MEETING MINUTES

Valuation Technical & Practitioner Committee

Meeting type: Quarterly Meeting
Date: February 22, 2024
Location: Virtual
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This paper has been prepared for discussion of the Valuation Technical and Practitioner Committee (VTPC).

The mandate of the Valuation Technical and Practitioner Committee (VTPC) is to direct, validate, and approve the impact accounting research and methodology produced by the cooperation of International Foundation for Valuing Impacts (IFVI) and the Value Balancing Alliance (VBA). The VTPC has been established under Terms of Reference to ensure independence and multi-stakeholder perspectives.

This paper does not represent the views of IFVI, the Value Balancing Alliance, or any individual member of the VTPC. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of impact accounting methodology.

Objective:

- The objective of the meeting was to discuss and receive guidance on the methodology architecture as well as the General Methodology 2 and Topic Methodologies on water consumption and occupational health and safety (OHS) that are under development.
- Additional objectives included requesting for written feedback on the General Consumer Methodology statement and highlighting the 2024 Workplan and next steps.

Meeting Agenda:

Time (EST)	Topic
9:00-9:05 a.m.	Welcome
9:05-9:25 a.m.	• Methodology Architecture
9:25-10:50 a.m.	• General Methodology 2: Measurement and Valuation Techniques
9:50-10:20 a.m.	• Water Consumption Topic Methodology
10:20-10:50 a.m.	• Occupational Health and Safety Topic Methodology
10:50-11:00 a.m.	• Wrap Up and Next Steps

Welcome and Introduction

- All members of the VTPC ("member" or "members" hereinafter) are welcomed to the meeting and the Chair of the VTPC provided the following updates:
    i. The Exposure Drafts for the Adequate Wages and GHG Topic Methodologies have been released for public comment until April 8th and members are requested to distribute within their networks to encourage feedback.
    ii. IFVI and VBA will host an information webinar to introduce the Exposure Drafts of the Topic Methodologies on February 29th, 2024.
    iii. The *General Methodology 1: Conceptual Framework for Impact Accounting* is now available for final release along with its Basis of Conclusions
    iv. VBA is piloting the Topic Methodologies which will result in additional feedback.
    v. IFVI and VBA have been working on strategic developments that will be shared in the upcoming months.

- The technical staff emphasized that it is assumed that members have reviewed the materials, allowing sufficient time for discussion. The technical staff provided an overview of the agenda and stated that there are no formal votes at this stage in the development.

Methodology Architecture

- The technical staff stated that the purpose of the methodology architecture is to outline the structure of the statements that will be released, thereby illustrating a target picture for the Methodology, influencing uptake, and enhancing understanding for the broader audience.
- The technical staff presented an overview of the legacy organizations such as VBA and IWAI as well as standard setters including GRI and ESRS. The technical staff emphasized that there is no single ready-made architecture that can easily be adopted for a comprehensive methodology.
- The technical staff then discussed a draft of guiding principles for architectural design to determine the scope and inclusion of topical methodology statements.
- These principles are based on GM1, encompassing comprehensiveness, materiality assessments and the role of impact pathways as well as making sure that the architecture is understandable and aligns with standard setters (with an emphasis on ESRS).
- The technical staff stated that there has been exploration of different samples of the methodology architecture and presented one of those samples as a strawman version of the methodology architecture designed to invite feedback.
- The technical staff also stated that the sample topics included in the architecture are not intended to be exhaustive or final but designed for simplicity to facilitate feedback for further development.
- Members provided feedback to the discussion questions.
    - It was raised by a member that climate-related commitments can lead to constructive obligation under the IAS 37. If they rule on it, IAS 37 defines and specifies the accounting for contingent liabilities and assets. Additionally, the member also provided an additional resource for an example IP&L architecture by the Stockholm Resilience Centre (SRC).
    - A member suggested the possibility of creating a flexible architecture as well as the option of tagging. The member also stated that the architecture should be mutually exclusive and collectively exhaustive.
    - The technical staff voiced the necessity for a standard architecture for presentation but acknowledged the importance of flexibility as well. The topic of biodiversity as a cross cutting issue was shared as

an example highlighting how to both include standardization and flexibility.

