Others (measurement or transfer value):			
Ecosystem services from nature conservation			



3. Case Studies

In order to illustrate the variety of use cases, formats, and approaches to IP&L, various case studies were collected from the Capitals Coalition Advisory Panel IP&L working group members and beyond. These case studies are not homogeneous and illustrate the differences in practice that exist when implementing an IP&L approach.

The case studies are presented in the Appendix and cover the following organizations:

- Holcim¹⁰
- Natura¹¹
- ofi¹²
- Recycling Lives Charity¹³
- Summa Equity¹⁴
- Value Balancing Alliance¹⁵
- Consumer goods company (anonymized)

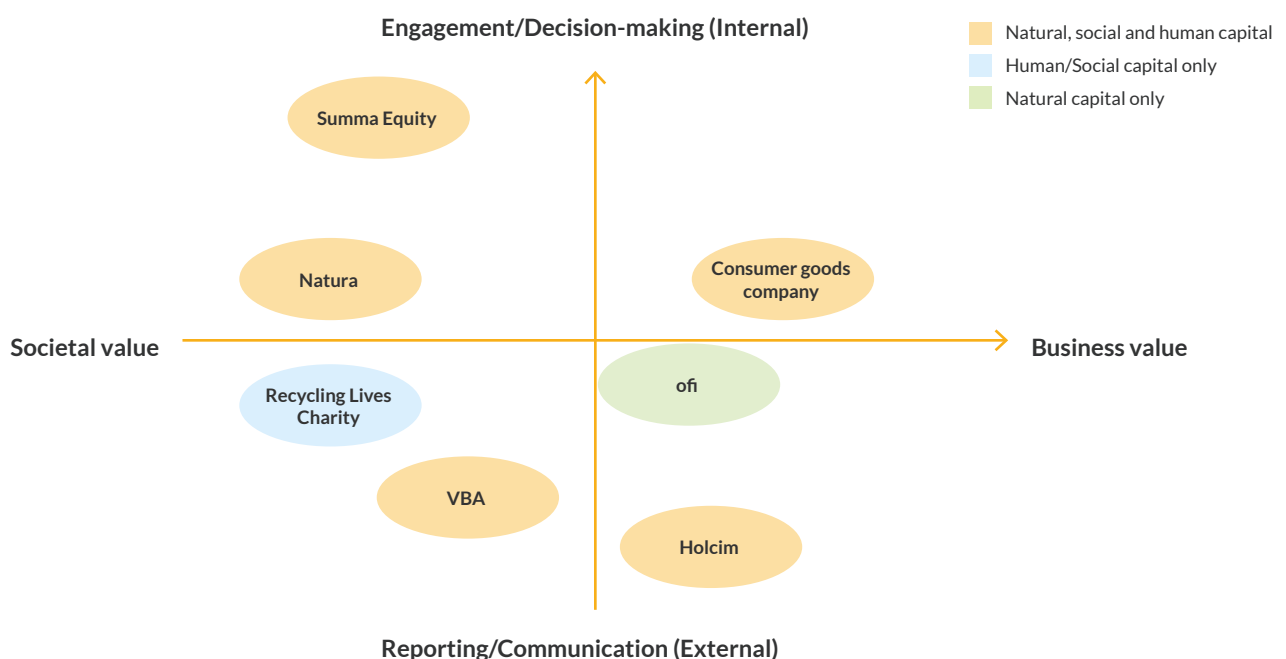
Considering the objectives and other features of each case study, they have been categorized as per Figure 6, building on different dimensions:

- Whether the **value perspective** concerns **societal value** and/or **business value**.
- Whether the use case focused primarily on **internal** decision making and engagement, or **external** reporting and communication.
- **Which capitals** were captured in the example.

Most of the case studies focused on accounting for societal value as a priority, although several began addressing the business value either directly (Holcim) or in parallel (consumer good company). A focus on analysis of business value within impact valuation and IP&L is emerging only recently, so few case studies bring this perspective explicitly.

Some case studies focused solely on external reporting while others only on internal decision-making and engagement (without further public communication, apart from this report). Although most of the case studies presented cover all types of capital, the Recycling Lives Charity case study covered only social and human capital, and the ofi case study only focused on natural capital.

Figure 6 - Categorization of the case studies presented in this report.



¹⁰ <https://www.holcim.com/sites/holcim/files/2024-02/28022024-holcim-ipl-2023-statement.pdf>

¹¹ <https://ri.naturaeco.com/en/management-by-impact-ipl/>

¹² <https://www.ofi.com/sustainability/reporting.html>

¹³ <https://www.recyclinglives.org/>

¹⁴ <https://summaequity.com/>

¹⁵ <https://www.value-balancing.com/>

The case studies were analyzed in Table 2 in terms of scope covered, method used, format and objective/key uses.

Table 2 - Summary of scope, method, format, and primary use of the case studies presented in this report

Case study	Scope	Method	Format	Objective/key uses
Holcim	Natural, social, and human capital 16 impact drivers Direct and upstream operations	VBA methodology aligned methodology	Results presented via a “bridge” from Gross Value Added (GVA) to net societal contribution	Communication and reporting
Natura	Natural, social, and human capital 30+ impact drivers ¹⁶ Full value chain	eQALY method	Parallel accounting together with financial P&L	External communication, Setting targets Internal use for decision making
ofi	Natural capital GHGs, land use, water, and biodiversity Farms and upstream activities	BS 8632:2021 alignment where possible Little Blue Research, series of value transfer methods	Value chain steps across capitals and impact drivers	Internal use Sustainability report
Recycling Lives Charity	Social and human capital Direct and indirect activities	Social Return On Investment (SROI) method	Activities list	Internal use and communication
Summa Equity	Natural, social, and human capital 25+ impact drivers Full value chain	eQALY method	Value chain steps across capitals and impact drivers	Internal use for engagement with portfolio companies on their sustainability and business strategy
Value Balancing Alliance	Natural, human, and social and economic capital Full value chain	VBA methodology	Impact statement of the VBA (value chain across capitals and impact drivers)	Decision making, Communication and reporting
Consumer goods company	Natural, social, and human capital 30+ impact drivers Full value chain	eQALY and risk financial valuation on same eQALY impact drivers	Value chain steps across capitals and impact drivers 1 table for societal value, 1 table for risks Materiality matrix	Internal use (e.g., risk management, strategic processes) and CSRD reporting pilot

¹⁶ 30+ refer to the number of impact drivers that were considered in the development of the impact statement or IPL. In some cases, this is an approximate number as it is not possible to know the exact number that was used in the full results not disclosed in the summary case studies presented here. This number is indicative of the complexity and comprehensiveness of each case study.

Organization:
Holcim (2023)



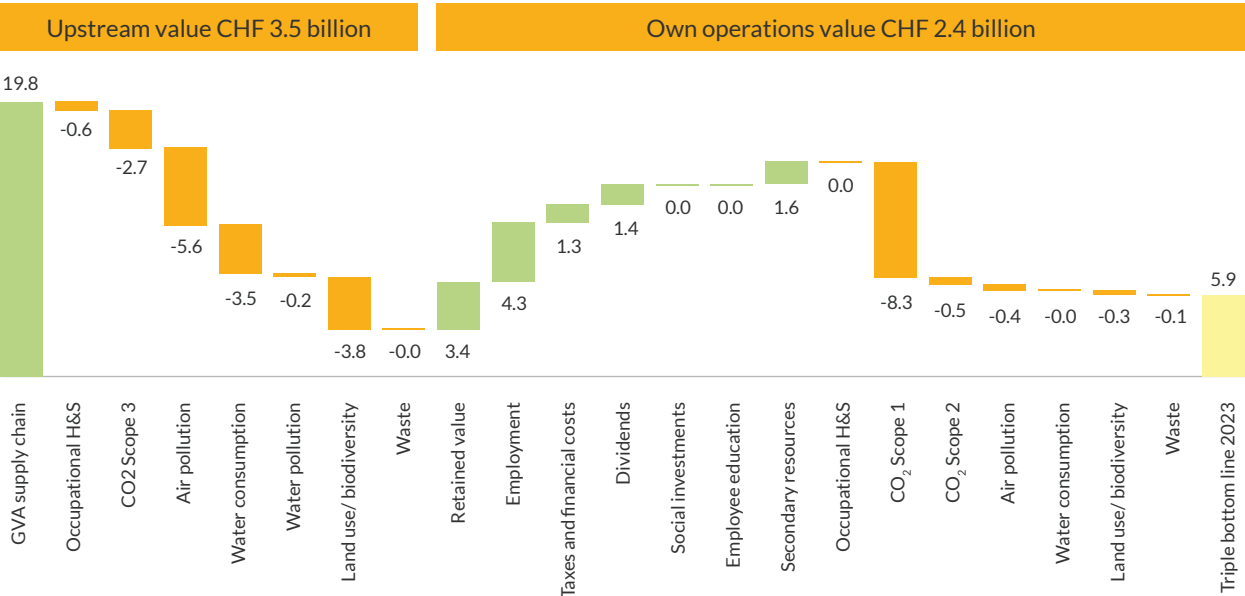
Scope: Company-wide IP&L covering operations and upstream value chain across four capitals: financial, natural, human, and social. Country-level granularity added in 2023.

Objective: To monetize the positive and negative impacts of Holcim's activities, enhance transparency, inform business decisions, and align with its "Green Growth" strategy toward low-carbon and circular construction.

Method: Holcim applies monetized impact valuation using EXIOBASE for input-output modelling and VBA-aligned methodologies. The IP&L calculates societal value by translating key sustainability indicators (e.g., CO₂ emissions, water use, health and safety, employment) into Swiss francs.

Format: Results presented via a "bridge" from Gross Value Added (GVA) to net societal contribution, with breakdowns by capital and geography. Integrated into internal performance and risk metrics.

The Triple Bottom Line (TBL)
Integrated profit & loss bridge



The IP&L is intended to raise awareness of externalities that may or may not affect Holcim's business, and to assess their relative importance. It contains preliminary considerations that may be subject to change. Furthermore, the IP&L may also change, for example as valuation techniques and methodologies evolve. It should be considered as indicative and it neither represents any final factual conclusions nor is intended to assert any factual admission by any person regarding the impact of Holcim or any of its related parties on environment or society.

