

MEETING MINUTES

Valuation Technical & Practitioner Committee

Meeting type: VTPC Meeting

Date: August 12, 2025

Location: Virtual

Contact: Dan Osusky (dosusky@ifvi.org)

This paper has been prepared for discussion by 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 the GM2 Final Draft, Wages Exposure Draft and Waste and Circularity Pre-Exposure Draft.
- Additional objectives included a discussion on the VTPC and next steps.

Meeting Agenda:

Topic	Time (Eastern Time)
Welcome	9:00 – 9:05 ET
GM2 Final Draft Discussion	9:05 – 9:40 ET
Wages Exposure Draft Discussion	9:40 – 10:15 ET
Waste and Circularity Pre-Exposure Draft Discussion	10:15 – 10:50 ET
Updates and Next Steps	10:50 – 11:00 ET

Welcome and Introduction Updates

- All members of the VTPC (“member” or “members” hereinafter) were welcomed to the meeting. The technical staff noted that quorum might not be present, but this was not necessary as no official voting was scheduled for the agenda.
- Thereafter, the technical staff provided an overview of the agenda and outlined the next steps following the July 22nd announcement of the merger between IFVI and the Capitals Coalition.
- The technical staff shared that in light of the merger and current resources, another public comment period will not be undertaken this year. Wages and Waste and Circularity will be discussed in the meeting for ongoing input but will not move forward with a decision this year. GM2, and the possibility of OHS and Water Consumption, are aimed to be finalized in the October VTPC meeting.

Presentation Deck Overview: General Methodology 2

- The technical staff provided an overview of the most significant changes in response to the public comment process.
 - Document purpose
 - a) Feedback Received
 - The statement should clarify the document's purpose, its position within the broader impact ecosystem, and its intended audience.
 - b) Summary of revisions
 - The first sentence was revised to reiterate that the purpose is to outline, data requirements, measures, and techniques.
 - Paragraphs were revised to reiterate that the document is not intended to serve as user guidance, but rather to inform Topic and Industry-specific Methodologies and to complement action-oriented resources from SVI and the Capitals Coalition.
 - Utility vs Well-being
 - a) Feedback Received
 - Utility and Well-being are different, but in practice, they overlap. Economists who develop valuation methodologies think in terms of economic utility, and the methodology should maintain links to better engage economists.
 - b) Summary of revisions
 - A sentence was added acknowledging that the concepts are distinct but overlapping, and utility functions are used to proxy well-being impacts.
 - OECD Well-being Framework
 - a) Feedback Received
 - The OECD Framework is relatively new and may reflect a predominantly Western view of well-being, which may not be culturally relevant across all contexts.
 - Alternative well-being frameworks are used by different cultures, developing countries, and organizations such as the UN SDGs, G20, and BRICS.

b) Summary of revisions

- Sentences were added to acknowledge that other aspects of well-being, including diverse cultural and national perspectives, may be relevant depending on the sustainability topic.
- Additionally, the OECD well-being Framework is not exhaustive, and additional components of well-being may be included in Topic and Industry-specific Methodologies.

o Dimensions and Capitals¹

a) Feedback Received

- Request for clarification on the role of dimensions and capitals in the impact pathway.
- Reflects the OECD's view that dimensions are "current well-being" and capitals are "future resources for well-being"; however, this does not align with the Capitals Coalition's perspective, which sees capitals as foundational to well-being both now and in the future.

b) Summary of revisions

- Sentences stating that only the dimensions are used in the impact pathway were removed.
- A new section was added to emphasize the roles of both well-being dimensions and capitals in the impact pathway, highlighting their role in qualitatively describing aspects of well-being.
- Figure 4 was revised to remove the terms "current" and "resources," referring instead simply to "well-being dimensions" and "capitals."

o Stocks and Flows²

a) Feedback Received

- Clarification on the distinction between stocks and flows within the OECD Framework and Methodology.

b) Summary of revisions

¹ The changes in this section has been reviewed in consultation with the Capitals Coalition and reflects their feedback.

² The changes in this section has been reviewed in consultation with the Capitals Coalition and reflects their feedback.