- A member voiced that they liked the sample architecture but raised the following suggestions:
  - Who is the primary user? There should be flexibility if you are coming from a different perspective. Therefore, tagging is worth considering.
  - Architecture development should also take into consideration how information would be digested in different digital and technological formats in addition to simpler paper formats.
- A member voiced that there should be primary presentation of the architecture. The member also stated that the Capitals are mutually exclusive and collectively exhaustive and the economics, environmental and social dimensions are easier to explain to people and established in sustainability management.
- A member voiced that neutral descriptions of the topics should be included in the architecture. Also, some coherence in how to articulate the criteria would be welcome as the current proposal is mixing impact drivers, outcomes and impacts.
- A member voiced that the architecture must align with the standard setters (GRI, ISSB, ESRS) and agreed with economics, environmental and social dimensions.
- A member noted that, based on capacity building efforts in various countries, ISSB is gaining popularity compared to GRI and ESRS due to the belief that it is more enforceable. Therefore, the architecture should align with ISSB as it develops in addition to ESRS and GRI.
- A member clarified that the focus of ISSB is financial materiality and will likely not be focusing on impacts in the near term.
- A member asked a question to whether the technical staff envisions creating a sector-based guidance on this or a materiality assessment based guidance approach.
- The technical staff stated that it is likely not the role of IFVI-VBA to propose a new approach to materiality assessments beyond what is included in GM1. Additionally, there is a presumption that not every released methodology will be applicable for every preparer and thus, a materiality lens ought to be applied.

- The technical staff acknowledged all comments and reiterated that the purpose of the meeting is to receive guidance from the VTPC members and looks forward to small group discussions.

GM 2: Measurement and Valuation Techniques

- The technical staff presented an overview of the purpose of the General Methodology 2, outlining that it will focus on measurement and valuation techniques, which are incorporated in the topical and industry-specific methodologies and explained the connections between the Methodology and data collection for corporate reporting.
- The technical staff stated that the current literature review include those published by (non-exhaustive list):
    i. Capitals Coalition;
    ii. Impact Economy Foundation's Impact Weighted Accounts Framework;
    iii. Transparent Project;
    iv. Organization for Economic Co-operation and Development (OECD); and
    v. Natural Capital Accounting and Valuation of Ecosystem (NCAVES) and Mapping and Assessment for Integrated Ecosystem Accounting (MAIA); and
    vi. International Organization for Standardization (ISO).
- The technical staff provided a summary of the key concepts and frameworks of GM2 which included the following:
    i. Impact Drivers: Measurement and underlying data
        a) This chapter strongly builds on the different measurement techniques outlined in key publications around impact measurement.
        b) Measurement methods include direct measures, LCA, material flow analysis, productivity modelling, macroeconomic modelling (EIO), and industry average data.
    ii. Outcomes and impacts: Well-being and its measurement
        a) This chapter provides a more detailed description of well-being (referring to OECD framework) and different measurements of well-being dimensions, e.g., human health will be introduced.
        b) These measurements include standardized units, such as DALYs, QALYs, or life satisfaction scales.
    iii. Valuation of Impacts

a) This chapter would introduce the different valuation methods and how they relate to different concepts of value like the Total Economic Value framework (building on ISO 14008:2019 and other leading publications).

b) Additional guidance to choose a valuation approach will be provided.

- Members provided feedback to the discussion questions.
  - It was raised by a member of the possibility of taking a remediation cost approach as a method of valuation. Well-being can be taken as an opportunity cost and taking a remediation approach can be seen as a liability, for example, if an entity violated human rights or deforest land. The member also raised whether the balance sheet is forward looking or reflects the past.
  - The technical staff asked how this approach relates to a societal perspective and how this cost would be internalized.
  - The member responded stating that the impact will be on the stakeholders and investors. Furthermore, the member raised a question in relation to the integrated balance sheet, if a company emitted a ton of carbon this year, would the next year be a clean slate, or would it show the liability to ensure that the carbon is taken from the air.
  - A member voiced that there is a difference between measurement and valuation. They proceeded to ask whether the methodology should focus on valuation or measurement. The measurement approach will change based on the decision that will take place.
  - The technical staff voiced that the goal is to include measurement techniques. The Methodology needs to explain how to measure impact drivers as well as its connection to reporting.
- The technical staff proceeded to explain the different measurement techniques available for quantifying impact drivers (inputs or outputs), such as Life Cycle Assessments (LCAs), extended input-output modeling, and productivity modeling.
- The technical staff also stated that these measurement techniques possess distinct advantages and limitations, resulting in different efforts to apply and potentially vary in degrees of suitability for impact accounting.
- Members provided feedback to the discussion questions.
  - A member raised whether scope and boundaries were discussed in GM1.