Results highlights:

- **Net societal contribution in 2023:** CHF 5.9 billion (vs. CHF 8.1B in 2022), with a **5% year-on-year increase** on a like-for-like basis due to methodology updates.
- **Upstream value chain:** CHF 3.5B net positive, mainly from procurement; offset by energy-related environmental costs.
- **Own operations:** CHF 2.4B net positive; key contributors include employment, taxes, and use of secondary materials.
- **Major negatives:** CO₂ emissions, valued at CHF 8.8B.

Key uses:

- Strategy development in procurement, decarbonization, and circularity.
- Performance tracking aligned with science-based and socio-economic targets.
- Support for external transparency and global standard-setting via VBA.

Holcim's IP&L acts as a strategic tool to embed sustainability across the business and sector.



Organization:

Natura (2023)

**Scope:** All capitals and all the value chain of Natura.

Objective: Natura's primary goal in implementing the IP&L framework is to align sustainability metrics with its core decision-making processes. This includes understanding its environmental footprint and social impact, improving stakeholder engagement, and integrating sustainability into financial reporting.

Method: Consistent valuation technique used across the entire IP&L, focused at measuring and valuing the change of human well-being (eQALY methodology). More than 30 impact drivers were considered, covering natural, social, and human capital. Natural capital was covered using 19 impact drivers.

Format: Integration with financial P&L in parallel.

2023 IP&L income statement

Divided into accounting categories (the financial amounts are represented graphically, based on the weight of each line in the total)

In BRL million	Financial P&L	IP&L (Integrated Profit & Loss)				Versus reported in 2022
	Produced Capital	Total	Natural Capital	Social Capital	Human Capital	
Gross revenue	● ● ● ● ● ● ●	11,596	-4,171	4,554	11,213	50%
Beauty Consultants		11,204	-	-	11,204	10%
Products: use and end of life phases		392	-4,171	4,554	9	-116%
Taxes	● ○ ○ ○ ○ ○ ○	20,626	-	20,626	-	47%
Net revenue	● ● ● ● ● ○ ○	32,222	-4,171	25,180	11,213	48%
Cost of merchandise	● ○ ○ ○ ○ ○ ○	1,109	-191	160	1,138	-40%
Direct operations		1,036	-191	160	1,065	111%
Agro-extractivist communities		73	-	-	73	-95%
Gross profit	● ● ● ● ● ○ ○	33,331	-4,362	25,340	12,351	41%
Expenses	● ● ○ ○ ○ ○ ○	6,209	-7,909	3,297	10,821	41%
Sales, marketing and logistics	● ● ○ ○ ○ ○ ○	-4,645	-9,540	639	4,256	-239%
Direct operations		1,879	-	287	1,592	49%
Suppliers		-6,336	-9,540	352	2,852	-329%
Beauty Consultants		-188	-	-	-188	-72%
General and administrative	● ○ ○ ○ ○ ○ ○	4,652	1,632	1,087	1,933	-5%
Direct operations and social support		1,777	-10	293	1,495	25%
Agro-extractivist communities		540	53	488	0	-76%
Carbon credits		2,334	1,588	307	438	90%
Other operating expenses	○ ○ ○ ○ ○ ○ ○	6,202	-	1,571	4,632	169%
Natura Institute		6,202	-	1,571	4,632	169%
Depreciation and amortization	○ ○ ○ ○ ○ ○ ○	-	-	-	-	-
EBITDA	● ○ ○ ○ ○ ○ ○	39,540	-12,271	28,639	23,171	88%

The Produced Capital refers to the business operations and assets traditionally expressed in the financial statements (in terms of revenue and profit, for example). It is not part of the scope of the IP&L, but it is comparable in dimension and result.



Results highlights:

In 2023, Natura generated a net positive socio-environmental impact of BRL 39.5 billion, meaning each BRL 1 in revenue resulted in BRL 2.7 of positive impact. This impact was mainly reflected in the social and human capitals, which reached BRL 28.6 billion and BRL 23.2 billion, respectively. Natura faced challenges with its natural capital, presenting a negative impact of BRL 12.2 billion, despite significant positive contributions from its sourcing of ingredients in the Amazon regions and its carbon credit portfolio investments.

Key uses:

- **Materiality assessment/Strategy:** Strategic processes in terms of materiality and commitment/target setting.
- **Option appraisal:** Assessment of specific projects, investments, product design, and other activities to optimize those latter. This allows, for instance, to compare products and identify ways to optimize their potential for regeneration.
- **Reporting:** Supports the development of key information for Natura extra-financial reporting and certification (DowJones, BCorp, etc), as well supports the investors relation
- **Strategy setting:** Natura has set a target to achieve a ratio of societal value over sales of 1:4. It reached 1:2.7 already in 2023.



Organization:
ofi (2024)



Scope: Natural Capital Accounting applied to the cocoa value chain (direct sourcing only), later extended to selected coffee supply chains. Covered impacts such as GHG emissions, land use change, water use, and biodiversity.

Objective: To assess whether existing and planned interventions—such as agroforestry programs and farmer training—generate positive natural capital outcomes, and to inform strategic decision-making on regenerative agriculture and supply chain sustainability.

Method: Developed a Natural Capital Profit & Loss Statement (NC P&L) and a 30-year forward-looking Natural Capital Balance Sheet (NCBS) using the BS 8632:2021 standard. Valuations drew on multiple economic methods (e.g. social cost, shadow pricing, value transfer). Data was sourced from ofi's AtSource system, with satellite imagery and farm-level data.

Format: Parallel reporting of societal/environmental value (published) and business value (internal only), structured by value chain step and valuation topic. Designed to inform both external reporting and internal investment decisions.

Natural Capital Profit and Loss Statement for selected coffee farmer groups showing GHG NCC and Water Use NCC:

Impact Valuation (added/deducted) for the financial years ended 31 December 2022 and 2021	Value to society and environment 2022 (USD)	Value to society and environment 2021 (USD)
Natural Capital Enhancement (+ impacts)	-	-
GHG sequestration (on-farm agro-forestry)	_*	_*
Natural Capital Deteriorations (-impacts)	(4,421,947)	(7,774,279)
Social Cost of Carbon	(3,322,929)	(5,762,318)
GHG emissions: Fertiliser production	(1,141,177)	(2,003,058)
GHG emissions: Use of fertiliser	(767,071)	(1,326,524)
GHG emissions: Management of crop residues	(768,970)	(1,292,221)
GHG emissions: Others	(645,711)	(1,140,515)
Shadow Price of Water	(1,099,017)	(2,011,961)
Water Use: Irrigation (blue water)	(977,563)	(1,829,665)
Water Use: Non-Irrigation purposes' (blue water)	(121,454)	(182,296)
Natural Capital Profit/(Loss)	(4,421,947)	(7,774,279)



Results highlights:

- The cocoa NCBS was ofi's first and piloted a forward-looking, standardized approach.
- Key impacts identified included land use change, water use, and agroforestry benefits. Impact is improving year on year, driven by an improvement of practices and yield, but also a change of volume. More information is provided in the annual report 2023.
- Initial results published in Olam's 2022/2023 annual reports; societal value shown, business value modeled internally. The initial results of Cocoa case-study which we carried out with LBR, were published in 2021 Annual Report.
- Results guide decisions on investments in farmer support and precision agriculture.

Key uses:

- Strategic investment decisions in regenerative practices and farmer training.
- Integration into sustainability management via AtSource.
- Internal alignment with international standards (BS 8632:2021, ISO 14054 under development)

ofi plans to expand natural capital accounting to additional product lines and continue refining methodologies.



Organization:
Recycling Lives
Charity (2024)



Scope: Full impact assessment of three core program areas: reducing reoffending, homelessness, and food poverty in North West England.

Objective: To capture the full social value of the organization's work beyond traditional metrics, improve stakeholder engagement, and inform both strategic and operational decision-making.

Method: Stakeholder-led SROI analysis, in line with Social Value International standards. Mixed-methods approach (interviews, focus groups, surveys, monitoring data), with monetary proxies sourced from Housing Associations' Charitable Trust (HACT), Simetrica, and local databases. Adjustments made for attribution, deadweight, displacement, and drop-off.

Format: Results structured around stakeholder-defined outcomes, co-produced outcome chains, and value rankings. Intangible changes such as mental health and personal agency were included alongside more tangible societal benefits.

Outcome	Impact calculation [Number of people (quantity) x value-deadweight, displacement and attribution]
Improved sense of personal agency	£1,062,116.55
Improved self-confidence	£2,361,996.45
Improved ability to manage positive social interactions with family members	£604,454.40
Improved mental health	£1,901,438.55
Reduced isolation	£454,242.94
Increased isolation	-£15,294.38
Improved ability to provide food to those experiencing food insecurity or poverty	£217,150.88
Improved ability to avoid food waste	£867,258.82
Improved ability to bring communities and/or groups within communities together	£158,329.69
Increased sense of purpose	£182,250
Reduced re-offending	£1,055,896.88
Reduced demand on homelessness services	£70,389
Reduced demand on unemployment services	£512,608.50
Reduced demand on substance misuse services	£50,821.88
TOTAL FINANCIAL INPUT	£1,794,567
TOTAL SOCIAL VALUE CREATED	£9,517,240.94



Results highlights:

- Strong outcomes in mental health, confidence, and personal agency among participants.
- Systemic benefits included reduced reoffending, lower public service demand, and improved food security.
- SROI ratio: **£8.44 of social value for every £1 invested** (range: £7.33–£9.35).
- Stakeholders emphasized the model's holistic, locally unique, and highly personalized nature.

Key uses:

- Communicating value to funders and local stakeholders.
- Informing service design and long-term impact strategy.
- Supporting operational improvements and future funding cases.



Organization:
Summa Equity (2024)



Scope: Full value chain of an alternative protein production company, with deep focus on natural capital and inclusion of product utility and health impacts. Coverage includes natural, social, and human capitals.

Objective: To align financial and impact performance during the holding period, support strategic engagement with portfolio companies, and identify ways to mitigate negative impact while scaling positive impact. This supports carbon accounting, life cycle assessment, double materiality analysis, and broader sustainability reporting.