- A new section was added to clarify the role of stocks and flows in the Methodology.
- A sentence was added stating how both the OECD and the Capitals Coalition view these terms. The Methodology adopts an agnostic stance, as the specific terminology does not affect the results of the impact pathway.
- Define outcome³
 - a) Feedback Received
 - Some feedback noted that the definition of a “well-defined outcome” has been altered from its use in existing frameworks, resulting in misalignment.
 - b) Summary of Revisions
 - The term “well-defined outcome” was changed to “defined outcome” to reflect the differences in terminology. There are references to SVI sources for further information on the concept of well-defined outcomes.
 - A new table that displays a selection of definitions from throughout the impact management ecosystem to highlight similarities and differences.
- Additional examples
 - a) Feedback Received
 - Examples of defining outcomes including degree of separation would be helpful.
 - b) Summary of Revisions
 - Two call-out boxes were created to provide examples of defining outcomes in the impact pathway, including GHG emissions and societal impacts such as OHS.
- Environmental impacts and Well-being
 - a) Feedback Received
 - There was feedback emphasizing that the Methodology should articulate the link between environmental impacts and human well-being.
 - b) Summary of Revisions

³ The changes in this section has been reviewed in consultation with the Social Value International and reflects their feedback.

- The Exposure Draft already included a section explaining the relationship between environmental impacts and human well-being.
 - To more clearly direct users to this relationship, the section title was changed from “The Role of Well-being in Impact Accounting” to “Well-being and Environment in Impact Accounting.”
 - The section was also moved higher in the document to enhance visibility and clarity.
- Stakeholder perspective ⁴
 - a) Feedback Received
 - Some feedback indicated that stakeholder involvement is not emphasized enough in the document.
 - There should be specific guidance on stakeholder engagement, including methods for identifying stakeholders, incorporating stakeholder input into decision-making processes, and engaging with stakeholders to understand their perspectives on various valuation techniques.
 - b) Summary of Revisions
 - A call-out box was added to highlight the importance of stakeholder engagement in the Methodology. It also acknowledges that stakeholder perspectives may influence the choice of the valuation approach.
 - A section was added to address local and global stakeholder perspectives in valuation.
 - Ethical considerations
 - a) Feedback Received
 - The statement should emphasize that well-being in this Methodology refers to human well-being. There may be instances where human well-being conflicts with the well-being of nature (including animals). This raises an ethical question of whether human well-being should be prioritized in such cases.

⁴ The changes in this section has been reviewed in consultation with the Social Value International and reflects their feedback.

- b) Summary of Revisions
 - A call-out box was added to explain how ethical considerations should be taken into account when selecting valuation techniques.
- Data requirements
 - a) Feedback Received
 - There is limited clarity regarding the data requirements and the quality of the data. The qualitative characteristics of impact information are not explicitly defined, leaving decisions about data sources, collection methods, and valuation techniques largely to the discretion of the preparer.
 - There is no explicit information on whether secondary data is certified or assured for quality and validation purposes.
 - b) Summary of Revisions
 - The qualitative characteristics of impact information were defined in GM1; however, to help guide users, footnotes are added to review GM1 for further information.
 - A paragraph was added describing two sets of data requirements: a preferred option and a minimal option. These options address potential data limitations in Topic and Industry-specific Methodologies. Topic and Industry-specific Methodologies will provide further detail on data requirements and limitations.
 - To further emphasize data quality, a paragraph was added stating that assumptions underlying the calculations, including impact pathways, should be disclosed and the process for developing an impact pathway should be evidence-based.
- Measures vs Metrics
 - a) Feedback Received
 - Section 3.6 (objective and subjective well-being) does not describe methods but types of metrics. This document is partially not achieving the main purpose as stated in Paragraph 1.
 - b) Summary of Revisions

- The term 'methods' was replaced with 'measures' because objective and subjective well-being are mainly presented in the literature as metrics or measures.
- The technical staff also provided an overview of the valuation perspectives responses. The technical staff noted that a section on global and local perspectives in valuation has been added to the main text.
- Furthermore, the technical staff emphasized that local and global valuation perspectives are integral to the Methodology, with utility weights acknowledged as a complementary adjustment to the global approach when desired (but not part of the official methodology). This will be embedded in subsequent Topic Methodologies (e.g., Wages Exposure Draft)

Discussion:

- Members provided the following comments:
 - A member raised concerns about a [recent article](#) discussing IFVI's approach to impact accounting.
 - The technical staff explained that they had spoken with the authors and clarified that the feedback related to the Exposure Draft, not the final methodology. Nevertheless, the technical staff acknowledged these concerns and noted that they are being proactively addressed through ongoing development of GM2 and Topic Methodologies.
 - The technical staff also highlighted that part of addressing the concerns is the importance of incorporating both global and local perspectives, recognizing that local context remains highly valuable for analysis in specific jurisdictions, whereas the global perspective is more appropriate for cross-country assessments.
 - A member thanked the technical staff for striving to align as much as possible with their work, noting that perfect alignment is impossible, but flexibility makes alignment easier.
 - A member asked whether there were parts of GM2 that might need future revisions.
 - The technical staff confirmed that impact accounting and well-being measurement are still evolving fields, with ongoing innovation in valuation techniques and data availability.
 - A member reiterated the need for a process to prioritize topics in response to new developments.
 - The technical staff agreed, suggesting that revisions could be prioritized based on progress rather than fixed timelines, mirroring practices in financial accounting.
 - The technical staff also noted that the presentation of impact statements is a key area requiring further development and could potentially be addressed in GM3.
 - Finally, the technical staff emphasized that the current GM2 document acknowledges that techniques and frameworks may change as the field develops, and therefore it is not exhaustive.

Presentation Deck Overview: Wages Methodology

- The technical staff provided a recap of the previous survey ballot and VTPC meeting; meeting notes can be found [here](#).
- The technical staff noted that there is a strong indication (11 to 1) in favor of acknowledging two impacts of wages below a living wage, with the positive impact of wages exceeding the negative impact for wages near a living wage.
- The technical staff also mentioned the following points about the survey responses:
 - Supporters cited alignment with economics and real-world trade-offs, making the approach more decision-useful and impactful.
 - One voting member and one observer argued for a single negative impact, citing a focus on human/social capital, discomfort with distinguishing between the two impacts, and concerns about double-counting.
 - Caveats included hesitation over the economic vs. social/human distinction and a call for clear articulation of the rationale.
- Thereafter, the technical staff proposed whether the remuneration impact should undergo a well-being translation and presented the following options in a decision tree.
 - Option A: No, remuneration impact (wage) does not have to undergo a well-being impact as it is expressed in monetary terms.
 - a) The follow-up question was whether the GVA Methodology in combination with other contributors to GDP (i.e., profits, tax, etc.).
 - If the answer is “no”, they impact different stakeholders and should be presented in separate documents.
 - If answered “yes”, GVA is a common measure that should be included as its own impact accounting methodology
 - Option B: Yes, the impact of the wage, rather than the wage itself, is essential for impact accounting.
 - a) The follow-up question was whether the information should instead be presented in the same Methodology as the Living Wage Deficit.

- A “yes” would mean that the Methodology includes both remuneration and the living wage deficit (*recommended approach*).
 - A “no” would indicate it should be presented as a standalone Wages Methodology and published in separate documents.
- The technical staff explained the definitions of impact and impact pathway, noting that impact accounting ‘translates’ an entity’s activity outputs into changes in well-being and assigns value to those changes. They also provided the following example:
 - The tones of emissions (CO₂e) is an output that has been translated into well-being through the cost of carbon. The results provide the impact of those greenhouse gas emissions. This can be analogous to wages- although wages are already in monetary terms, they can be considered an output and not a valuation of the well-being derived from those wages. In the case of Remuneration Impact, the well-being translation is meant to reflect diminishing marginal utility, where the ‘first dollar’ results in greater well-being, and each additional dollar has less impact.
- The technical staff noted that if remuneration impact were included as part of a GVA methodology the following should be considered:
 - Pros
 - a) Aligns with a commonly accepted macroeconomic measure
 - b) Already established by some practitioners/methodologies.
 - Cons
 - a) Inconsistent with the purpose of impact accounting, including the definition of impact and the measurement of well-being
 - b) Recognizes increasing positive impact for very high wage earners, without diminishing utility.
 - c) Limits the ability to analyze different impacts on different stakeholders if presented in total (i.e. concern about netting).
- The technical staff presented the following options for the Methodology Statement Structure:

- Option 1:
 - a) Present remuneration and the living wage deficit together in a single *Wages Methodology*, as both share the common impact driver of wages. This approach is reflected in the current Exposure Draft.
- Option 2:
 - a) Despite the common impact driver, present remuneration and the living wage deficit as separate documents.
- Option 3:
 - a) Fully adopt the GVA approach, incorporating remuneration impacts without translating them into well-being terms, and present them alongside other GDP contributors (e.g., taxes, profits). Under this option, the living wage deficit methodology and the GVA methodology would be presented separately.
- The technical Staff noted that the Exposure Draft (Option 1) avoids the risk of greenwashing, as presenting the two impacts together reduces the likelihood of entities selectively using one impact while ignoring the other. It also improves ease of navigation and supports holistic application.
- Thereafter, the technical staff returned to the decision tree slides and prompted a discussion.