- The technical staff stated that the scope within the value chain was discussed but there was no guidance on how to measure the impact driver.
- A member stated that from a political view, the focus should be on the valuation, but measurement is more useful for practitioners.
- A member raised the concern that the outline differs from the Natural and the Social and Human Capital Protocols and suggested aligning them as closely as possible. Additionally, upon reviewing the outline, it appears that the Methodology is treating outcomes and impacts as the same. The member suggested distinguishing between them, because in natural capital the difference is important.

- The technical staff then discussed the different valuation methods, which can be used to translate impacts in monetary figures including market-based methods, cost-based methods, revealed preference methods, stated preference methods and value transfer.
- The technical staff summarized three primary principles in guiding the selection of valuation techniques, beyond availability of valuation studies:
    i. Transaction observability (e.g., preferences for market price proxies wherever available);
    ii. Individuals' capacity to evaluate the value of an impact (e.g., limitations of stated preferences approaches); and
    iii. Established market practice (e.g., health impacts are often valued with VSL).
- Members provided feedback to the discussion questions.
    - A member stated that the Methodology should follow the Natural and Social & Human Protocols. They also noted that the Protocols contain frameworks which should be the architecture discussed earlier. The member reiterated that Methodology should align with Protocols as well as its architecture.
    - A member highlighted the contrast between the different valuation approaches and the necessity for standardization to ensure comparability. The challenge lies in reconciling these differences.
    - A member raised to whether hybrid approaches would be considered, e.g. bringing together directly measured data and modeled data.
    - The technical staff acknowledged that measurement approaches such as hybrid methods which include LCA and I-O modelling would

be considered. The technical also noted that ideally different valuation approaches and standardization for comparability would be valued the same way but it is limited by data availability.

- A member voiced that from a practical perspective; it is better to prioritize valuation techniques. Additionally, it would be helpful to have pros and cons for each technique for companies and investors.
- A member noted that the Methodology should not limit approaches or advocate the preference of one approach over the other.
- The technical staff voiced that the intent is not to limit the approach but just state when and where it can be useful.

Water Consumption Topic Methodology - Discussion

- The technical staff emphasized that unlike GHG emissions, water consumption impacts are location specific. The most significant impacts occur regionally or, more specifically, in the same watershed. Therefore, impact valuation of water impacts must consider this local context to the maximum intent possible.
- The technical staff then summarized the scope of the Topic Methodology and included the following:
    i. Water Consumption is the amount of water drawn into the boundaries of the undertaking (or facility) and not discharged back to the water environment or a third party over the course of the reporting period (ESRS E3: Water and Marine Resources).
    ii. All water consumption along the value chain falls within the scope of the Methodology. Furthermore, models and estimates may be used to support value chain assessments.
    iii. Like the GHG Emissions Methodology and future environmental methodologies, the affected stakeholder of water consumption impacts is society. However, due to more localized nature of water consumption impacts, value factors will need to be determined at a more regional scale.
    iv. The Methodology does not include water returned in an altered state (i.e. polluted) and does not require data on amount of water recycled, or water stored.
- The technical staff then briefly provided an overview of the impact pathway of the Topic Methodology and discussed the following data requirements:
    i. The Water Consumption Methodology should have data requirements that can faithfully represent impacts of water consumption on society and align with reporting requirements for ESRS E3: Water and Marine Resources and GRI 303: Water and Effluents.
    ii. Due to the local nature of water consumption impacts, the most detailed data requirements would consider:
        a) the volume of water consumed;
        b) the type of water consumed (surface water, groundwater, ocean water);and
        c) the precise location of that consumption (i.e. watershed).

iii. ESRS and GRI requirements do not require data on the water source or the specific location of water consumption but rather for water consumed in areas of high-water risk.