Method: Life Cycle Assessment (LCA)-based bottom-up modelling integrated with impact valuation methodology (eQALY). The approach enables scenario analysis, including future business strategies, and is aligned with IFVI principles.

Format: Value chain steps presented in rows (aligned with a financial P&L) and capital types or impact drivers in columns, allowing comparability across portfolio companies.

	Natural capital	Social capital	Human capital	Grand Total
Land farming	-\$6,951,628			-\$6,951,628
Manufacturing	-\$3,872,516	\$211,242	\$45,479	-\$3,615,795
Distribution	-\$557,273			-\$557,273
Packaging	-\$13,079			-\$13,079
End of life	\$2,344			\$2,344
Use phase	\$24,504,304	\$14,446,671	\$15,375,179	\$54,326,154
Grand Total	\$13,112,151	\$14,657,913	\$15,420,658	\$43,190,722

Results highlights:

- Most material impact comes from: 1) the agricultural supply chain, 2) manufacturing phase, and 3) product use phase, with product use delivering the largest positive contribution—linked to switching from animal to plant protein (based on a future hypothetical scenario).
- Health benefits and avoided environmental impacts due to dietary shifts were monetized.
- The model created a comprehensive societal value map and identified key impact levers along the chain.

Key uses:

- Strategy development: Aligning business strategy with societal value creation.
- Portfolio engagement: Empowering portfolio companies with impact data and insights.
- Reporting efficiency: One integrated model used across functions (LCA, carbon, impact).
- Forward-looking decisions: Supporting scenario analysis for future-oriented investment planning.



Organization:

Value Balancing
Alliance (2024)



Scope: Impact statements developed by multiple member companies, covering full value chains across natural, social, human, and economic capital.

Objective: To provide a comprehensive, monetized view of corporate value creation on society, identify positive and negative impacts, and inform decisions, strategy development, planning, and risk management beyond traditional financial reporting.

Method: Companies collected quantitative data (e.g., emissions, water use) and applied location-specific value factors to monetize societal impacts. Where direct data was lacking, extended input-output modelling was used for upstream estimations. Methodologies align with IFVI standards and are designed for integration with sustainability reporting frameworks (e.g., ESRS).

Format: Results presented in a unified impact statement defined by VBA—a single table displaying monetized impacts by capital, topic, and value chain step—enabling comparability and hotspot identification.

Indicator	Upstream	Own operations	Downstream
Environmental			
GHGs	-3,762,348	-1,486,265	-1,486,265
Air pollution	-1,182,436	-46,816	-46,816
Water consumption	-341,384	-18,684	-18,684
Water pollution	-903,486	-70,356	-70,356
Land use	1,322,087	-35,631	-35,631
Waste	-616,691	-139,114	-139,114
Human and social			
Occupational health & safety	-5,130,552	-18,959	-18,959
Training	152,116	19,714	19,714
Human Rights (Child labor, Forced labor)	-2,315,346	0	0
Economic			
Labor Compensation	18,180,308	11,097,000	11,097,000
Profit, Depreciation, Tax	18,863,790	14,856,490	14,856,490

Results highlights:

- Material impacts revealed by topic, region, and supply chain tier; particularly useful for identifying **environmental and social risks** across the value chain.
- Impact statements support **due diligence** with suppliers and customers in high-risk countries and offer a full picture of value creation and erosion.
- Using a single unit (monetary value) across topics enables detection of trade-offs and prioritization of actions.

Key uses:

- Double materiality analysis based on CSRD/ESRS requirements
- Portfolio-wide or company-level **analysis** of positive and negative impacts to understand risks and opportunities.
- Enhanced **due diligence and planning** based on risk signals from statistical modelling.
- Alignment with regulatory reporting and internal sustainability strategy.



Organization:

**Consumer Goods
Company –
confidential (2024)**

Scope: Company-wide impact valuation across the full value chain, covering human, social, and natural capital. Societal value and business risks/opportunities assessed in parallel.

Objective: To complement materiality assessment with a more objective and data-driven view of double materiality. The analysis supports CSRD-aligned reporting, strategic decision-making, and internal risk management by quantifying not just stakeholder perceptions but the actual societal and financial significance of different impact drivers.

Method: Societal value was quantified using the eQALY methodology (Valuing Impact), while financial risks and opportunities were assessed using traditional financial modeling tailored to specific risk types (physical, legal, policy, reputational). Both valuations shared the same model structure and inputs but differed in the valuation technique applied at the final step.

Format: Results presented by value chain step (rows) and capital types or risk categories (columns), enabling standardized analysis of both impact and risk. The structure aligns with double materiality requirements and internal risk management processes.

In million USD					In million USD		
Business materiality (risks)					Societal materiality		
Value chain steps	Policy risk	Legal risk	Reputational risk	Operational risk	Natural capital	Human capital	Social capital
Supply chain							
Manufacturing							
Use phase							
End of life							

Results highlights:

- Assessed approx. 30 impact drivers and risks across all capitals and value chain steps.
- Key risks identified included physical and reputational risks, particularly around resource use and supply chain dependencies.
- The unified modeling framework enabled efficient delivery of robust results in under one month, maximizing use of existing data and reducing resource needs.
- Enabled prioritization of the most material societal impacts and financial risks for further internal action and reporting.

Key uses:

- Double materiality assessment: Provides objective basis for reporting under CSRD.
- Risk management: Integrated into internal systems for identifying and managing business risks.
- Strategic use: Supports shareholder engagement, product strategy, and investment decisions.
- Efficiency: Shared structure reduces duplication across ESG and financial risk tools.



4. Conclusion and Future Developments

This report highlights the growing relevance and practical readiness of the IP&L approach. As demonstrated through the case studies, IP&L is already being applied by a range of organizations to inform strategy, improve transparency, and support decision-making. While the approach continues to evolve, it is ready for broader use today.

At the same time, several challenges need to be addressed to further strengthen the consistency, comparability, and usability of IP&L. These can be grouped into two areas of consideration: methodology and strategy.

Methodology

- **Guidance and standardization:** There is currently no unified methodology for developing and applying IP&L statements, leading to considerable variation across organizations. Further guidance is needed to clarify definitions, intended uses, and development pathways. Standardization can support greater comparability and accessibility, particularly if developed through an inclusive process with recognized organizations. In parallel, aligning reporting formats with financial P&L structures and defining minimum metadata requirements (e.g., scope, methods, assumptions) will improve clarity and usability across applications.
- **Valuation:** Consistency in the application of valuation principles—tailored to the objective of the analysis—is key to comparing or aggregating results. Every impact driver can be valued in multiple ways (e.g., damage costs, solution costs, risk exposure), and transparency in the choice of methods is critical. Using the confidence criteria and value notes outlined in the Governance for Valuation framework will ensure robustness and comparability across valuation approaches.
- **IP&L vs. Impact Statement:** Some applications resemble ‘impact statements’ rather than fully integrated P&Ls, as they do not integrate financial information with impact valuation results. Further work on defining the use of each term is encouraged.

Strategy

- **Consideration of capital stocks and dependencies:** Current IP&Ls focus on flows. Expanding the scope with complementary accounting approaches to include capital stocks will provide a more complete and forward-looking view of value creation and how the stock of capital sustains the flow of benefits. Additionally, while financial P&Ls are inherently linked to balance sheets, IP&L frameworks often do not establish this connection, although some solutions are under development (e.g., BS 8632:2021, ISO 14054). Using these approaches is essential to understand how the preservation and enhancement of the capitals is critical for business. Additionally, consideration of business benefits and costs from dependencies on the capitals should be considered alongside this information.
- **Awareness and communication:** Many organizations remain unfamiliar with IP&L and its use cases, despite growing use in business. Broader communication, clarity on its purpose, evidence of the benefits, and peer learning are essential.
- **Access to data and tools:** Limited availability of public data, value factors, and modeling tools remains a constraint. Sharing resources and building capacity across the field will be key to enabling wider adoption.

The IP&L approach already offers a solid foundation to embed the value of nature, people, and society into our financial and economic systems’ decision-making processes. As methodologies mature, future developments should aim to broaden the scope of IP&L—capturing not only impacts but also dependencies and capital stocks—to support more holistic and decision-useful insights.

Over the coming years and decades, leaders from across the system, from business and accounting to finance, standards and policy must collaborate to illustrate and embed the value of all capitals in our economic and financial systems.

The Capitals Coalition invites organizations to engage with this work and contribute to the development of this emerging field, in order to shape a more resilient and inclusive economic system.



Definitions

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.

Source: International Foundation for Valuing Impacts (2024).

Impact driver: A measurable input to, or output from, human activities, that results in impacts.

Source: Capitals Coalition (2024).

Flow: provision of something (i.e., service) over time.

Source: Impact Management Platform (IMP) (2024).

Human capital: The knowledge, skills, competencies, and attributes embodied in individuals that contribute to improved performance and well-being.

Source: Capitals Coalition (2011).

Materiality: Issues that have a direct or indirect impact on an organization's ability to create, preserve, or erode economic, environmental, and social value for itself, its stakeholders and society at large.

Source: Global Reporting Initiative (GRI) (2011).

Materiality assessment: the process that involves identifying what is (or is potentially) material in relation to the capital assessment's objective and application.

Source: Capitals Coalition (2011).

Natural capital: The stock of renewable and non-renewable natural resources (e.g., plants, animals, air, water, soils, minerals) that combine to yield a flow of benefits to people.

Source: Capitals Coalition (2016).

Natural capital accounting: The compilation of consistent and comparable data on natural capital and the flow of services generated, using an accounting approach to show the contribution of the environment to the economy or business and the impact of the economy or business on the environment.

Source: A-Track (2023).

Produced capital: The human-made goods and financial assets that are used to produce goods and services consumed by society.

Source: Capitals Coalition (2024).

Social capital: The networks together with shared norms, values, and understanding that facilitate cooperation within and among groups.

Source: Capitals Coalition (2021).

Stock: The quantity of something (i.e., capital) existing at a point in time.

Source: Impact Management Platform (2024).

Value factor: An expression of the relative importance, worth, or usefulness of changes in the capitals to people.

