



CAPITALS
COALITION

A navigation through value accounting methods

Finding the right methodology
for you to identify the value
you create, preserve, or erode



Harvard
Business
School

Impact-Weighted
Accounts Project



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A Navigation Through Value Accounting Methods.



01

Foreward

The Value Accounting Network was established by the leading providers of methodologies to value impacts and dependencies. They formed the network to advance the role of value accounting in decision-making, governance, and disclosure. The Network is curated by the Capitals Coalition. To be a full member of the Network, organisations must have published a methodology, guidance or standards incorporating value accounting, support the shared purpose to advance value accounting, and be willing to work collaboratively and share progress with the network.

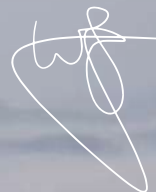
The Network has already identified, through their inaugural joint paper, the commonalities among their approaches and shown how they are complementary rather than in competition.

This new paper navigates users through the various value accounting methodologies to help find the right combination for them. It recognizes the need for consistent but different approaches depending upon needs and aims to clarify the process of selecting methodologies and increase the uptake of value accounting.

This paper sets out what the leading value accounting methodologies aim to do and the applications they are most suitable for, as well as their relationship to an overarching framework expressed in the Natural Capital and the Social & Human Capital Protocols. It also sets out the key differences and similarities across a range of aspects relating to value accounting and capitals assessment methodologies.

It must be noted that the focus and breadth of the methodologies are quickly evolving to suit market needs. This paper does not intend to provide a ranking of methodologies but instead a navigation tool to identify the right approach for different users.

Signed:



T. Robert Zochowski



02

Definition

Value accounting has been defined by the Network as:

'The collection, calibration, and use of information about the relative value that an organization depends on, creates, or erodes using common units. This information is used when making decisions for a variety of purposes.'

Value Accounting therefore encapsulates the many different valuation methodologies you may be familiar with, including capitals assessments and accounting, impact measurement and management, context driven information, impact valuation, true price, true cost, and true value. When considering capitals, there are four capitals most commonly used - natural, social, human and produced capital.



03

A breakdown of our methodologies



The key methodologies covered in this paper

There are a growing number of value accounting methodologies, and this can be confusing for users. Whilst the Value Accounting Network knows simplification is needed, it also recognizes there are different needs. Therefore, we are not trying to produce a single methodology suitable for all people and purposes, but instead a toolbox of consistent and complementary methodologies.

The eight methodologies including the two methodologies of the overarching Protocols covered in this paper are set out in Table 1. They are the most established and well developed and are the culmination of decades of development and literature from the natural sciences, social sciences, and economics.

Other related methodologies of note, further detailed in Annex A, include methodologies developed by the Economics of Mutuality Foundation, GIST, the Impact Institute, the International Organization for Standardization (ISO), Rethinking Capitals, S&P Sustainability 1, the Taskforce for Nature Related Financial Disclosures (TNFD), the United Nations Sustainable Development Goals (UN SDG) Impact Standards, and the Value Balancing Alliance (VBA).

These were excluded from the following tables because they have one or more of the following characteristics:

- ◆ Are inputs into one of the eight methodologies.
- ◆ Are not yet sufficiently established.
- ◆ Have minimal coverage of value accounting.
- ◆ Are commercial and proprietary.
- ◆ There is insufficient publicly available detail of the methodology.

Table 1: Main value accounting methodologies compared in this paper

Capital covered	Organisation	Methodology	Status
Natural Capital	Capitals Coalition	Natural Capital Protocol	Final. Well established through extensive consultation. It is both a methodology and an umbrella framework for the natural capital component of all other methodologies.
	British Standards Institute (BSI)	BS 8632: Natural Capital Accounting for Organisations - Specification	Final. Well established through extensive consultation.
	Transparent	Standardized Natural Capital Accounting for Business	Draft.
	United Nations	SEEA Central Framework SEEA Ecosystem Accounting	Central Framework -final (2012). Ecosystem Accounting - final (2021). Both established through extensive consultation and agreed by all countries.
Social and Human Capital	Capitals Coalition	Social and Human Capital Protocol	Final. Well established through extensive consultation. It is both a methodology and an umbrella framework for the social and human capital components of all other methodologies.



All Capitals	British Standards Institute	BS 8950: Social Value - Understanding and enhancing - Guide	Final. Well established through extensive consultation.
	Impact Economy Foundation (IEF)	Impact Weighted Accounts Framework	Draft. Undergoing consultation and expert input.
	Social Value International	Social Return on Investment Guide Standard for applying Principle 3 – Value what matters	Final. Well established through extensive consultation and application.

The overarching frameworks of the Natural, and the Social & Human Capital Protocols consolidated the leading methodologies available at the time they were developed and are therefore effectively methodologies in their own right. In early 2023, the two Protocols are being consolidated into an integrated Capitals Protocol based around the [Principles for Integrated Capital Assessments](#).



What each methodology does and the outputs it can produce

The purpose of each of the main methodologies and what each can be used for are set out in Table 2. The assessment has been undertaken by relevant experts involved in developing the methodologies, except for BSI Social Value which was assessed by Sustain Value. The questions answered on behalf of the methodologies were as follows:

- ◆ Which capitals does the methodology cover?
- ◆ Is the methodology primarily for internal decision-making or reporting/disclosure?
- ◆ Does the methodology primarily cover impacts or dependencies?
- ◆ Which organisational focus (e.g., company, product, value chain) does the methodology predominantly cover?
- ◆ What is the primary (or predominant) business application(s)?
- ◆ Does the methodology primarily focus on business (private) or societal (public) values?
- ◆ Does the methodology cover value in monetary and/or non-monetary terms?
- ◆ Does the methodology provide detailed guidance on how to do the valuation?
- ◆ What is the main form of output?