- The technical staff introduced a tiered approach to allow entities with data gaps to be able to use the Methodology:
    i. Tier 1: Volume consumed organized by water source and precise location.
    ii. Tier 2: Volume consumed organized by country of consumption.
    iii. Tier 3: Volume consumed without any acknowledgement of water source or location.
- The technical staff noted that this approach may create incentives for entities to use the Tier approach that states the smallest impact of water consumption. Therefore, the tiered approach will need to reflect on how to avoid this.
- The technical staff then discussed the following legacy approaches to valuation:
    i. Impact Weighted Accounts Initiative (IWAI) utilizes a single global water price that gets scaled by a local water scarcity risk value.
        a) IWAI provides users of the methodology the option for what level of detail the water scarcity risk applies to (Tiered Approach).
        b) An advantage to this approach is that it acknowledges that the cost of water will vary by location with the local scarcity metric. A limitation to this approach is that the water price is coarsely defined and does not allow for consideration of individual impacts.
    ii. Value Balance Alliance (VBA) categorizes impacts into 3 categories: malnutrition, water-borne disease, and resource cost. VBA also calculates impacts at a national scale, leading to a single value of water consumption for each country.
        a) An advantage to this approach is that the methodical treatment of each impact will lead to a greater precision and clarity. A limitation to this approach is that it allows for the valuation to be applied sub-nationally which could lead to a misrepresentation of impacts in countries with diverse water environments.
- The technical staff than introduced that the Water Consumption Methodology plans to adapt from VBA by considering each impact category individually and using the best available work to build out a

valuation approach for each impact. Due to the site-specific impacts of water consumption, the Topic Methodology provides guidance for how to apply value factors at a local scale like IWAI.

- The technical staff further elaborated the approach that will be taken in the Water consumption Methodology and included the following:
    i. Step 1: Categories of Impact and Valuation Research:
        a) The Topic Methodology will include all impacts currently reflected in the VBA methodology. Currently, the impact valuation techniques used are being assessed.
        b) The Topic Methodology will consider two new impacts that differs from VBA's impacts: ecosystem services and damages to infrastructure. Furthermore, the technical staff is exploring a variety of models, approaches, and valuation techniques. A few data sets being explored include:
            - World Health Organization (WHO) estimates for malnutrition and infectious disease.
            - AQUASTAT (UN FAO), Aqueduct (WRI), and Water Risk Filter (WWF) for water use and water scarcity.
            - Global Change Analysis Model (GCAM – U.S. DOE) for future costs to access water.
            - Ecosystem Services Valuation Database (ESVD) for ecosystem service valuation.
        c) Additionally, recency, valuation techniques, the spatial extent and resolution, as well as the extent to which physical and socioeconomic processes are represented are factors for evaluating data sets.
    ii. Step 2: Converting valuation into usable value factors:
        a) The Topic Methodology will consider valuations in US Dollars per m^3 of water for each impact category, and at the spatial scale that the research was conducted (either the "watershed", "basin", or country). The spatial scale will be dictated by data availability. This may mean different levels of detail for each category of impact.
        b) These valuations will need to be aggregated in a way that matches the available data from entities to increase usability. The technical staff are exploring various options for how to take these valuations and aggregate them in a way that retains the fidelity of the calculation and is usable by a preparer.

iii. Step 3: A tiered approach to local valuation

a) Impacts from water consumption are local – ideally a value factor would accurately reflect local context. But entity data availability may limit the use of a local approach. A tiered approach that builds on the data requirements could again be applied:

- Tier 1: Water consumption & location – use local factors to modify national value from Topic Methodology. These local factors would be from publicly accessible databases (e.g. WRI Aqueduct, WWF Water Risk Filter) and be easy to apply. For example: A country value factor of \$20 / m^3 for the U.S.A. may get modified to \$30 / m^3 in Phoenix and \$10 / m^3 in Seattle when using the local factor.
- Tier 2: Water consumption by country – use a national value from the Topic Methodology
- Tier 3: Water consumption – no location – use a global value from the Topic Methodology

b) The technical staff noted that the advantage of the tiered approach is that it makes the Topic Methodology usable by entities even without location specific data. The concern is that this could lead to the underestimation of negative impacts because of the lack of local context and the option to "choose" a Tier.