Source: Capitals Coalition (2024).

Value perspective: The perspective or point of view from which value is assessed; this largely determines which costs or benefits are included in an assessment:

- **Business value:** The costs and benefits to the business, also referred to as internal, private, financial, or shareholder value.
- **Societal values:** The costs and benefits to wider society, also referred to as external, public, or stakeholder value (or externalities).

Source: Capitals Coalition (2016).



List of References

- A-Track, 2023. Natural capital accounting.
- Capitals Coalition, 2016. Natural Capital Protocol.
- Capitals Coalition, 2021. Human and Social Capital Protocol.
- Capitals Coalition, 2021. Principles of Integrated Capitals Assessments.
- Capitals Coalition, 2024. Capitals Protocol.
- Capitals Coalition, 2024. Governance for Valuation.
- Capitals Coalition, 2025. Framework for Integrated Decision-Making.
- CE Delft, 2017. Environmental Prices Handbook: Methods and Numbers for Valuation of Environmental Impacts.
- Deloitte, 2021. Impact Measurement and Valuation (IMV).
- EVRI, 2017. Environmental Valuation Reference Inventory.
- GIIN, 2019. IRIS+ system for impact performance measurement.
- GIST Impact, 2023. Corporate impact measurement and valuation solutions.
- Global Reporting Initiative (GRI), 2011. Technical Protocol: Applying the Report Content Principles.
- Global Value Exchange, 2017. Open platform for impact measurement and valuation.
- Harvard Business School, 2020. Impact-Weighted Accounts Project.
- IFVI, 2023. Valuation guidance for social and environmental impacts.
- Impact Management Platform (IMP), 2024. Key Terms and Concepts.
- International Foundation for Valuing Impacts (IFVI), 2024. General Methodology 2: Impact Measurement and Valuation Techniques.
- International Foundation for Valuing Impacts & Value Balancing Alliance, 2025. A vision for the impact accounting methodology: Provisional architecture including proposed structure and topics for methodology development.
- KPMG, n.d. KPMG True Value methodology.
- Pindyck, R. S., 2019. The social cost of carbon revisited.
- PwC, n.d. Total Impact Measurement and Management (TIMM).
- Social Value International, 2012. Social Return on Investment (SROI) Principles.
- True Price, 2019. True Pricing Methodology.
- UNDESA, n.d. System of Environmental-Economic Accounting (SEEA).
- Value Balancing Alliance, 2021. Impact Statement: Extended Input-Output Modelling. Version 0.1.
- Value Balancing Alliance, 2023. Methodology for impact statement and valuation.
- Value Balancing Alliance, 2024. Impact Statement – Guidance note to presentation of impact data.
- WBCSD, 2021. Corporate Natural Capital Accounting – from building blocks to a path for standardization.



List of Acronyms

Acronym	Full Term
BSI	British Standards Institution
Deloitte SIA	Deloitte Strategic Impact Assessment
CSRD	Corporate Sustainability Reporting Directive
EP&L	Environmental Profit & Loss
eQALY	Equivalent Quality-Adjusted Life Years
ESRS	European Sustainability Reporting Standards
ESVD	Ecosystem Services Valuation Database
EVRI	Environmental Valuation Reference Inventory
EXIOBASE	Extended Input-Output Database for environmental and economic modeling
GHG	Greenhouse Gas
GIST	Global Initiative for a Sustainable Tomorrow
GRI	Global Reporting Initiative
GVA	Gross Value Added
GVE	Global Value Exchange
HACT	Housing Associations' Charitable Trust
IFVI	International Foundation for Valuing Impacts
IIS	Integrated Impact Statement
IMM	Impact Measurement and Management
IMP	Impact Management Platform
IO	Input-Output (modeling)
IP&L	Integrated Profit & Loss
IRIS+	Impact Reporting and Investment Standards Plus
ISO	International Organization for Standardization
LCA	Life Cycle Assessment
NCBS	Natural Capital Balance Sheet



NC P&L	Natural Capital Profit & Loss, similar to Environmental P&
P&L	Profit & Loss
PwC TIMM	PricewaterhouseCoopers Total Impact Measurement and Management
SEEA-EA	System of Environmental-Economic Accounting – Ecosystem Accounting
SROI	Social Return on Investment
SBTN	Science Based Targets Network
TBL	Triple Bottom Line
TNFD	Taskforce on Nature-related Financial Disclosures
UNDESA	United Nations Department of Economic and Social Affairs
UN SDGs	United Nations Sustainable Development Goals
VBA	Value Balancing Alliance
WBCSD	World Business Council for Sustainable Development
WIFOR	Wirtschaftsforschung Institute (Economic Research Institute)





CAPITALS
COALITION®

Appendix – Full Case Studies of Integrated Profit & Loss and Impact Statements

Appendix

This appendix provides the full case studies referenced in summary form within the report, offering additional technical detail and practical insights to illustrate how the IP&L approach is being implemented across diverse organizational contexts.

The case studies presentation aims to complement the report by deepening the understanding of real-world applications of impact valuation and integrated accounting.

They cover the following organizations:

- Holcim
- Natura
- ofi
- Recycling Lives Charity
- Summa Equity
- Value Balancing Alliance
- Consumer goods company (anonymized)



Holcim case study

Background

Holcim Ltd is a global leader in innovative and sustainable building materials and solutions, operating in over 70 countries. As part of its commitment to sustainability and transparency, Holcim has been a pioneer in impact valuation, regularly publishing its Integrated Profit & Loss (IP&L) statement since 2014. This initiative aligns with Holcim's "Strategy 2025 – Accelerating Green Growth," which puts sustainability at the core of business, aiming to become the global leader in low-carbon and circular construction.

In a world increasingly demanding accountability for environmental and social outcomes, Holcim's IP&L provides a framework for understanding the company's triple bottom line (TBL)—economic, social, and environmental—contributions and costs. Holcim's IP&L is embedded in broader efforts to standardize impact valuation, such as its involvement in the Value Balancing Alliance (VBA), which works to create globally accepted accounting principles for multi-capital performance.

Objective and Approach

The primary goal of Holcim's IP&L is to **quantify and monetize the positive and negative impacts** of its operations and supply chain across financial, environmental, human, and social dimensions. By expressing these impacts in monetary terms, Holcim seeks to **enhance decision-making**, increase transparency, and drive long-term value creation for shareholders and society.

The IP&L uses a **"bridge" visualization** starting from the **Gross Value Added (GVA)** from procurement, followed by a breakdown of both upstream and operational impacts, resulting in a **net societal contribution**. It also enables internal and external stakeholders to understand how the company's activities affect broader systems.

In 2023, Holcim refined its methodology to **assess impacts at the country level**, using tools such as the **EXIOBASE input-output model** for upstream impacts and the VBA's monetization methods. The results incorporate Scope 1, 2, and 3 emissions, health and safety data, water usage, waste, land use, and socioeconomic contributions like employment and taxes.

¹ <https://ri.naturaeco.com/en/management-by-impact-ipl/>

Key Features of the IP&L Approach

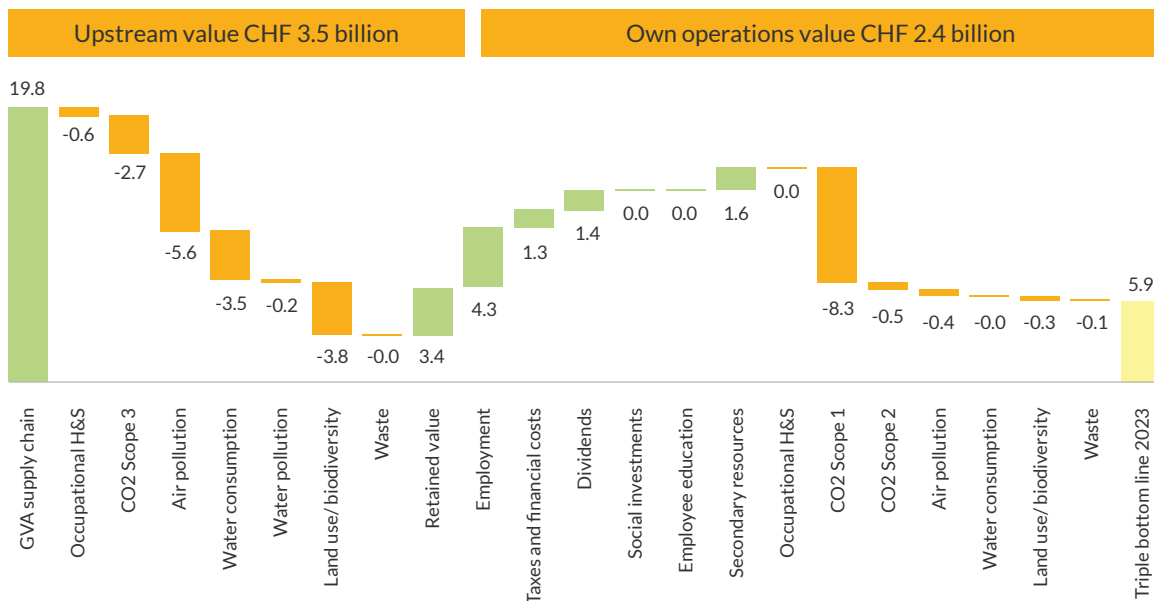
- Multi-Capital Accounting: Covers four key capitals—financial, natural, human, and social.
- Monetized Externalities: Translates environmental and social impacts (e.g., CO₂ emissions, air pollution, education, employee health) into CHF values.
- Country-Level Detail: New in 2023, providing more accurate impact valuation across diverse geographies.
- Use of EXIOBASE and VBA Standards: Ensures scientific rigor and comparability with other businesses.
- Integration with Business Metrics: Complementary to traditional financial KPIs, the IP&L supports business steering and risk analysis.

Key indicators include:

- CO₂ emissions valued at CHF 111/ton
- Community investments monetized using specific return-on-investment multipliers (e.g., 413% for health, 241% for housing/infrastructure)
- Societal costs and benefits estimated using credible external datasets and models

The Triple Bottom Line (TBL)

Integrated profit & loss bridge



The IP&L is intended to raise awareness of externalities that may or may not affect Holcim's business, and to assess their relative importance. It contains preliminary considerations that may be subject to change. Furthermore, the IP&L may also change, for example as valuation techniques and methodologies evolve. It should be considered as indicative and it neither represents any final factual conclusions nor is intended to assert any factual admission by any person regarding the impact of Holcim or any of its related parties on environment or society.