Availability of methodologies

All of the main methodologies assessed are freely available online (see weblinks provided in Table 1 above) except for the BSI methodologies for which there is a modest purchase price. The majority of the other methodologies outlined in Annex A are also freely available, where they exist, with the exception of the GIST and S&P Sustainable 1 methodologies which are only available commercially. Annex B sets out a more detailed comparison of the main methodologies, which includes evaluation of methodological application, coverage of the conceptual framework, and coverage of wider aspects such as use, value to whom and types of value.

Conclusion

The more specific you can be about why you want to use value accounting and what part of the value accounting process you are considering, the more useful this paper will be in helping to identify the right methodologies for you to use.

It is not therefore a matter of one methodology being the answer or one being better than the others, but more about using the combination of methodologies that is best suited to your needs.

As this paper shows, there is a lot more consistency across the methodologies than it might at first seem, with considerable overlap on some aspects.

When looked at through the lens of this paper, the methodologies present a tapestry rather than a confused muddle and they are all linked by [common principles](#). They also all build on the consolidated, agreed-upon steps described in the Natural, Social and Human Capital Protocols. As such, additional supporting information can be found in these Protocols, and their associated guidance, tools, and supplements on the Capitals Coalition website, and the websites of the methodology producers. When applying a multi-capital or integrated approach the [Principles for Integrated Capitals Assessments](#) are also helpful.



Finally, although the methodologies are set out in a logical way with varying degrees of coverage of different valuation techniques, expertise in valuation is required. Therefore, it is recommended that users seek expert assistance where necessary. The first entry point is to speak to the methodology producers themselves. There are a growing number of training and technical providers who can also provide support, for which the Capitals Coalition can suggest introductions with more resources.

Table 2: Summary of the main value accounting methodologies

Method and purpose	The Method can be used ¹ :
<p><u>Natural Capital Protocol, the Social and Human Capital Protocol, and the Principles of Integrated Capitals Assessments</u></p> <p>The Natural Capital Protocol is an internationally standardized decision-making framework that has consolidated efforts from all major methodological providers at the time of writing. The Protocol enables organisations to identify, measure and value their direct and indirect impacts and dependencies on natural capital, helping generate trusted, credible, and actionable information. It is set out in four Stages broken down into nine Steps which contain questions to be answered. Similarly, the Social & Human Capital Protocol was developed to consolidate efforts in this field and is recognized as a generally accepted framework for business to measure and value social and human capital. The Social and Human Capital Protocol follows the same structure and generic Stages and Steps as the Natural Capital Protocol, making them complementary. An Integrated Capitals Protocol combining both Protocols and the latest developments is being produced by early 2023.</p> <p>The Principles of Integrated Capitals Assessments sets out 5 core principles that should be followed when undertaking a multi- or ideally 'integrated' capitals assessment following the above Protocols' steps covering all capitals.</p> <p>Organisations involved: The Capitals Coalition (Formed through the assimilation of the Social and Human Capital Coalition and the Natural Capital Coalition).</p>	<ul style="list-style-type: none"> ◆ To assess natural, social and human capital ◆ For both internal decision-making and reporting/disclosure ◆ To assess both impacts and dependencies ◆ To assess: <ul style="list-style-type: none"> – A project site – A product/service – The company as a whole – The upstream value chain (supply chain) – Downstream value chain (customers-disposal) – Portfolios of companies – A sector ◆ To undertake any form of assessment including: <ul style="list-style-type: none"> – Producing a set of impact and dependency accounts – Producing a set of asset (stock) accounts – Identifying and evaluating risks and opportunities – Comparing alternative options – Assessing values ◆ To assess both business and societal values ◆ To assess values in monetary and non-monetary terms ◆ To better understand different valuation techniques ◆ To develop: <ul style="list-style-type: none"> – A set of capitals accounts – A set of asset accounts – An assessment report

¹ For clarification of the terms used in this table, especially the different applications the methodologies can be used to assess, see the Natural Capital Protocol.

BSI – BS 8950: Social Value – Understanding and enhancing – Guide

This British Standard i) gives guidance and principles for the understanding, preservation, and enhancement of social value; ii) focuses on the collection and use of appropriate data for making decisions about social value in all types and sizes of activities, organizations, and groups, including public, private and social purpose organizations working alone or with others; and iii) creates a framework for measuring social value building on and linking to existing principles and frameworks.

Organisations involved: The British Standards Institution

- ◆ To assess all capitals
- ◆ For both internal decision-making and reporting/disclosure
- ◆ To assess impacts and dependencies
- ◆ To assess:
 - Project sites
 - Products/services
 - The company as a whole
 - The upstream value chain (supply chain)
 - Downstream value chain (customers-disposal)
 - Portfolios of companies
- ◆ To:
 - Produce a set of impact accounts
 - Produce a set of asset/stock and balance sheet accounts
 - Identify and evaluate risks and opportunities
 - Compare alternative options
 - Assess values
- ◆ To assess business and societal values
- ◆ To assess values in monetary and non-monetary terms
- ◆ To provide some guidance on valuation, although reference to additional more detailed valuation guidance is needed
- ◆ To develop primarily a set of impact accounts (income statement)
- ◆ To develop asset /stock (balance sheet) accounts

IEF - Impact-Weighted Accounts Framework (IWAF)

Impact-weighted accounts are line items on a financial statement, such as an income statement or a balance sheet, which are added to supplement the statement of financial health and performance by reflecting a company's positive and negative impacts on employees, customers, the environment, and the broader society. The aspiration is an integrated view of performance which allows investors and managers to make informed decisions based not only on monetized private gains or losses, but also on the broader impact a company has on society and the environment. IWAF builds on the work of the Protocols. In particular, IWAF builds on the Protocols and the Principles for integrated capitals assessments, adding more concrete guidance on how to deliver these.

Organisations involved: Led by Impact Economy Foundation, with support from Impact Institute, Impact-Weighted Accounts Project at Harvard Business School, Singapore Management University and Rotterdam School of Management.