- Members provided feedback to the discussion questions.
  - A member asked at what resolution will the Topic Methodology recommend in the context of water scarcity and noted that they do a 50 x 50 km grid resolution, with impacts including health costs of scarcity and GHG from transport costs of meeting scarcity.
  - The technical staff responded by stating that the public available databases will be used for local application which include different watersheds. There is no single resolution but proposes anything smaller than the national level.
  - The member provided an example, stating that if you were to look at a basin level, the biggest basin is the Mississippi. However, if you were to look at a location specific basin, a 50 x 50 km grid resolution is recommended based on several papers. The Mississippi basin alone has too many factors and therefore, there should be location specific factors. The member also noted that larger countries are too

diverse in terms of biodiversity to consider an average national factor.

- A member voiced that they agree with the recent comment and noted that a global value should never be considered. The global value undermines the valuation of impacts this is especially obvious to any person in the case of water consumption and that the Methodology should focus on granularity.
- A member stated that they do not understand the global value concept and noted that it is an easy approach. Furthermore, the member stated that there are regulations in different jurisdictions that are focused on location level specific data from companies, and it is now becoming the norm. Thus, the Methodology should aim to be more specific but understands that data availability may limit the use of a local approach.
- The technical staff agreed with the previous comments and asked the following question:
    - To what extent are we concerned that the Methodology would alienate a number of users due to data availability? If so, does this matter?
- A member stated that granularity is very good. The member proceeded to explain that this concept reminds them of data availability a few years ago relating to Scope 1,2, and 3 emissions There are still countries that do not have coefficients for GHG emissions yet alone water. Therefore, available resources should be taken into consideration.
- A member voiced it would be great be able to zoom into local areas and get a specific number and zoom out to get average values similar to the format of google maps.
- A technical staff acknowledged the comment and raised the question of whether, when zooming out too far, the value factor becomes non-applicable or the worst value factor for an entity to use. Therefore, incentivizing entities to get more localized data.
- A member voiced that the AQUASTAT (UN FAO) database is only at a basin level and explained that an average value cannot be applied to the Mississippi basin. The member also acknowledged that the zoom in and zoom out is possible as they have done work in this area. The member also emphasized that if entities are serious about reporting impacts, then localized data matters. Otherwise, applying a global number is not a realistic estimation of the impact.

- The technical staff noted that AQUASTAT (UN FAO) and Water Risk Filter (WWF) databases provide more granular details but acknowledged that members do not seem concerned about alienating entities due to data availability.
- The technical staff emphasized that the focus has been on localized values but asked if there were other comments to discuss as a group.
- A member raised the following points:
    - The new categories (losses in Ecosystem services to support human life and Damages to the bult environment) defined in the Topic Methodology are not neutral statements about the direction (positive or negative) of impacts. The member suggested that the Methodology should align with VBA's categories.
    - Ecosystem services is more relevant in impacts than outcomes because outcomes should include changes in natural capital.
    - To incentivize entities, if an entity wishes to be recognized as adhering to the Topic Methodology, they must fall under Tier 1 (employing more localized data, for example); otherwise they should use it for internal purposes rather external disclosure.

Occupational Health and Safety Topic Methodology – Discussion

- The technical staff provided an overview on Occupational Health and Safety (OHS) and emphasized the following points:
    i. OHS hazards include ergonomic risk factors, as well as hazardous physical safety, chemical, biological, and psychosocial workplace conditions that pose a risk to workers' health (adapted from ESRS S1-14 and GRI 403).
    ii. OHS incident is a workplace exposure or unexpected occurrence that could or does result in injuries, cases of ill health (illnesses, diseases, or disorders), or fatalities for one or more workers (adapted from ERS S1-14).
- The technical staff noted that the scope of the Topic Methodology includes impacts of occupational injuries, cases of ill health, and fatalities on workers and society due to the physical and non-physical hazards of the workplace. This proposed scope is designed to show a connection with standard setters, international organizations, the historical regulatory precedent in different countries, existing methodologies in the impact accounting ecosystem (including VBA and IWAI), and as a result of that precedent, available data from corporations.