Outcomes and Insights

In 2023, Holcim's net contribution to society was valued at CHF 5.9 billion, compared to CHF 8.1 billion in 2022. However, due to methodological updates and enhanced granularity, the like-for-like comparison shows a 5% increase in impact performance.



Key findings:

- Upstream (Supply Chain): Net positive impact of CHF 3.5 billion, largely driven by procurement value added (CHF 19.8 billion), partially offset by environmental costs related to energy use, transport, and materials.
- Own Operations: Net positive impact of CHF 2.4 billion, with strong contributions from employment, taxes, dividends, and increased use of secondary resources. The main negative was CO₂ emissions, valued at CHF 8.8 billion.

Holcim notably:

- Reduced absolute emissions, air pollution, waste, and industrial accidents in 2023
- Increased use of secondary resources by 6% (36 million tons)
- Improved financial and socio-economic contributions (e.g., wages, dividends)
- Applied more conservative pricing models, reflecting real-world inflation and country-specific factors

These results validate Holcim's efforts toward low-carbon innovation, circularity, and responsible sourcing, and highlight where continued investment and innovation are needed.

Future Plans

Looking ahead, Holcim plans to:

- Expand the scope of the IP&L to include downstream supply chain impacts, offering a full lifecycle impact view.
- Continue refining methodologies, especially through active participation in the Value Balancing Alliance, and contributing to the creation of globally standardized impact accounting.
- Use IP&L findings to guide internal strategy, particularly in procurement, decarbonization, and social investment priorities.
- Align performance with Science-Based Targets, including net-zero ambitions validated by SBTi.

Holcim sees its IP&L as a strategic tool to embed sustainability in every business decision, advancing not only its own transformation but also contributing to a more sustainable construction sector globally.



Natura Integrated P&L

Background

Natura &Co is a cosmetics and beauty products, hygiene, and personal care company. Natura &Co connects more than 200 million clients worldwide, engaging them through nearly 7 million dedicated consultants and representatives (direct sales business model), 900 stores and franchises, and 22,000 employees. The Natura brand is known for its sustainability-related investments, commitments and its activities in the Amazon region in Brazil. The company's mission emphasizes generating positive social and environmental impacts alongside business growth.

Faced with current challenges related especially to climate change and social inequality, Natura seeks not only to address adversities and ensure the maintenance of existing resources but to drive an impact that transcends mitigation and compensation towards regeneration. This is why, today, regeneration is addressed by the company as a strategy in itself and not just as a support for sustainability. The Integrated P&L tool was chosen as a key measurement approach to support business decision-making, strategy setting, and external stakeholder engagement because it provides systemic thinking covering all potential impact drivers along the entire value chain of Natura. It provides a parallel accounting for impact, matching the type of accounting done for financial value, and can be used to optimize both financial and societal value creation.

Therefore, this case study illustrates how the IP&L is used in the company to constantly pursue a regenerative business vision, supports the engagement of stakeholders, and communicates its broader environmental and social impacts along with its financial results.



Objectives and Approach

Natura's primary goal in implementing the IP&L framework is to align sustainability metrics with its core decision-making processes. This includes understanding its environmental footprint and social impact, improving stakeholder engagement, and integrating sustainability into financial reporting.

The methodology employed to implement the IP&L is the eQALY, a consistent, comparable, and relevant method to systematically value societal value, expressed as a change of human well-being, capturing what is most important for society. In other words, the company monetized its impacts to provide a holistic and integrated view of its sustainability performance. The impact valuation method captures a comprehensive set of data covering the full value chain of Natura, from raw materials sourcing, manufacturing, logistics, use phase, and end of life. Key stakeholders, including employees, beauty consultants, suppliers, local communities, and investors, played a central role in this process, ensuring that the assessment was inclusive and robust.

More than 30 impact drivers were considered, covering natural, social, and human capital. Natural capital was covered using 19 impact drivers mostly based on the Life Cycle Assessment method, allowing for the achievement of a level of granularity and relevance for decision-making, measuring the change of practices that is highly relevant. Human and social capital focused on income, wages, diversity, health & safety, education and skills, taxes and avoided social costs for the main impact drivers.

A full description of the methodology used is available publicly on the Natura's website.¹

Key Features of the IP&L Implementation

Natura's IP&L implementation is characterized by the following implementation features:

- Its innovative integration of natural, human, and social capital valuation into a consistent, relevant, and comparable impact measurement that represents the change in well-being.
- Its level of granularity and integration of data systems in Natura is detailed, so it delivers relevant insights for decision-making.
- Its integration within the financial P&L, allowing for a direct comparison of financial and societal value in parallel (and not reconciled). It shows the potential trade-offs, risks, and opportunities that exist. Additionally, it provides the social return on investment ratios, which are useful in identifying which parts of the business are the most efficient at generating societal value per unit of financial value (see figure below).
- Its inclusive process to be developed led by both the financial and sustainability functions of the company, involving most of the company's functions, allowing for a transfer of knowledge, awareness raising, and buy-in from a wide range of internal stakeholders.
- Its use to inform strategic processes in terms of materiality and commitment/target setting. The methodology established is used to assess specific projects, investments, product design, and other applications directly derived from the IP&L accounting. This allows, for instance, to compare products and identify ways to optimize their potential for regeneration or confirm this latter if it already exists.

Additionally to those features, Natura IP&L team recently developed with Valuing Impact a methodology to account for the impact of the use of its products through different well-being dimensions: hygiene, health, social integration, comfort, and entertainment, among others. As Natura's purpose is to promote well-being, excluding customer impacts would diminish the relevance of its IP&L. Measuring the impact of the purpose of companies is often forgotten and is an identified gap in the field of impact valuation and accounting. This allows a greater understanding of the R&D areas to enable product launches incorporating positive social impacts balanced against the lowest possible natural impact.

The IP&L also supports the development of key information that allows for improvement in the reporting of Natura towards extra-financial information requested by different initiatives and standards (e.g., Dow Jones, BCorp, etc.).



2023 iP&L income statement

Divided into accounting categories (the financial amounts are represented graphically, based on the weight of each line in the total)

In BRL million	Financial P&L	iP&L (Integrated Profit & Loss)				
	Produced Capital	Total	Natural Capital	Social Capital	Human Capital	Versus reported in 2022
Gross revenue	● ● ● ● ● ●	11,596	-4,171	4,554	11,213	50%
Beauty Consultants		11,204	-	-	11,204	10%
Products: use and end of life phases		392	-4,171	4,554	9	-116%
Taxes	● ○ ○ ○ ○ ○	20,626	-	20,626	-	47%
Net revenue	● ● ● ● ● ○	32,222	-4,171	25,180	11,213	48%
Cost of merchandise	● ○ ○ ○ ○ ○	1,109	-191	160	1,138	-40%
Direct operations		1,036	-191	160	1,065	111%
Agro-extractivist communities		73	-	-	73	-95%
Gross profit	● ● ● ● ○ ○	33,331	-4,362	25,340	12,351	41%
Expenses	● ● ○ ○ ○ ○	6,209	-7,909	3,297	10,821	41%
Sales, marketing and logistics	● ● ○ ○ ○ ○	-4,645	-9,540	639	4,256	-239%
Direct operations		1,879	-	287	1,592	49%
Suppliers		-6,336	-9,540	352	2,852	-329%
Beauty Consultants		-188	-	-	-188	-72%
General and administrative	● ○ ○ ○ ○ ○	4,652	1,632	1,087	1,933	-5%
Direct operations and social support		1,777	-10	293	1,495	25%
Agro-extractivist communities		540	53	488	0	-76%
Carbon credits		2,334	1,588	307	438	90%
Other operating expenses	○ ○ ○ ○ ○ ○	6,202	-	1,571	4,632	169%
Natura Institute		6,202	-	1,571	4,632	169%
Depreciation and amortization	○ ○ ○ ○ ○ ○	-	-	-	-	-
EBITDA	● ○ ○ ○ ○ ○	39,540	-12,271	28,639	23,171	88%

The Produced Capital refers to the business operations and assets traditionally expressed in the financial statements (in terms of revenue and profit, for example). It is not part of the scope of the iP&L, but it is comparable in dimension and result.

Outcomes and Insights

In 2023, Natura generated a net positive socio-environmental impact of BRL 39.5 billion, meaning each BRL 1 in revenue resulted in BRL 2.7 of positive impact. This impact was mainly reflected in the social and human capitals, which reached BRL 28.6 billion and BRL 23.2 billion, respectively. Taxes were the primary contributor to social capital, followed by the product use phase and end-of-life contributions. For human capital, the main driver of impact was the income made by the higher-level consultants (the person selling the products of Natura, as it is a direct sales company), although lower-level consultants had a negative impact (a typical trade-off found in direct sales business models linked to gap to living income). Natura Institute and direct operations also contributed significantly to human capital.

Natura faced challenges with its natural capital, presenting a negative impact of BRL 12.2 billion, despite significant positive contributions from its sourcing of ingredients in the Amazon regions and its carbon credit portfolio investments. This negative result was largely driven by issues in the supply chain and use and end of life of sold products, which is common in most businesses worldwide. Most businesses create positive social and human capital value while having a negative natural capital impact. This is a typical finding for our society more widely.



Natura has consistently maintained an impact-to-revenue ratio of 2.7, reflecting its ability to generate significant socio-environmental contributions alongside financial results. Between 2021 and 2023, the company's positive impacts grew from BRL 27.9 billion to BRL 39.5 billion. Those insights enhanced the importance that the IP&L has to Natura's decision-making processes, linked to a commitment to an IP&L target of generating a positive socioenvironmental impact four times the related revenue by 2030 (BRL 4 of positive societal value generated for each BRL 1 in revenue). This is one of the only commitments linked to impact valuation and accounting that we know of worldwide.