- ◆ To assess natural, social, and human capitals
- ◆ For both internal decision-making and reporting/disclosure
- ◆ To assess impacts
- ◆ To assess:
 - The company as a whole
 - The upstream value chain (supply chain)
 - Downstream value chain (customers-disposal)
 - Portfolios of companies
- ◆ To primarily:
 - Identify and evaluate risks and opportunities
 - Assess values
- ◆ To assess societal values
- ◆ To assess values in monetary terms
- ◆ To provide guidance on (monetary) valuation including provision of monetary factors
- ◆ To develop:
 - A set of impact accounts
 - A set of asset (stock) accounts
 - An assessment report



UN SEEA Ecosystem Accounting and Central Framework

The System of Environmental-Economic Accounting (SEEA), encompassing the SEEA Central Framework and the SEEA Ecosystem Accounting (EA), provides a system that complements the System of National Accounts (SNA) using accounting principles to integrate physical and monetary measures concerning the environment in a way that allows for comparison to the data from the national accounts, including GDP.

The SEEA EA is a spatially-based, integrated statistical framework for organizing biophysical information about ecosystems, measuring ecosystem services, tracking changes in ecosystem extent and condition, valuing ecosystem services and assets, and linking this information to measures of economic and human activity. It was developed to respond to a range of policy demands and challenges with a focus on making visible the contributions of nature to the economy and people.

Organisations involved: UN, EU, IMF, OECD, FAO and World Bank

- ◆ To assess natural capital
- ◆ For both internal decision-making and reporting/disclosure
- ◆ To assess both impacts and dependencies
- ◆ To assess:
 - The company as a whole
 - The upstream value chain
 - A portfolio of companies
 - A sector
 - A region/landscape
 - A country
- ◆ To primarily:
 - Produce a set of asset (stock) accounts
 - Record environmental impacts and ecosystem service flows
- ◆ To assess both business and societal values
- ◆ To assess values in monetary and non-monetary terms
- ◆ To provide some guidance on valuation, although reference to additional more detailed valuation guidance is needed
- ◆ To develop:
 - A set of impact accounts
 - A set of asset (stock) accounts
 - An assessment report

Social Return on Investment Guide

Standard for applying Principle 3 – Value what matters

A guide to social return on investment: Social Return on Investment (SROI) is a framework for measuring and accounting for value in a broad sense; it seeks to reduce inequality and environmental degradation and improve wellbeing by incorporating social, environmental, and economic costs and benefits. SROI measures change in ways that are relevant to the people or organisations that experience or contribute to it by calculating a ratio of benefits to costs.

The Standards for SROI and applying the principles of Social Value are designed to support decision making that optimises impacts on wellbeing for all materially affected stakeholder groups. This approach requires valuation from the perspective of the people who experience the impacts. This leads to increased accountability and data to support decisions that optimise overall value. Principle 3 'Value what matters' covers the valuations of inputs and impacts to generate an SROI ratio

Organisations involved: Social Value International

- ◆ To assess all capitals
- ◆ For both internal decision-making and reporting/disclosure
- ◆ To assess both impacts and dependencies
- ◆ To primarily assess:
 - A product/service
 - The upstream value chain (supply chain)
- ◆ To:
 - Produce a set of impact accounts
 - Identify and evaluate risks and opportunities
 - Compare alternative options
 - Assess values
- ◆ To primarily assess societal values but can be used to assess business values
- ◆ To assess in monetary and non-monetary terms
- ◆ To provide some guidance on valuation, although reference to additional more detailed valuation guidance is needed
- ◆ To develop primarily:
 - A set of impact accounts
 - An assessment report