- The technical staff then noted the following are important but beyond the scope of the present Topic Methodology:
    i. Other work conditions that affect worker health, safety, and well-being but do not contribute to the occurrence of injuries, cases of ill health, or fatalities may be considered in future Topic Methodologies, including:
        a) Secure employment;
        b) Working time;
        c) Work-life balance; and
        d) Violence and harassment in the workplace.
- The technical staff than proceeded to explain that based on research on existing methodologies in the impact accounting ecosystem (VBA, IWAI, Capitals Coalition, WifOR) and academic and public studies on social cost of OHS incidents (EU-OSHA, HSE (UK), Safe Work Australia, Leigh (US)), there are 3 main OHS impacts:
    i. Direct financial costs which include the share of healthcare costs paid by workers, informal caregiver costs paid by workers and the share of healthcare costs paid by the public sector.
    ii. Indirect financial costs which include the share of wage losses not compensated, fringe benefit losses not compensated, home production losses, share of wage losses replaced by public sector and insurance administration costs to public sector.
    iii. Human health losses which include health-related quality of life losses.
- The technical staff then briefly provided an overview of the impact pathway of Topic Methodology as well as its alignment with relevant OHS reporting standards and norms in the impact management ecosystem:
    i. The technical staff highlighted the categorization of injuries, cases of ill health, and fatalities as outputs as being in alignment with the Impact Management Platform's definition of outputs.
    ii. The technical staff highlighted that both ESRS and GRI have requirements for entities to report the number of injuries, cases of ill health, and fatalities, but ESRS and GRI differ in how they require entities to specify the severity of injuries and ill health. ESRS does so in terms of days lost from work; GRI asks for "main types."
    iii. ESRS S1-14: Health and Safety requires entities to report the number of injuries, cases of ill health, and fatalities, and associated number of days lost. Requirements differ for

employees, non-employees, and value chain workers on-site and off-site.

iv. GRI 403: Occupational Health and Safety 2018, Disclosures 403-9 and 403-10 requires entities to report the number of injuries, cases of ill health, and fatalities, and of those, the number of "high consequence" injuries and "main types" of injuries and ill health.

v. National agencies' legal requirements for OHS reporting vary by country. Some countries' (especially higher income countries) requirements resemble ESRS and GRI; others are less rigorous.

- The technical staff proceeded to discuss the data required to measure OHS:
    i. At a minimum, the *count* of injuries, cases of ill health, and fatalities will likely come from entities' firsthand records.
    ii. The more data entities can provide beyond mere counts, the more accurate estimates of impact can be and the less reliant on modeling based on other sources like academic studies and statistics. However, high data requirements can be prohibitive.
    iii. The technical staff highlighted the opportunity to take a tiered approach to data requirements that brings measured and modeled data together.
- The technical staff introduced potential techniques for valuing human health.
    i. Willingness to pay (WTP) - stated and revealed preferences:
        a) The applicable sections from the ISO 14008:2019 category is 6.4 stated preference methods; sometimes 6.3 revealed preference methods, and especially 6.3.3 hedonic pricing.
        b) This approach elicits WTP for health gains using surveys or preferences revealed in surrogate markets. Additionally, this data can be extrapolated from value of a statistical life (VSL) studies, and vice versa.
        c) Some examples include EU-OSHA 2019 (EU) and HSE 2011 (UK).
    ii. Cost-of-illness **-** market price proxy:
        a) The applicable sections from the ISO 14008:2019 category consists of 6.2 market price proxies, especially 6.2.2 cost-of-illness.

b) This approach uses the total resources society spends on healthcare as a lower-bound estimate for the value people place on health.

c) Some examples include IWAI 2020 and VBA 2022.

iii. Production or consumption lost - market price proxy:

a) The applicable sections from the ISO 14008:2019 category are 6.2 market price proxies, especially 6.2.1 market prices of traded goods and labor.

b) This approach uses the loss of workers' economic productivity due to worse health as a lower-bound estimate for the value people place on health. Historically based on GDP per capita but calls to move "beyond GDP" have spurred use of lost consumption per capita.

c) Some examples include WifOR 2023 and RIVM (Netherlands).