Future Plans

Natura plans to enhance its IP&L framework by expanding its scope to include additional social and environmental metrics, such as integrating Avon Institute activities on women's health and gender-related initiatives. Natura also plans to refine its valuation techniques, leveraging advanced tools (e.g., data management systems) and methodologies to ensure greater precision and consistency in measuring its impacts. These changes are aimed at enhancing the accuracy and scalability of the IP&L framework to support decision-making at Natura.



ofi case study - Natural Capital Accounting using the BS 8632 standard

Background

About the organization: ofi is a global leader in food and beverage ingredients and solutions, and an operating group of Olam. ofi sources and processes a range of ingredients including cocoa, coffee, dairy, nuts, and spices. ofi operates in over 50 countries, sourcing from 2.4 million direct and indirect farmers and operating over 120 manufacturing facilities.

ofi has targets for each of its four impact areas, including 'Regenerating the living world,' which includes targets to have by 2030:

- 2 million ha of land under regenerative agriculture practices
- Becoming forest-positive across the business

The context for development of a Natural Capital P&L: ofi along with its value chain partners invest in programs to enhance and preserve natural capital in areas where they source ingredients from, these programs include - agroforestry programs and farmer training on good agriculture practices. A Natural Capital Account can help determine whether current and planned programs and investments are helping to create Natural Capital value or whether operations are eroding Natural Capital.

Objectives and Approach

Objective: ofi commenced Natural Capital Accounting, under its wider Integrated Impact Statement (IIS) framework to understand the impact of its operations on nature. ofi's first account was limited to its cocoa value chain (excluding downstream), with intentions to include additional product supply chains in future. By using a forward-looking natural capital balance sheet, ofi can determine whether planned and current investments are expected to result in a net loss or gain in value to the business and society from natural capital.

Methodology:

- The initial account included a natural capital profit and loss statement (NC P&L) and a natural capital balance sheet (NCBS), which were developed following the BSI standard for natural capital accounting (BS 8632).
- Data was collected for ofi's selected direct relationship farms by AtSource - sustainability management system, which provided granular data for deforestation and farm areas using satellite imaging.



- Data on sourcing and processing locations and cost to purchase raw ingredients was available for direct sourcing. Research was carried out to find proxy figures to complete the valuation where primary data was unavailable.
- Economic valuations were produced or updated for: GHG emissions, Land use change (ecosystem service loss from deforestation), Water use, pollination, soil health, food provisioning, and reforestation.
- Economic valuation methods used included: Resource rent, Avoided cost, Weighted producer prices, Value transfer, Shadow price, Market price, Damage cost, and Social cost
- To develop the NCBS, scenarios were set out for changes in natural capital across a 30-year time period, considering water scarcity, carbon pricing and reforestation benefits.

Key Metrics Highlighted:

Key metric	Valuation technique	Methodology/tools used
GHG emission from Land use change	Social cost of carbon	Pindyck. R S. (2019) The social cost of carbon revisited
GHG emission from Crop residue management		
GHG emissions from Fertilizer use		
Dependency on Blue water (non-irrigation)	Shadow price/ Market price	WRI Aqueduct; GIZ, NCD and VfU Shadow Price Method
Biodiversity value of Agroforestry	Value transfer	Ecosystem service values from a selection of sources including TEEB (2012) and IPBES (2018)

Stakeholders:

- Internal: Sustainability team, agriculture team, soil team, processing team, finance team and AtSource team
- External: Direct relationship farms

Key implementation features of the natural capital account

The account included both a Natural Capital Profit & Loss Statement and a 30-year forward-looking Natural Capital Balance Sheet.

The NCBS was the first of its kind developed for **ofi**'s cocoa operations covering direct supply chains available on AtSource. Where possible the NCBS followed the BSI Standard on Natural Capital Accounting however, some gaps remained, such as creating a Natural Capital assets risk register; and a more comprehensive view of Natural Capital current condition as localized data was not available for some impacts.

An initial project and pilot on the cocoa business unit was developed with and supported by Little Blue Research a specialist sustainability consultancy, following this **ofi** developed and extended the application of Natural Capital Accounting to selected coffee supply chains on AtSource.

Outcomes and Insights

Results: The natural capital account was published in Olam's 2022 annual report, using illustrative figures for each of the values.

In Olam's 2023 annual report, the application of Natural Capital Accounting on 20 selected Coffee supply chains was presented using actual figures, however only value to society/the environment was shown (see figure below).

To be aligned with the British Standard on Natural Capital Accounting, **ofi** would need to also calculate the figures for value to the business along with value to society/the environment, however there is no requirement to publish the results of a BS 8632 aligned account.



Natural Capital Profit and Loss Statement for selected coffee farmer groups showing GHG NCC and Water Use NCC:

Impact Valuation (added/deducted) for the financial years ended 31 December 2022 and 2021	Value to society and environment 2022 (USD)	Value to society and environment 2021 (USD)
Natural Capital Enhancement (+ impacts)	-	-
GHG sequestration (on-farm agro-forestry)	_*	_*
Natural Capital Deteriorations (-impacts)	(4,421,947)	(7,774,279)
Social Cost of Carbon	(3,322,929)	(5,762,318)
GHG emissions: Fertiliser production	(1,141,177)	(2,003,058)
GHG emissions: Use of fertiliser	(767,071)	(1,326,524)
GHG emissions: Management of crop residues	(768,970)	(1,292,221)
GHG emissions: Others	(645,711)	(1,140,515)
Shadow Price of Water	(1,099,017)	(2,011,961)
Water Use: Irrigation (blue water)	(977,563)	(1,829,665)
Water Use: Non-Irrigation purposes' (blue water)	(121,454)	(182,296)
Natural Capital Profit/(Loss)	(4,421,947)	(7,774,279)

The natural capital accounting results are being used within **ofi** to direct key decisions on investment into programs such as agroforestry, and direct farmer training, as well technology upgrades e.g., polygon mapping and satellite imagery used for more accurate emissions calculations.

Learnings: Several challenges and limitations were identified during the implementation of **ofi's** first full natural capital account, including:

- Scarcity of research on some topics made it impossible to provide an economic value for the benefit to the business or society e.g., value of soil health including Soil Organic Matter and Soil biodiversity.
- Proxy figures were used in some cases where no primary data was collected.
- There were challenges in linking the NC P&L and **ofi's** financial P&L.
- Developing future scenarios for the NCBS using imperfect assumptions e.g., estimating water scarcity in sourcing locations and how this would affect future crop yields and profits.

Future Plans

Since the development of this project **ofi** continues to refine its Natural Capital Accounting approach and methodologies and aims to include additional product supply chains over time.

Little Blue Research have continued to support the development of natural capital accounting standards both by supporting companies to implement natural capital accounts and with the company's founder becoming the project lead for ISO14054 Natural Capital Accounting for Organizations (under development). This ISO standard is intended to provide specifications for the process of preparing natural capital accounts to respond to the need for standardized approaches, metrics and analyzes to assess and value natural capital, as well as communicate, audit and assure the outcomes and processes. The standard is expected to be released in late 2025/2026.





Recycling Lives Charity

Background

This case study focuses on a UK-based social enterprise and charity operating in the Northwest of England. The organization works across criminal justice, homelessness, and food redistribution sectors, delivering support services to marginalized individuals and communities. Its core mission is to promote social reintegration and wellbeing through rehabilitation, housing support, and food security.

Operating in a context of systemic inequality, recidivism, and food poverty—particularly heightened by the COVID-19 pandemic—the organization's integrated approach responds to interconnected social challenges. In this landscape, traditional metrics of performance fail to capture the full spectrum of value generated. This led the organization to conduct a Social Return on Investment (SROI) evaluation to better understand its impact and communicate its value to stakeholders.

Objectives and Approach

The objective of the analysis was to evaluate the social value created by the organization's three main intervention areas:

- Reducing reoffending through work and skills training for current and former prisoners.
- Reducing homelessness by providing stable accommodation combined with training and personal development.
- Reducing food poverty and waste via a redistribution network that engages volunteers and supports community groups.

The organization adopted a stakeholder-led, principles-based SROI methodology in line with Social Value International standards. It involved mixed-methods data collection, including interviews, focus groups, surveys, and a review of internal monitoring data. Stakeholders included primary beneficiaries (e.g., service users), volunteers, staff, partner agencies, and community food recipients.

The evaluator applied monetary proxies to outcomes based on stakeholder-defined materiality and significance. The evaluation also considered causality and adjusted for deadweight, attribution, displacement, and drop-off.

Key Features of the Impact Valuation Approach

The approach reflected the Eight Social Value Principles and emphasized the co-production of insights with those most affected by the programs.

Please note that SROI is a flexible approach based around application of the Social Value Principles, and so the Recycling Lives case study will differ in valuation approach to other reports using the methodology. Authors can use a range of valuation techniques to understand the relative importance of stakeholder-defined outcomes.

The most common monetary approaches used in SROI include:

- **Cost-based valuation** approaches that consider the market trade-offs (or costs avoided) associated with maintaining a change in an outcome (replacement costs, opportunity costs, cost savings, etc.)
- **Revealed Preference** approaches examine the way in which people reveal their preferences for goods or services through market production and consumption, and the prices that are therefore given to these goods (explicitly or implicitly) – substitute prices, change in productivity, hedonic pricing, etc.
- **Stated Preference** approaches ask people to “state their preference” for a good, service, often using questionnaires (willingness to pay, willingness to accept compensation, value game, choice experiment, etc.)
- **Wellbeing Valuation** uses statistical analysis of large and existing questionnaire datasets to value the effect on wellbeing from changes in life circumstances and life satisfaction. This is done by calculating the increase in income that would be necessary for an equivalent increase in wellbeing.



- **Anchoring** combines non-monetary and monetary approaches to ensure that financial proxies continue to represent relative value of outcomes to stakeholders (currently considered the most advisable for practitioners because it allows developing financial proxies based on the value of one outcome based on their relative importance to stakeholders.)

The choice of valuation technique will be dependent on analysis rigor, availability of data, and suitability for engaging with stakeholders.