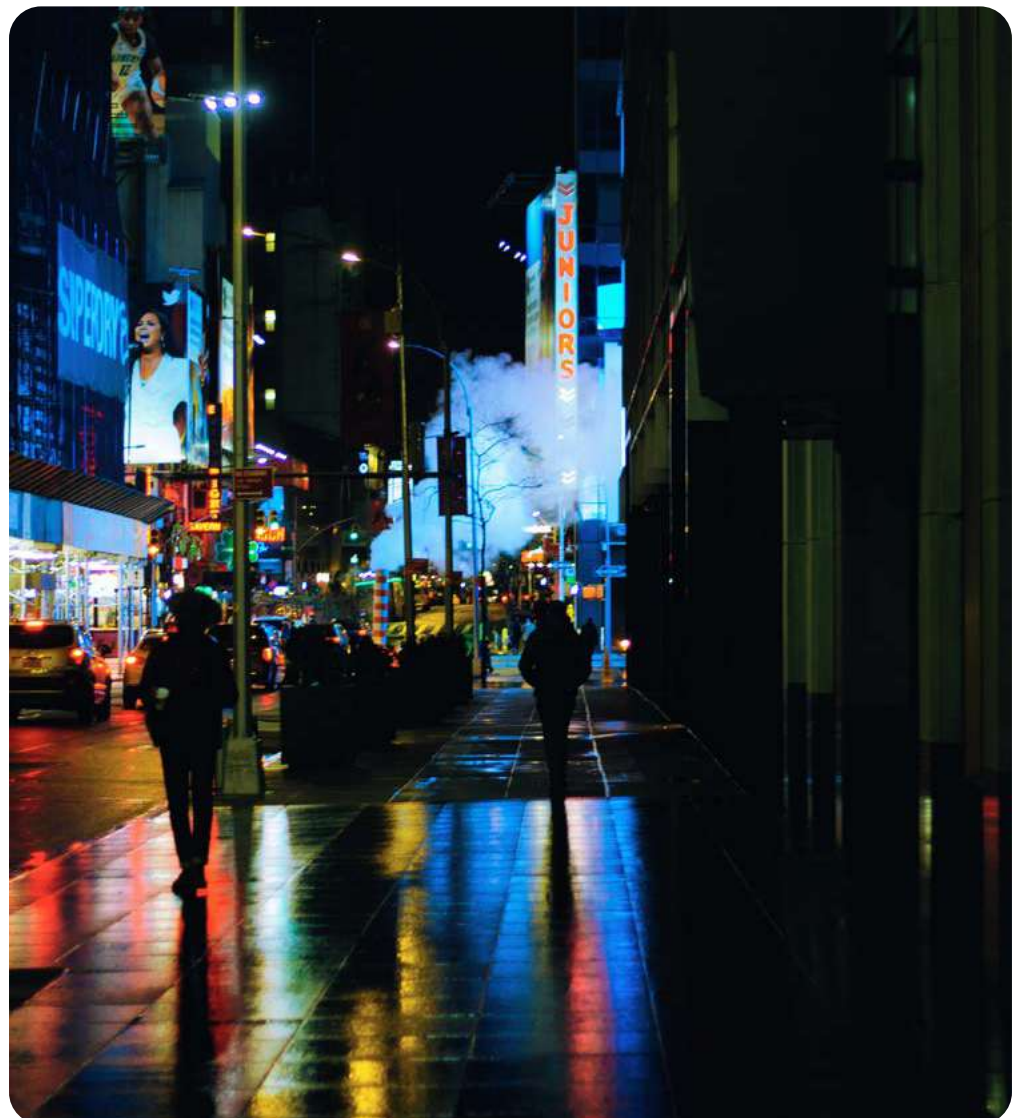


Transparent – Standardized natural capital accounting for business

The methodology is an attempt to standardize an approach to natural capital accounting (specifically profit and loss accounting) that can be applied by businesses who are interested in understanding their impacts and dependencies on natural capital. The approach is primarily focussed on management accounting for decision making but could be adapted for non-standardized disclosure should an organization wish to do so. An EU sister project 'Align' is also being developed alongside this on recommendations to standardize Biodiversity accounting.

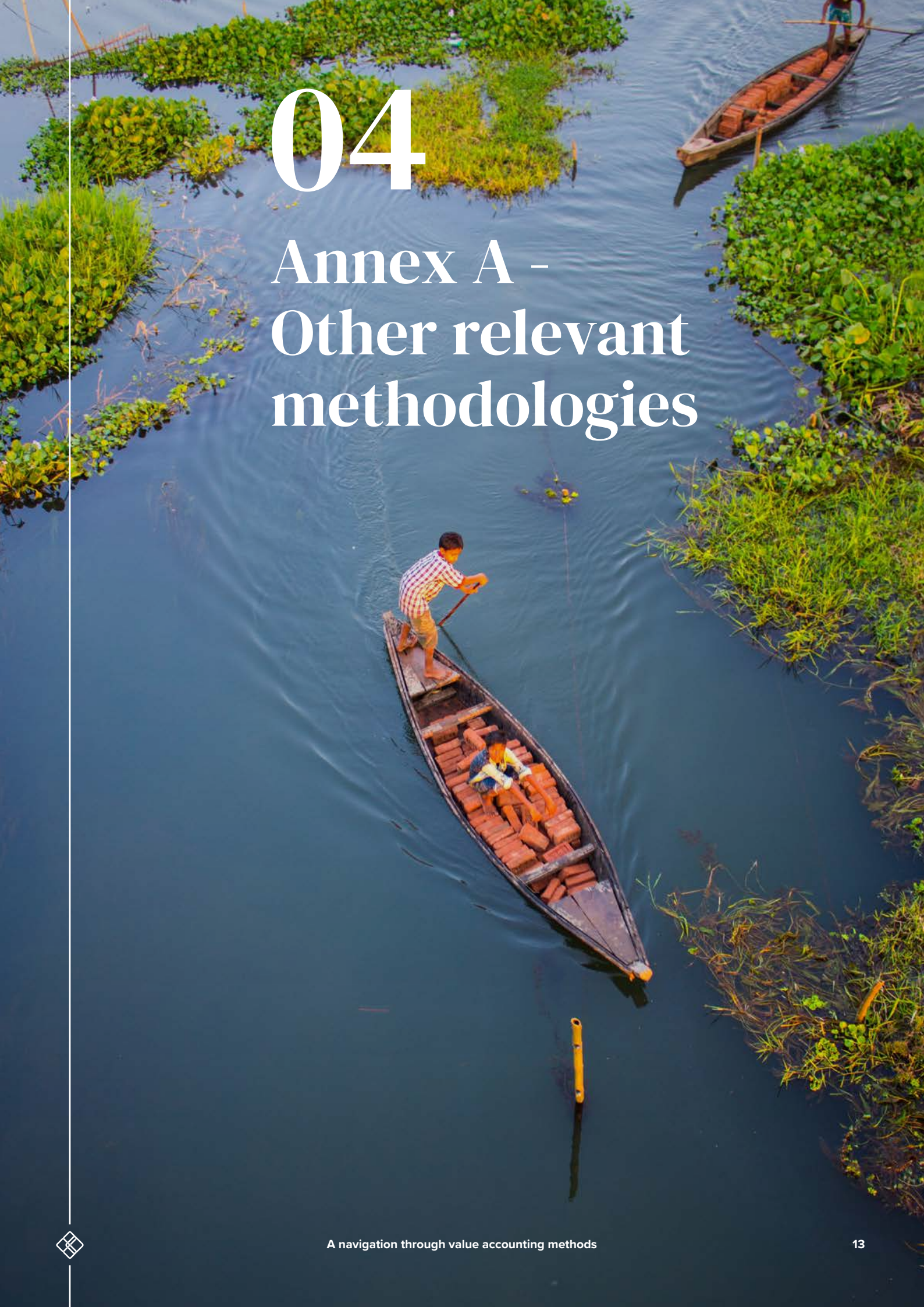
Organisations involved: Transparent: Value Balancing Alliance, Capitals Coalition, WBCSD and the European Union. Align: UNEP-WCMC, Capitals Coalition, ICF and Arcadis with many other partners involved.