- Members provided feedback to the discussion questions.
  - A member stated that Methodology is focused on the worker and not on the business. The Methodology should make it clear to the reader that it focuses only on the worker.
  - A member voiced that the perspective is "liability" oriented. However, there is work on the "assets" front. The member also noted that it is important to highlight the positive work entities are doing for OHS.
  - A member provided a methodology for reference called Occupational Health and Safety. The member also noted the importance of making sure double counting does not take place and whether there were protective measures used or not. If there were no protective measures used, then that incident should be valued higher compared to no measures applied. The member also expressed their agreement with valuating the positive impact of entities on OHS.
  - A member raised the following points:
    - What are we trying to measure? Is it the scale of the impact or the financial impact on the individual? – The Methodology should focus on scale of impact.
    - When using loss wages or healthcare costs, make sure purchasing power is taken into consideration along with the different value of money.

        - With Adequate Wages, the well-being utility of income approach was used but there has to be consistency across all methodologies.
    - A member asked the following questions:
        - How are we planning to treat sector specific scenarios? For example, a worker employed by a mining company vs a worker employed by a financial firm under stress for 14 hours a day.
        - What role does insurance play? Many of the risks are covered by insurance that the entity has in place, and the worker does not bear 100% of the costs.
    - The technical staff responded by stating the following:
        - Liabilities and assets - The reduction of negatives are captured within the Topic Methodology but for positive impacts, perhaps there is a way to signal a more holistic understanding through strategic framing.
        - Impact pathway – The Topic Methodology aims to capture both the financial impact and quality of life losses while ensuring that there is no double counting.
        - The dollar cost – The technical staff is still exploring whether the dollar cost should be run through a well-being utility function to arrive at a value impact.
        - Industry specificity – Industry-specificity can be incorporated if the methodology requires data from the entity itself on counts and severity of injuries, cases of ill health, and fatalities, and even if severity data are not provided by the entity, making sure that secondary data imputed to model severity is industry-specific.
    - The technical staff stated there is a deliberate decision to focus on the traditional narrow scope of OHS including hazards, injury risks etc. However, there are other topics out of scope that fit into wellness or culture categories. The technical staff further stated that these are topics that will be developed over time similarly to the assets and liabilities discussion. The technical staff than asked whether members agreed with the proposition.
    - A member agreed with the proposition but reiterated that positive impacts of an entity are important and should be viewed within a reasonable time frame.
    - A member voiced that focusing only on the negative impact would undermine the positive efforts of an entity. For example, from a

practitioner standpoint, entities invest a lot of money to ensure that every worker goes home safely. There are studies that show that incorporating a safety culture in the company is beneficial for workers outside of the workplace.

- A member emphasized that the positive impacts of a company should be included for fair representation. The member also raised the question to whether a value of a DALY should vary across countries for better comparison within the same country, considering across countries it could lead to undervaluing lives in poorer countries.
- The technical staff acknowledged all comments and mentioned that further comments are welcomed via email or future small group discussions.

General Consumer Methodology Statement

- The technical staff discussed industry-specific impacts including health impacts. The technical staff stated that product impacts specific to the industry would expand the current topic list.
- The technical staff stated that there is a lack of guidelines or procedures in valuing industry specific impacts. There are stakeholder demands from piloting projects including financial markets, stating that their positive impacts ("purpose") are left out.
- The technical staff discussed the following challenges:
    i. In acknowledging the substantial variation of impact drivers, outcomes, impacts, and potential valuation techniques between industries, devising a universal product methodology remains unfeasible.
    ii. Producing industry-specific methodologies at a pace matching demand poses challenges.
    iii. Therefore, our overarching objective is to develop a general framework that facilitates applications in alignment with our Methodology, aiming to avoid becoming a bottleneck.
- Finally, the technical staff requested written feedback on guidelines for when assessing industry-specific product impacts in the coming weeks.