Noteworthy features of the Recycling Lives analysis included:

- Multi-stakeholder engagement: 90+ stakeholders were consulted through diverse methods.
- Stakeholder defined outcomes: Stakeholders are involved in identifying and defining outcomes. Open questions should be used in the qualitative stage of analysis to ensure all outcomes are identified, including those which are negative and/or unintended.
- Outcome chains: Beneficiaries helped define “what changed,” resulting in a nuanced mapping of how activities led to short- and long-term outcomes.
- Value ranking: Outcomes were ranked by importance based on stakeholder input.
- Use of monetary proxies: Sourced from the HACT Social Value Bank, Simetrica, and regional cost databases to estimate value in financial terms.
- Causality adjustments: Discounting for external influences and estimating duration of outcomes based on stakeholder input and national benchmarking.

The process foregrounded personal narratives and explored intangible outcomes like self-confidence, personal agency, and social connectedness—outcomes often overlooked in standard evaluations.

Outcomes and Insights

The analysis found that the organization’s activities delivered significant positive impacts across multiple stakeholder groups.

Key outcomes included:

- Improved self-confidence and mental health among beneficiaries.
- A strong sense of personal agency and improved social relationships, particularly with family.
- Positive effects on food security, community cohesion, and volunteer engagement.
- Systemic benefits such as reduced recidivism, lower demand for public services (e.g., homelessness, substance misuse), and reduced food waste.

A small subset of beneficiaries reported increased isolation as a side effect of disengaging from harmful social networks, highlighting the complexity of change in vulnerable populations.



Outcome	Impact calculation
	[Number of people (quantity) x value-deadweight, displacement and attribution]
Improved sense of personal agency	£1,062,116.55
Improved self-confidence	£2,361,996.45
Improved ability to manage positive social interactions with family members	£604,454.40
Improved mental health	£1,901,438.55
Reduced isolation	£454,242.94
Increased isolation	-£15,294.38
Improved ability to provide food to those experiencing food insecurity or poverty	£217,150.88
Improved ability to avoid food waste	£867,258.82
Improved ability to bring communities and/or groups within communities together	£158,329.69
Increased sense of purpose	£182,250
Reduced re-offending	£1,055,896.88
Reduced demand on homelessness services	£70,389
Reduced demand on unemployment services	£512,608.50
Reduced demand on substance misuse services	£50,821.88
TOTAL FINANCIAL INPUT	£1,794,567
TOTAL SOCIAL VALUE CREATED	£9,517,240.94

The final SROI calculation showed a social return of £8.44 for every £1 invested, with a range of £7.33–£9.35 based on sensitivity testing. This includes an average annual investment of £1.79 million generating over £9.5 million in social value.

Stakeholders consistently described the model as holistic, personalized, and unique, particularly in its geography. External professionals confirmed that few comparable services were available locally, supporting strong attribution of outcomes to the organization's work.

Future Plans

The evaluation identifies several areas for future development:

- Expanding stakeholder segmentation, particularly to better represent women's experiences and the perspectives of families and dependents.
- Improving long-term tracking to better understand the durability of change.
- Capturing volunteer inputs more comprehensively in financial terms.
- Enhancing data on disengaged participants, to understand when and for whom the program works best.
- Considering anchoring methods for valuing outcomes to reflect stakeholder perceptions more robustly.

The organization intends to repeat the SROI in a post-pandemic context, with improved access to stakeholders and more comprehensive data. It also aspires to integrate impact evaluation more deeply into its operational and strategic decision-making.



Summa Equity case study

Background

Summa Equity is a thematic investment firm that focuses on companies addressing global challenges within three core themes: Resource Efficiency, Changing Demographics, and Tech-Enabled Transformation. They aim to invest in businesses whose core products or services contribute to solving environmental or social issues, aligning with the United Nations Sustainable Development Goals (UN SDGs). Summa Equity's impact thesis centers on creating value by supporting companies that not only demonstrate strong financial performance but also generate positive societal impact, thereby fostering sustainable growth and contributing to solve pressing global challenges.

Objectives and Approach

Summa Equity employs impact valuation during the investment holding period to align financial performance with societal and environmental benefits. Impact valuation complements other approaches and tools to lead impact strategies for its investment portfolio and portfolio companies. Summa Equity is a key supporter of the International Foundation for Valuing Impact (IFVI) and collaborates with Valuing Impact to implement impact accounting for a selection of its portfolio companies.

A key objective of using impact valuation is to support the active engagement of portfolio companies to understand their impact and develop strategies to mitigate the negative impact and scale up positive impact. Impact valuation provides a comprehensive view of the impact of an organization across all its value chain and across a wide variety of impact drivers. Impact valuation also provides the comparability needed to identify material impact and risks across the value chain of an organization. These insights are used to engage in an active discussion with the portfolio companies to address their impact and support other activities such as carbon accounting, life cycle assessment, sustainability reporting, including double materiality assessments, and so on.

The assessment scope for each portfolio company encompasses everything from raw materials sourcing up to the end of life of products or services, covering their entire value chain. We cover as many impact drivers as possible across natural, social, and human capital, although some prioritization is done on a case-by-case basis depending on the business characteristics assessed.

Key Features of the IP&L Implementation

The impact valuation had the following features:

- **Use of the LCA method and data:** We use Life Cycle Assessment data and modelling for natural capital accounting. LCA can speed up and improve the precision of impact accounting. It is a bottom-up approach, which allows one to account for changes in practices or specificities of operations that would not otherwise be reflected in other modeling solutions.
- **Natural capital focus:** For the case study presented in this report, we focus specifically on natural capital as the business impact thesis targets various activities that reduce or avoid environmental impact, such as potentially replacing higher impact products on the market, improving agricultural activities through regenerative practices, and so on. We still assessed separately the social and human capital impact for the manufacturing phase (direct operations) and the use phase (utility of products).
- **Products' utility:** Product utility is consistently considered within the scope of analysis, as it aligns with the purpose of the investment and the businesses themselves. Other impact accounting case studies frequently omit this step in their value chain, however we think this is a key part of the value delivered by businesses. In this case, we covered the health impact this switch of protein can lead to with its associated reduced cost to society, in addition to the avoided impact from producing animal proteins production (considering an elasticity factor in the replacement rate).
- **Impact accounting reporting format:** The results are presented with the value chain steps in lines, which could be matched to a financial P&L, and split up in columns by capital types or impact drivers. This allows for a standardized reading of the impact results across Summa Equity's portfolio companies.

The following figure shows the impact accounting results, based on a hypothetical future scenario, for one of the portfolio companies of Summa Equity, active in the production of vegetal protein. We use impact valuation not only for looking at the past results, but also to explore how the impact of a company will change in the future linked to choices in its business strategy. This is key for most of the venture capital and private equity investors, as they don't invest for past performance, but for growth of businesses happening in the future from the time of the investment.

	Natural capital	Social capital	Human capital	Grand Total
Land farming	-\$6,951,628			-\$6,951,628
Manufacturing	-\$3,872,516	\$211,242	\$45,479	-\$3,615,795
Distribution	-\$557,273			-\$557,273
Packaging	-\$13,079			-\$13,079
End of life	\$2,344			\$2,344
Use phase	\$24,504,304	\$14,446,671	\$15,375,179	\$54,326,154
Grand Total	\$13,112,151	\$14,657,913	\$15,420,658	\$43,190,722

Outcomes and Insights

The results allowed us to create a holistic map of the impact on society generated by this business. A materiality assessment can be done to identify the most significant contributors of value, which are in this case:

- Agricultural supply chain
- Manufacturing impact
- Use of sold products (by far the greatest contributor in those results)

This allowed Summa Equity and this business to explore ways to align the current business strategy to account for and maximize this value for society but also to find ways to strengthen financial value based on it (including through reputation, brand value, resilience, etc.).

The overall model developed is not only used for strategic insights. Because it covers a full LCA and carbon accounting model, it allows for significant economies of scale in deploying impact measurement and reporting initiatives. Whereas before, companies were investing in a carbon accounting model on one end, an LCA model on another, and sometimes even a water, biodiversity, or land footprint, separately from an impact valuation model, now those companies can have an all-in-one model that provides impact data for different reporting needs and decision-making processes.

Future Plans

Summa is working to expand impact valuation to cover a larger share of the portfolio, based on the active request and contribution of its portfolio companies. Impact valuation is not pushed down to companies, but a business case is built first to establish the value it can create for all stakeholders involved.



Value Balancing Alliance case study

Background

About the organization: The Value Balancing Alliance was founded with the ambition of changing the way company performance is measured, valued, and disclosed. The alliance's objective, together with its partners, is to develop, test and mainstream an internationally accepted impact accounting methodology – a standard for monetizing and disclosing positive and negative impacts of corporate activity. VBA collaborates with various initiatives and organizations in the sustainability and accounting ecosystem, tests and pilots its methodologies with the VBA members on an annual basis to validate its feasibility and build relevant know-how (access to pilot studies <https://www.value-balancing.com/en/publications.html>). The VBA's vision is that companies measure their sustainable value creation to society and the enterprise as holistic as possible – in a way, that it is pragmatic, relevant, concise, and comparable for management accounting.

The context of IP&L Application

The described case is implemented by many VBA member companies to inform decisions by identifying areas of high positive and negative impact on society (inside-out perspective) to complement the traditional profit and loss statement and to inform a more holistic assessment of risks and opportunities in what is called value to business (outside-in perspective). By computing the impact on society in monetary terms along the entire value chain and various sustainability topics, companies gain contextualized and comparable information, which they can use to see the whole picture of impact, take appropriate action for prioritized areas and efficiently manage their impacts. On a high level, these impacts can be summarized in an impact statement.

Objectives and Approach

Objective: Measuring and valuing corporate impacts on society across topics and the entire value chain in a comparable unit for better decision making, strategy development, target setting and performance monitoring, financial planning, and disclosure.

Methodology: To perform this sustainable value creation analysis, VBA member companies compute their impact statements in monetary terms across multiple topics and along the value chain. For an example of how this can look at the corporate level, please see the figure below. In practice, the impact statement is computed by collecting data (e.g., m³ of water consumed) and multiplying the respective data points with the topic-specific value factors by location (e.g., ~2 USD per m³ of water consumed in Germany). These value factors contain the modelling of impacts on society, include local context (e.g., water scarcity), and value those impacts in monetary terms applying valuation approaches – developed by academia and widely accepted by public and private organizations. Please see the IFVI-VBA methodologies for more details (see website).