- ◆ To assess natural capital
- ◆ For internal decision-making
- ◆ To assess both impacts and dependencies
- ◆ To assess:
 - A project/site
 - The company as a whole
 - The upstream value chain (supply chain)
 - The downstream value chain (customers-disposal)
- ◆ To primarily:
 - Produce a set of asset accounts
 - Identify and evaluate risks and opportunities
- ◆ To assess business values
- ◆ To assess in monetary and non-monetary terms
- ◆ To provide limited guidance on valuation, although reference to additional more detailed valuation guidance is needed
- ◆ To develop primarily a set of impact accounts



04

Annex A - Other relevant methodologies



Organization/ Initiative	Introduction to organization/initiative	Guidance and Methodologies	Reason not included in this comparison
Economics of Mutuality Foundation	The Economics of Mutuality (EoM) is a management innovation based on 15 years of in-depth academic research and business practice. Developed within Mars Inc since 2007 and Oxford Said Business School (which has been a core partner since 2014) EoM is a step-by-step framework that helps companies to put their purpose into practice — and to thrive by meeting the social & environmental needs in their ecosystems. EoM promotes Mutuality as a powerful principle for recognized business among stakeholders within an ecosystem through non-financial capital metrics and new modes of profit construction.	Measuring Purpose – an Integrated Framework	No detailed methodology is currently available.
GIST	GIST is a commercial consultancy firm that offers I360X and SME360X SaaS-based tools for companies to measure and report the multi-capital impacts of their operations. Confidential methodology only available to commercial subscribers. A high-level document provides an overview of the methodology used in the GIST tool. GIST is also aligned to and committed to integration with VBA's 0.1 methodology.	Integrated Profit & Loss	Commercial methodology with no publicly available detailed description.
Impact Institute	The Impact Institute's mission is to empower organizations and individuals to realize the impact economy by creating a common language for impact and providing the tools to use it. We develop open-source standards for impact measurement and valuation and provide organizations with the tools, training, and services to implement them. The Impact Institute is a social enterprise and a spin-off of True Price.	Also from the Impact Institute: Reconstructing the economy for the 21st century Framework for Impact Statements Integrated Profit and Loss Assessment Methodology (IAM) Impact Institutes Global Impact Database Banking for impact	Methodologies are incorporated in the Impact Economy Foundation's 'Impact Weighted Accounts Framework' – see Tables 1 and 2 above.
Harvard Business School (HBS) - Impact Weighted Accounts Project In July 2022, it was announced that this project would be spinning out into an independent organization called the International Foundation for Valuing Impact	The mission of HBS's Impact-Weighted Accounts Project is to drive the creation of financial accounts that reflect a company's financial, social, and environmental performance. Their ambition is to create accounting statements that transparently capture external impacts in a way that drives investor and managerial decision making.	A Framework for Product Impact Weighted Accounts Accounting for employment Accounting for corporate environmental impacts	Methodologies are incorporated in the Impact Economy Foundation's 'Impact Weighted Accounts Framework' – see Tables 1 and 2 above.

ISO	<p>ISO 14007 is a Standard that provides guidance for organisations on determining and documenting environmental costs and benefits in a comprehensive and transparent way, either quantified in monetary or non-monetary terms, or described qualitatively. ISO 14008 is a Standard that provides a framework, including principles, requirements, and guidance for the monetary valuation of environmental impacts and related environmental aspects. It focuses on valuation methods and not on costing methods.</p>	<p>ISO 14007: EM Guidelines for determining costs & benefits; & monetary valuation</p> <p>ISO 14008: Monetary Valuation of environmental impacts and related environmental aspects</p>	<p>ISO is not a part of the Value Accounting Network at the time of writing this paper.</p> <p>These Standards are inputs to value accounting, not value accounting itself. 14008 is about how monetary valuation, which is an input to many of the methods covered, should be undertaken and reported. On their own they don't support decisions of the kind that are relevant for value accounting.</p>
Rethinking Capital	<p>Rethinking Capital is a not-for-profit organisation that aims to create a just and equitable society through a new economic theory that involves capitalising and accounting for intangible assets. It researches and tests the robustness of a new set of Normative Accounting principles and associated methodology in dialogue with practitioners and technical experts. These build on existing accounting and reporting standards. The methodology is available through engagement.</p>	<p>Methodology Impact Statement General Paper v 0.1</p>	<p>No detailed methodology available at present.</p>
S&P Global Sustainable 1	<p>S&P Global Sustainable 1 is the central source for sustainability intelligence from S&P Global, matching customers with ESG products, insights, and solutions from across S&P Global's divisions to help meet their unique needs. With comprehensive coverage across global markets combined with in-depth ESG intelligence, it provides financial institutions, corporations and governments an unmatched level of clarity and confidence to successfully navigate the transition to a sustainable future.</p>	<p>Scores</p> <p>Assessments</p> <p>Evaluations</p> <p>Performance</p> <p>Insights</p>	<p>Commercial methodology only available from S&P Global, Sustainable 1 upon request.</p>



