

Leading impact valuation providers team up to democratize access to Value Factors

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GIST Impact and WifOR Institute are launching a new framework to democratize access to the information needed to make impact accounting a reality.

Two of the leading impact valuation methodology providers have aligned on a common framework of impacts to address a critical challenge in the sustainability space: determining what to value, and how – namely, what value factors to use, with which stakeholders, and in what context. By offering a common framework developed specifically for the corporate sector, the collaboration aims to make it easy for businesses to understand valuation and perform these essential calculations. The comprehensive framework, covering all four capitals (natural, human, social, and produced), is user-friendly and applicable to all major industries and regions. The publicly available value factors, in turn, enable a science-based calculation of business impacts in monetary terms.

The framework and underlying value factors provide businesses, particularly small and medium-sized enterprises (SMEs), with a valuable resource to assess their impacts on the environment, society, and the economy. By offering a set of freely available value factors for 25 countries, this initiative aims to encourage and support businesses worldwide in understanding and contextualizing their positive and negative impacts, providing location-specific and science-based data and insights to guide analysis and decisions.

This is one of many efforts around the world that are coming together through the Capitals Coalition – a global collaboration redefining value to transform decision-making. The Capitals Coalition has curated a global Value Commission, which will be launching a ‘Governance for Valuation’ document later this month, setting clear transparency and confidence criteria on how impact is to be defined and stated. As

accounting for value becomes a necessity for businesses and financial institutions, we are expecting more announcements from the Commissioners and their partners.

This movement towards convergence and transparency in the impact space is in strong contrast to the fragmented landscape of traditional ESG scores and ratings: the Value Factors collaboration is fully aligned with organizations like the International Foundation for Valuing Impacts (IFVI) and the Value Balancing Alliance (VBA), which are developing a comprehensive, independently governed, public good impact accounting methodology involving representatives from the Capitals Coalition, GIST Impact, and WifOR Institute on its Valuation and Technical Practitioner Committee. Other developers, users, and stakeholders are invited to collaborate with the Capitals Coalition and the Value Commission in creating a more transparent market and standardizing the global use and application of value factors.

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Quotes

The leading organizations in the Coalition network, like GIST Impact and WifOR Institute, are actively stepping forward with solutions that will advance opportunities to account for what matters to us all. There will be more to come.

Mark Gough, CEO Capitals Coalition

I am particularly pleased that GIST Impact has collaborated with WifOR Institute, two organizations who would otherwise be seen as competitors, to help interested companies, especially SMEs, by publishing our agreed common Value Framework and a sample set of Value Factors.

Pavan Sukhdev, CEO GIST Impact

Decision-makers worldwide must balance social, environmental, and economic factors – for which reliable and transparent data is key. Our joint initiative is a step toward achieving this transparency to promote responsible action.

Dr. Richard Scholz, Head of Impact Analysis WifOR Institute

Transparency is essential for the growth and credibility of impact accounting. Aligned with its ongoing development of independently governed, credible, public good impact accounting methodologies, IFVI applauds the Capitals Coalition, GIST Impact, and WifOR Institute on their leadership in providing increased transparency and looks forward to continued collaboration.

Dan Osusky, Chief Research Officer International Foundation for Valuing Impacts

I extend my congratulations to GIST Impact and WifOR Institute for this significant milestone! Impact accounting is an evolving and dynamic field. Enhancing transparency and making value factors publicly accessible, while inviting others to join in, is crucial for building credibility and driving adoption. This comprehensive range of value factors will empower businesses to make more informed decisions that balance financial, natural, social, and human capital. For standardized and comparable disclosures, we place our trust in IFVI to adopt the best available methodologies.

Christian Heller, CEO Value Balancing Alliance

Notes to editors

[Value Factor](#)

A value factor is an expression of the relative importance, worth or usefulness of changes in natural, human, social, and economic or produced capitals to people.

[Value Commission](#)

The Value Commission brings together over 30 expert Commissioners from across the world to drive transparency and accountability for application and use of value factors and valuations by organizations and businesses.

[Capitals Coalition](#)

The Capitals Coalition is a global collaboration redefining value to transform decision making. It sits at the heart of an extensive global network that has united to advance the capitals approach to decision-making.

[GIST Impact](#)

GIST Impact is a leading impact data and analytics provider and has been measuring and valuing corporate impacts for more than 16 years. With a team of 100+ scientists, engineers, data scientists and environmental economists, GIST Impact works with the world's largest companies and investors, offering market-leading impact platforms and impact datasets on over 15,000 companies.

[WifOR Institute](#)

WifOR is an independent economic research institute, founded in 2009 as a spin-off from the Technical University of Darmstadt, Germany. As experts in macroeconomic analysis, its research focuses on labor markets, sustainability, and health. Through its studies, WifOR's mission is to enable data-based solutions to labor market challenges, set global standards in Impact Measurement, and highlight the value of health investments worldwide.

[International Foundation for Valuing Impacts](#)

The International Foundation for Valuing Impacts (IFVI) is an independent nonprofit bridging the gap between financial accounting and impact measurement. At the core of IFVI's mission and vision is the need for a comprehensive, credible, and open access impact accounting methodology that accounts for a company's full contribution to society. In 2022, IFVI and the Value Balancing Alliance (VBA) established a partnership to develop this methodology as well as to advocate for adoption globally.

[Value Balancing Alliance](#)

The Value Balancing Alliance e.V. is an alliance of multinational companies with the common goal to develop a standardized methodology to ensure greater sustainability and transparency in business. As a business driven, member lead organization, the Alliance translates environmental and social impacts into comparable financial data, with the ambition of changing the way company performance is measured and valued so as to enable decision makers to act consciously.