In case of missing data, for example when assessing upstream impacts, statistical data can be used to fill those gaps. In particular, companies often use macroeconomic approaches such as extended input-output modelling to estimate the impacts along their upstream value chain.

The methodology to measure positive and negative impact on society is applied at various levels depending on the respective use case; e.g., corporate level for disclosures, project level for decision making, product level for R&D, and marketing.

Stakeholders: Multiple stakeholders are involved when preparing an impact statement and performing their respective applications. These include but are not limited to data owners, departments such as finance, accounting, sustainability, procurement, or topic experts.

Indicator	Upstream	Own operations	Downstream
Environmental			
GHGs	-3,762,348	-1,486,265	-1,486,265
Air pollution	-1,182,436	-46,816	-46,816
Water consumption	-341,384	-18,684	-18,684
Water pollution	-903,486	-70,356	-70,356
Land use	1,322,087	-35,631	-35,631
Waste	-616,691	-139,114	-139,114
Human and social			
Occupational health & safety	-5,130,552	-18,959	-18,959
Training	152,116	19,714	19,714
Human Rights (Child labor, Forced labor)	-2,315,346	0	0
Economic			
Labor Compensation	18,180,308	11,097,000	11,097,000
Profit, Depreciation, Tax	18,863,790	14,856,490	14,856,490

Key Features of the IP&L implementation

By covering natural, social, human, and economic capital along the entire value chain in one table, an impact statement provides a bird's eye view on the impacts corporate activities have on society. The IFVI-VBA methodology is developed to align with sustainability reporting, building off data points required by leading standards (e.g., ESRS). For example, the quantitative data points required to report on climate change (ESRS E1, tons of CO2 equivalents) reflect the required information to apply the respective topic methodologies. Reporting topics that are not yet covered by the methodology will be developed in the future to further increase alignment. Measuring and valuing impact at the corporate level provides a comprehensive picture of the company's impact and deep diving into the respective topics, such as on country-, business unit-, or product category-level, can provide more detailed and actionable information.

Outcomes and insights

Results: As shown in the figure, the impact statement provides an overview of the impacts on society in monetary terms, split up into topics and value chain levels. Investigating those impacts by topic, subtopics, and country can be used to identify positive and negative impacts on society and nature. In particular, when using extended input-output modelling, the impacts identified provide insights into the statistical risks of impacts on society across value chain levels and can be benchmarked against industry footprints (link). Frequently, this information is used to start due diligence processes with suppliers in countries of high impact risks or understand the out-/underperformance of a company within a sector.

Learnings: Displaying multiple topics in the same unit and in the same table identifies positive and negative impacts and improves decision making in case of trade-offs. However, it is essential for companies to analyze the identified hotspots in more detail (e.g., which supplier, which product category, which country), to take appropriate action. In addition, the use case shows that statistical data – in particular, extended input output modelling for upstream estimations) can provide insightful and actionable information, even with a low level of granularity.



Future Plans

The VBA has recently released a document called 'Impact Statement: Guidance Note for Presentation of Impact Data' (Nov-24). This document will help corporates enhance and expand the transparency of their Impact Statements through a deepened scope. For example, it mandates minimum disclosure requirements and the use of notes to explain information such as data sources, valuation techniques and assumptions. In addition, the document encourages corporates to disclose voluntary data beyond their regulatory obligations. Corporates are expected to use this document as a guide for the successful publication of their Impact Statements in the upcoming future. Moreover, the VBA plans to continue the development, testing, and piloting of robust and standardized impact accounting methodologies with its partner International Foundation for Valuing Impacts (IFVI).

Consumer goods company case study

Background and objective

This organization used impact valuation, together with Valuing Impact, to account for both the societal impact created throughout its value chain, considering all three capitals (human, social and natural) and its financial risks and opportunities linked to those capitals. This is a type of IP&L that shows directly both financial value (expressed as risks and opportunities) next to societal value (across a range of impact drivers).

The objective of this assessment is to complement the materiality assessment process to report the organization's double materiality results, moving beyond stakeholders' perceptions only. Impact valuation allows to demonstrate the materiality of impact drivers based on objective data rather than subjective information, in line with the requirements of the CSRD reporting directive, for instance.

The results obtained will be further used for strategic discussions around performance management and sustainability strategy of this organization. This latter also used impact valuation applied bottom-up to projects, investments, or products level, although not directly linked to the IP&L approach, which is more of a top-down approach. In this case study, we only cover the approach to developing a company-wide IP&L used for double materiality assessment and risk management internally.

Approach

Societal value was accounted for using the eQALY impact valuation method from Valuing Impact. However, risks and opportunities were quantified using a different valuation approach. We build on the same modelling structure as the societal value but use different valuation techniques depending on the type of risk assessed. We used traditional financial modeling for the risks and opportunities, expressed in monetary values, across the following risks:

- **Physical risks:** how operational costs can increase/decrease due to impact drivers or operations being disrupted.
- **Legal risks:** how legal procedures can affect the operation of the business and its costs of operation, or even access to market.
- **Policy risks:** how change in policies might impact the business operations and access to market
- **Reputational risks:** how impact drivers and dependencies can affect the reputation of the organization, leading to loss of market shares for instance or increased cost of crisis management.

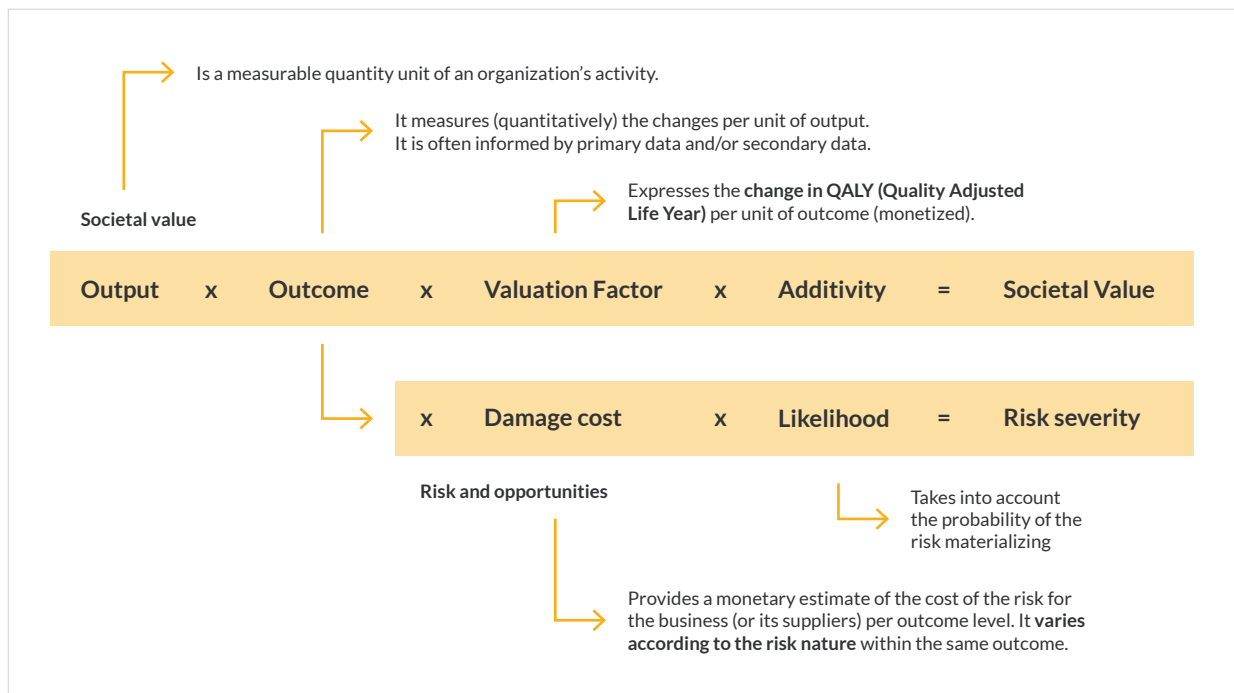
By systematically monetizing all impact, risks and opportunities, we obtained a much more objective, comparable, and consistent assessment of the double materiality of the organization.



Key Features of the IP&L Implementation

The implementation of both valuation for societal and business value was made on the same model structure, changing only the last step of valuation.

The figure below shows the standard equation for assessing around 30 different impact drivers across human, social, and natural capital. The list of those impact drivers across all the value chain steps of the organization was the same. The output and outcomes defined were the same as well. The differentiation between societal and financial value happened at the valuation step as indicated in the figure. On one side, the eQALY method was used to define societal value (expressed in eQALY) and the other side, risks and opportunities were defined by assessing the damage cost expressed in financial terms (or benefit costs for opportunity) and the likelihood of it to happen, defined depending on the risk category, impact drivers, geographic location and value chain step.



This allowed us to save a lot of resources by using the same model structure and first modeling steps, leading to different valuation results (societal or financial). This approach allowed us to deliver the entire model within a one-month period, building on the company's existing data systems and other secondary data sources.

Outcomes and Insights

The absolute results cannot be communicated for confidentiality reasons, however we can provide an overview of the prioritization across impact and risks/opportunities assessed as shown in the figure below. We used a typical reporting format detailing on one side the value chain of the organization and on the other, either the type of capital or impact drivers (for societal value) or the risks categories for risks/opportunities.

The granularity of the results was much higher than what is shown here. This allowed us to prioritize the most important societal and financial impacts and risks of the organization, which we then further analyzed individually to match the reporting requirement of the internal risk management system of the organization.

In million USD					In million USD		
Value chain steps	Business materiality (risks)				Societal materiality		
	Policy risk	Legal risk	Reputational risk	Operational risk	Natural capital	Human capital	Social capital
Supply chain							
Manufacturing							
Use phase							
End of life							

Future Plans

The use of the impact model goes beyond the materiality assessment only for reporting purposes. The risk management system of the business is now built on this information as well. Other applications expected to develop range from shareholders engagement, sustainability strategy discussions, products comparison and design, investment decisions, and so on.





**CAPITALS
COALITION®**

[Read more about Accounting for Value here](#)