The Taskforce for Nature Related Financial Disclosure (TNFD)	<p>The Beta v0.1 TNFD document and the accompanying online portal represent an initial version of the TNFD framework. Other versions will be made in 2022 and 2023 before the final recommendations are published in late 2023.</p> <p>The objective of the TNFD is to develop a framework for organisations to report and act on evolving nature-related risks. The framework will address both how nature impacts an organisation, and how the organisation impacts upon nature. It serves as a mechanism for allowing organisations to understand how they can disclose and manage the financial risks and opportunities associated with a deteriorating state of nature.</p>	TNFD Beta V0.1 release	<p>TNFD is not a Value Accounting Network member at the time of writing this paper, but the Capitals Coalition and several Coalition organizations are knowledge partners of TNFD.</p> <p>There is clear direction towards using a natural capitals approach in the Beta v0.1 with the four TCFD assessment steps aligning with the Protocol steps and the proposed impact driver/pathway approach - but it does not go as far as directing you on how to do this yet.</p>
UNDP SDG Impact	<p>The UNDP Impact Standards are decision-making standards, not performance or reporting standards. They have been designed by UNDP to help organizations integrate operating responsibly and sustainably and contributing positively to sustainable development and the SDGs into organizational systems, investment frameworks and decision-making practices, using a common language and shared approach to do so. They are based on a framework with four interconnected and interdependent themes - strategy, management approach, transparency, and governance. There are three specific SDG impact standards, for enterprises, bond issuers and private equity funds.</p>	<p>Impact Standards:</p> <p>SDG Impact Standards: Enterprises</p> <p>SDG Impact Standards: Bond Issuers</p> <p>SDG Impact Standards: Private Equity Firms</p>	<p>The methodologies do not cover impact valuation or value accounting in any detail but rather cross-refer to the Capitals Protocols.</p>
Value Balancing Alliance	<p>The Value Balancing Alliance (VBA) guides provide impact measurement and valuation standards for monetizing and disclosing the positive and negative impacts of corporate activity and provide guidance on how these impacts can be integrated into business decision-making. The General methodology paper sets out an overarching framework as well as the key concepts and process of methodology development. The Environmental and Socio-economic methodology papers explain the impact measurement and valuation details for specific environmental or socio-economic topics as well as specific sub-indicators.</p>	<p>Methodology Impact Statement General Paper V0.1</p> <p>Methodology Impact Statement, Focus Socio-economic</p> <p>Methodology Impact Statement: Focus Environment</p>	<p>The VBA methodology is factored into the Transparent methodology.</p>



05

Annex B - More detailed comparison of the main methodologies



Application

What a methodology can be used for, or its potential applications, is the first question addressed. Due to the flexibility of value accounting assessments, they can be applied in different ways. These potential applications are commonly categorized within five broad groups. Figure 1 shows which methodologies are generally used for each type of application, differentiating between whether the use is a 'main intended use' or 'can potentially be used'. Understanding the intended purposes of undertaking a value accounting assessment is a useful first step in determining which methodology to use.

Figure 1 supports the fact that all the methodologies have multiple intended uses, with each potentially capable of being used for any of the applications. The one main intended use common to all the methodologies is to communicate the assessment results to stakeholders, either internal, external or both.

Alignment with the overarching conceptual Framework

The Protocols provide an agreed standardized overarching conceptual Framework for undertaking value accounting and assessment, by setting out nine well defined Steps that cover the full spectrum of actions that should be taken - from getting started and understanding concepts (Why?), to scoping an assessment (What?), to how to measure and value (How?), through to what actions to take based on the results (What next?).

As shown in Figure 2, all other main methodologies cover at least some of these Protocol Steps. Several methodologies align very closely with the full framework, and some go into more depth on a particular step. Some however only partially cover the detail of the step and therefore it may be necessary, or at least advisable, to refer to the overarching framework for additional context, explanation, or information. Some methodologies are still being developed, and may increase their coverage, or comprehensiveness of coverage. Any differences between a methodology and the overarching Protocols' Framework does not represent a deficiency or shortcoming with the methodology, but often a difference in goals or focus area.



Figure 1: Methodological applications

Methodology	Assess risks & opportunities	Compare options	Assess impacts on stakeholders	Estimate total value &/or net impact	Communicate (internally or externally)
	Assess the nature and magnitude of natural capital impacts and/or dependencies, and their associated business risks and opportunities.	Compare, contrast and select from a range of alternative options, while considering their relative natural capital impacts and/or dependencies and associated values.	Ascertain which stakeholders are affected by changes in natural capital due to your business activity, and by how much.	Determine the total value of natural capital linked to your business activities and/or assess the net impacts (zero, negative or positive) of your business activity on natural capital.	Communicate natural capital impacts and/or dependencies to internal or external stakeholders.
Capitals Coalition: Natural, Social & Human Capital Protocols & Integrated Principles	●	●	●	●	●
BSI: Natural Capital Accounting for Organisations - Specification	●	●	●	●	●
BSI: Social Value - Understanding and enhancing - Guide	●	●	●	●	●
IEF: Impact Weighted Accounts Framework	●	●	●	●	●
SVI: Guide to SROI and SVI Standard for Applying Principle 3 Value what matters	●	●	●	●	●
Transparent: Standardized Natural Capital Accounting for Business	●	●	●	●	●
UN SEEA - Central Framework	●	●	●	●	●
UN SEEA - Ecosystem Accounting	●	●	●	●	●

Note: See the Natural Capital Protocol for further explanation of each potential application.

Legend:

Degree of use	Icon	Explanation of rating
Main use/covered	●	The application is a main intended use and/or the methodology provides clear guidance on its use for this application.
Can be used/partially covered	●	The application can be used (but is not a main intended use) and/or there is limited guidance on how to do this.
Not used or covered	●	The application is not typically used and/or there is no guidance on it.



Figure 2: Coverage of the conceptual Framework

Methodology	1) Get started	2) Define the Objective	3) Scope the assessment	4) Determine the impacts and/or dependencies	5) Measure the impact drivers and/or dependencies	6) Measure changes to the state of capital	7) Value impacts and/or dependencies	8) Interpret and test the results	9) Take action
Capitals Coalition: Natural, Social & Human Capital Protocols & Integrated Principles	●	●	●	●	●	●	●	●	●
BSI: Natural Capital Accounting for Organisations - Specification	●	●	●	●	●	●	●	●	●
BSI: Social Value - Understanding and enhancing - Guide	●	●	●	●	●	●	●	●	●
IEF: Impact Weighted Accounts Framework	●	●	●	●	●	●	●	●	●
SVI: Guide to SROI and SVI Standard for Applying Principle 3 Value what matters	●	●	●	●	●	●	●	●	●
Transparent: Standardized Natural Capital Accounting for Business	●	●	●	●	●	●	●	●	●
UN SEEA - Central Framework	●	●	●	●	●	●	●	●	●
UN SEEA- Ecosystem Accounting	●	●	●	●	●	●	●	●	●

Legend:

Degree of coverage	Icon	Explanation of rating
Covered	●	The Protocol Step is generally covered in the methodology with some detail provided.
Partially covered	●	The Protocol Step is partially covered in the methodology - in a very limited way (including just a brief mention).
Not covered	●	The Protocol Step is not covered in the methodology - with no mention at all.