2024 Work plan and Next Steps

- The technical staff highlighted the 2024 Work Plan shown in Figure 1.
- The technical staff expressed gratitude to the members for attending the meeting and highlighted that immediate next steps include the following:

- The GHG and Adequate Wages Topic Methodologies are out and members were encouraged to distribute Methodologies to encourage feedback as well as the Information webinar taking place on February 29th.
- A draft of the meeting minutes will be shared for review.
- The technical staff will be planning small group discussions to continue conversations discussed in this meeting.
- Pre-Exposure drafts of the Water Consumption and OHS Topic Methodologies will be shared in advance of the next VTPC meeting for feedback. Additionally, at the next VTPC meeting, members will be asked for votes for approval pertaining to the Topic Methodologies public comment period.

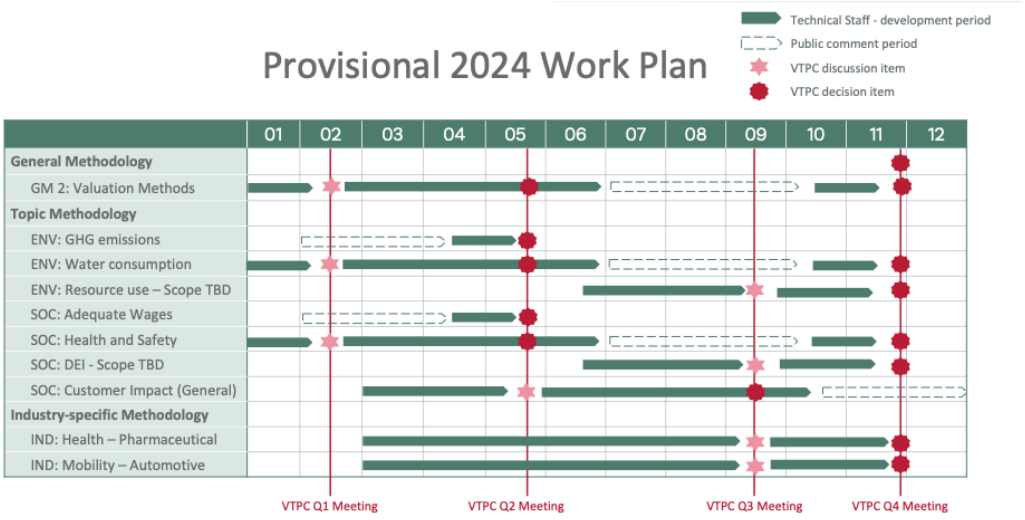

Figure 1: *2024 Workplan Overview*

Appendix A: Attendance

VTPC Members		
Name	**Attendance**	**Representative (If Absent)**
George Serafeim (Chair)	Present	
Sonja Haut (Vice Chair)	Present	
Mohammed Abdulrahman Al-Akil	Present	
Tom Beagent	Present	
Dr. Duoguang Bei	Present	
Jens Berger	Absent	
Sarah Bratton Hughes	Absent	
Adrian De Groot Ruiz	Present	
Christian Hell	Absent	
Klaus Hufschlag	Present	
Amma Lartey	Absent	
Jun Suk Lee	Present	
Kelly McCarthy	Present	
Crystal Pay	Absent	
Dr. Amanda Rischbieth AM FAICD	Absent	
Dr. Marta Santamaria	Present	
Pavan Sukhdev	Present	
Sebastian Welisiejko	Present	Emilia Cerra
Observers:		
Ben Carpenter	Absent	Yulia Romaschenko

Technical Staff	
Name	**Organization**
Dan Osusky	IFVI
Carter Berry	IFVI
Tamsin Chen	IFVI
Mosunmola Olowu	IFVI
Marah Mohamed	IFVI
Marc Rosenfield	IFVI
Michael Verbücheln	VBA
Francisco Ortin Cordoba	VBA