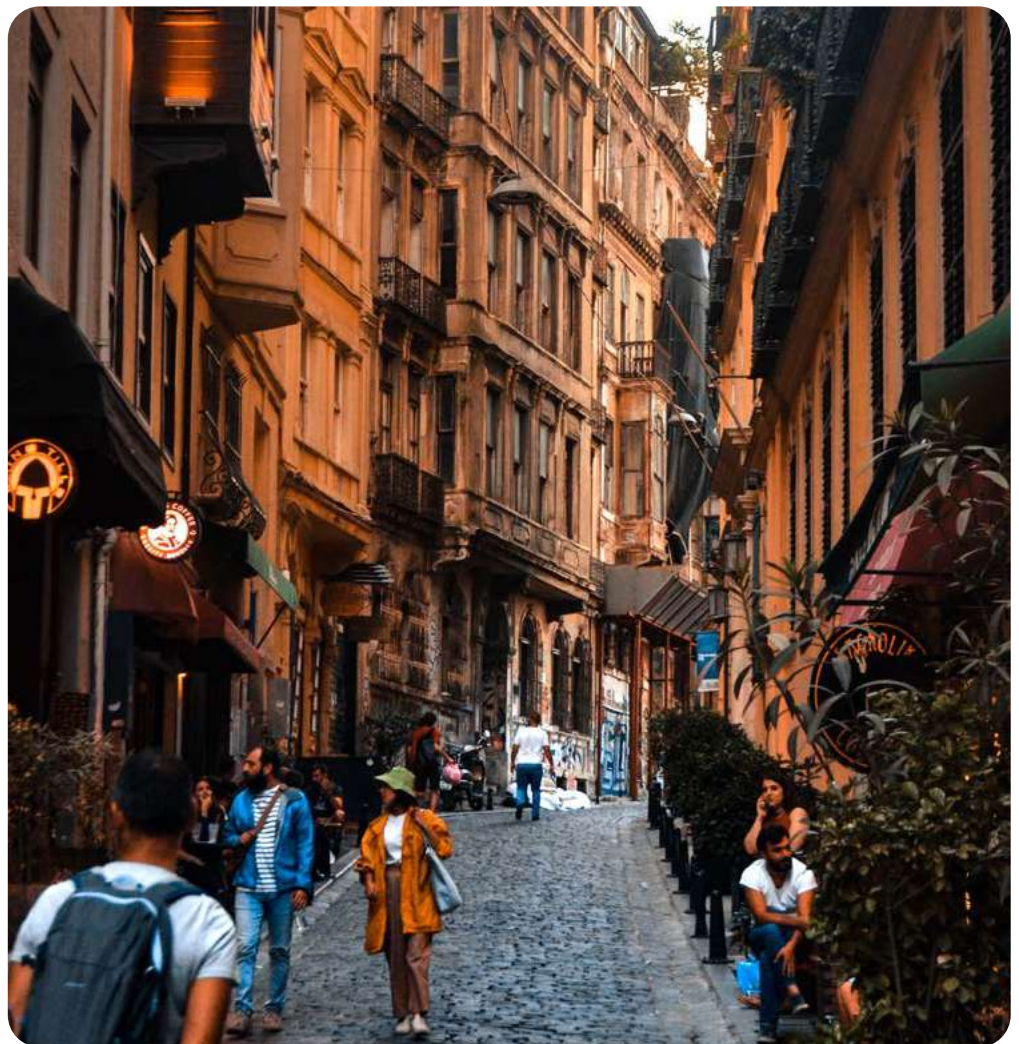
Coverage of wider aspects

When deciding on the methodology to use, the user will likely want to consider several other aspects of relevance. Figure 3 shows how coverage of the eight different aspects that are included in the overarching Framework vary between methodologies. Each aspect is briefly discussed, with coverage rated according to the extent it is covered or applicable within each methodology.

Coverage: There are several ways that coverage can be aggregated. The most commonly used is by splitting the coverage into natural, social & human, and produced capital². Produced capital is generally well covered by existing financial decision-making and reporting methodologies (i.e., management and financial accounting). Figure 3 shows which capitals are covered by each methodology. The methodologies either only focus on natural capital, on both social & human capitals, or all the capitals.

Overarching Use: This aspect aims to set out if the methodology is focusing primarily on providing information to inform internal processes within an organization (i.e., akin to management accounting with a strong focus on decision-making) or to be used to inform stakeholders through external reporting (akin to financial accounting and disclosure).

Organizations targeted: The majority of methodologies included are targeted at businesses, while some are targeted at all types of organization, including financial institutions and governments. The UN SEEA documents are primarily targeted at government although there is work to understand how this can be used in a private sector context. See [Combining Forces](#) for further understanding about the relationship between public and private approaches.



² Produced capital typically covers intellectual, manufactured and financial capital.

Impacts and/or dependencies: Often called inside-out (impacts) and outside-in (dependencies), this is an important differentiation when identifying value. There is a much stronger focus on impacts with the majority of methodologies focusing efforts on these rather than dependency. With the UN SEEA-EA, the methodologies could be used to inform impact valuations, and potentially to a degree dependency valuations, e.g., nature is considered an input to production in national wealth accounting, even though the business focus may not be there. Only one methodology specifically addresses evaluating dependencies in a business context at the moment (BSI's natural capital accounting methodology), and a lot more work is needed in this space. Some initiatives, such as VBA and Transparent intend to develop specific guidance on valuing dependencies, and associated enterprise values, in due course.

Value chain: The value chain is the full range of activities needed to create a product or service, (i.e., supply chain, direct operations, and customers). Most methodologies are applicable to the whole value chain. However, the focus in their application tends to be on direct, and in a growing number of cases, on the supply chain. Few applications actually go as far as including the downstream (customer) impacts and dependencies. The UN SEEA methodologies don't focus on any one specific organization's direct operation, supply chain or customers, although the approaches within could potentially be used to help inform such assessments through the development of extended input-output tables and associated models.

Organizational focus: This aspect covers whether the focus is on the full company, or a project or product. Most methodologies are targeted at the broadest company level. Furthermore, in most cases, the methodologies can also be applied to portfolios of companies and to projects, and to a lesser extent products. The UN SEEA methodologies are intended to target countries as a whole, although they can be applied to smaller administrative/geographical areas and could in theory be applied to other organizational levels (e.g. site level).

Value to whom: Identifying who gains and loses and therefore who the value is for is a fundamental element of all valuation approaches. The majority of methodologies are aimed at valuing societal (i.e., public) values. These are effectively costs and benefits to stakeholders and are often termed as externalities. Far fewer methodologies target the values to business (i.e., private, or financial values – sometimes referred to as 'enterprise value'). Only two methodologies currently cover both societal and business values – the BSI Natural Capital Accounting guidelines and the ISO 14007/08 guidelines for determining environmental cost, benefit, and monetary values, although VBA, Transparent and others are moving towards this.

Types of value: The type of value can be expressed qualitatively, quantitatively, or in monetary terms. All the methodologies specifically cover monetary value. Monetary value often builds on qualitative or quantitative assessments and can be extremely helpful in providing consistent data and particularly for investments. The complete monetization of all impacts and dependencies is unlikely, indeed some values cannot reasonably be determined in monetary values, hence the transparency of data and assumptions made, and documentation of non-monetary impacts can be important. A few methodologies only allow for monetary values while most take a more flexible approach recognizing the value and use of qualitative and quantitative values too.






Figure 3: Wider aspects

Methodology	Coverage				Overarching use		Organisations targeted			Impacts and/or Dependencies	
	Natural	Human	Social	Produced	Decision-making	External Reporting	Business	Financial institutions	Governments	Impacts	Dependencies
Capitals Coalition: Natural, Social & Human Capital Protocols & Integrated Principles	●	●	●	●	●	●	●	●	●	●	●
BSI: Natural Capital Accounting for Organisations - Specification	●	●	●	●	●	●	●	●	●	●	●
BSI: Social Value - Understanding and enhancing - Guide	●	●	●	●	●	●	●	●	●	●	●
IEF: Impact Weighted Accounts Framework	●	●	●	●	●	●	●	●	●	●	●
SVI: Guide to SROI and SVI Standard for Applying Principle 3 Value what matters	●	●	●	●	●	●	●	●	●	●	●
Transparent: Standardized Natural Capital Accounting for Business	●	●	●	●	●	●	●	●	●	●	●
UN SEEA - Central Framework	●	●	●	●	●	●	●	●	●	●	●
UN SEEA - Ecosystem Accounting	●	●	●	●	●	●	●	●	●	●	●

Methodology	Value chain			Organizational focus			Value to whom		Type of values		
	Direct operations	Supply chain	Customers	Portfolio of companies	Company	Project/Activities	To Business	Dependencies	Qualitative	Quantitative	Monetary
Capitals Coalition: Natural, Social & Human Capital Protocols & Integrated Principles	●	●	●	●	●	●	●	●	●	●	●
BSI: Natural Capital Accounting for Organisations - Specification	●	●	●	●	●	●	●	●	●	●	●
BSI: Social Value - Understanding and enhancing - Guide	●	●	●	●	●	●	●	●	●	●	●
IEF: Impact Weighted Accounts Framework	●	●	●	●	●	●	●	●	●	●	●
SVI: Guide to SROI and SVI Standard for Applying Principle 3 Value what matters	●	●	●	●	●	●	●	●	●	●	●
Transparent: Standardized Natural Capital Accounting for Business	●	●	●	●	●	●	●	●	●	●	●
UN SEEA - Central Framework	●	●	●	●	●	●	●	●	●	●	●
UN SEEA - Ecosystem Accounting	●	●	●	●	●	●	●	●	●	●	●

Legend:

Applicable	Icon	Explanation of rating
Covered		This aspect is fully covered by the methodology (i.e. it is applicable).
Can be used/ partially covered		This aspect is partially covered by the methodology. It may be applicable but no clear guidance or statement is made about it.
Not used or covered		This aspect is not covered by the methodology and is not applicable.

The Value Accounting Network is curated by the Capitals Coalition with additional independent technical support provided by Sustain Value.

The **Capitals Coalition** is a global collaboration of the leading c.400 organizations who are redefining value to transform decision-making. Working through collaboration, Coalition organizations have been responsible for developing generally accepted frameworks (Natural Capital Protocol, Social & Human Capital Protocol) and supporting guidance and tools and for leading projects towards greater use of valuation in decision-making. [Capitals Coalition](#)

Sustain Value is an award-winning boutique sustainability consultancy firm that helps businesses and financial institutions better understand, value and manage their natural, social and human capital impacts and dependencies to improve decision-making, reporting and making investments. Recognized as technical leaders in impact valuation, they have been leading authors on many guides including the Natural Capital Protocol and Principles for Integrated Capitals Assessments. Sustain Value provides its clients with innovative, cost-effective support covering natural capital assessments, multi-integrated capitals assessments (sustainability and ESG) and the sustainable blue economy (ocean/marine and freshwater) including bespoke impact valuation/value accounting tools and assessments to enhance decision-making, reporting, investment selection and strategy. [Sustain Value](#)

For more information, background, resources, or introductions to any of the methodology providers mentioned here, please contact info@capitalscoalition.org.





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The Capitals Coalition is a global collaboration transforming the way decisions are made by including the value provided by nature, people and society. Our ambition is that by 2030 the majority of business, finance and government will include all capitals in their decision-making, and that this will deliver a fairer, more just and more sustainable world.

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