Discussion:

- Members provided the following comments:
 - A member asked whether well-being should be considered an outcome or an impact, and whether the discussion is to choose the recommended approach or explore other alternatives.
 - The technical staff explained that there is not a consensus across the VTPC, and this should be viewed as an opportunity for open discussion on the options presented. They suggested reframing the question to ask whether the wage value itself already constitutes an impact. If so, the answer in the decision tree would be “no.” If wages are treated as an output and the impact relates to the benefits derived from those wages, the answer would most likely be “yes” on the decision tree.
 - The technical staff further noted that, according to the literature, wages are an output. They trigger well-being impacts but are not themselves a well-being metric. Therefore, wages must be translated into well-being. The rationale for the current Exposure Draft is based on existing literature.
 - A member inquired whether the Methodology would be referred to as the “Living Wage Deficit.”
 - The technical staff confirmed that the recommended option is the first option (*Wages Methodology*) but emphasized that VTPC members are free to vote for other options.
 - One member stated that remuneration impacts should undergo well-being translation, as this is most consistent with GM2 and ensures consistent well-being terminology.
 - Another member commented that while wages may be considered an output leading to impacts, wages have broader effects beyond well-being. For example, higher wages can lead to increased greenhouse gas emissions and other impact pathways. This member expressed uncertainty about limiting the translation solely to well-being impacts.
 - A member supported translating wages into well-being and agreed with the recommended approach but acknowledged the practical challenges this would pose for corporations.
 - The technical staff added that if moving forward with a public comment period, they would have proposed asking whether the

Methodology should be split. Previous public comment asked this question but feedback did not address the issue. They also noted that the data requirements would remain the same regardless of whether the documents were combined or separate; the key difference lies in ease of use.

- A member noted, based on their work, that remuneration impacts are distinct from the impact's wages may have on human capital development, workers, and families. They suggested including remuneration within a gross value added (GVA) approach rather than combining it with well-being impacts, as this approach is, in some sense, universally followed.
- Another member emphasized that GVA is an important measure for many projects and should be included regardless of the outcome of the current discussion. Even if GVA is treated as a different type of impact, it should still be included, at least as a benchmark.
- The technical staff clarified that they are not suggesting that GVA should not be used. The best analogy, they explained, is the use of the social cost of carbon. The use of the social cost of carbon does not mean greenhouse gas emissions should not be reported or used. However, for the purposes of impact accounting, there should be a well-being translation, with GVA included as a complementary approach that is distinct from impact accounting itself.

Presentation Deck Overview: Waste and Circularity Methodology

Technical staff highlighted several discussion questions based on the recent Pre-Exposure Draft shared with the VTPC. This included the following:

1. Recoverability of Waste

- The technical staff noted that the 'Future Resource Depletion' pathway assumes that when resources are removed from circulation (i.e., landfilled or incinerated), they are no longer able to be used by society.
- The technical staff also noted that though landfilled waste is generally not destroyed, there is an assumption that waste sent to landfills is unrecoverable, often due to extraction costs and economic forces.
- The technical staff cited a paper [Landfill mining: Case study of a successful metal's recovery project](#) (e.g., Maine recovered \$ 7.5 M waste) and posed the following question:
 - Do you find this assumption appropriate and acceptable within the Methodology Draft? Alternatively, should more research be done on this, or a different assumption be applied?

2. Data Sources, Gaps, and Uncertainty

- The technical staff stated that the data requirements described in the pre-Exposure Draft are expanded and may affect feasibility, particularly with the inclusion of non-renewable waste (which is not traditionally included in reporting requirements).
- Thereafter, the technical staff posed the following question:
 - Do you think we need to add more clarification and guidance on how entities can quantify or estimate their non-renewable waste streams? Do you have suggestions of resources we can direct entities to?

3. Mismanaged Plastic Approaches

- The technical staff emphasized the importance of differentiating between land-based and marine-based plastic sources. Recent studies have developed models that demonstrate most plastic emissions are transported by river systems.
- The technical staff provided a model from [Meijer et al. 2021](#), which models the probability that plastic waste discarded on land will reach the ocean and become marine plastic.

- The technical staff also noted that Meijer et al. 2021 states that 1,000 Rivers account for 80% of global annual plastic emissions.
- The main issue of incorporating the Meijer et al. 2021 paper is that it does not differentiate between terrestrial sources (i.e., it does not differentiate between plastic littered by individuals, by illegal dumping, or mismanagement on the way to landfill or incineration facilities). The technical staff posed the following question.
 - Are you concerned that this approach leads to overestimation? If so, do you have suggestions for how we might refine or validate this estimate?

4. Waste Trade

- The technical staff stated the current draft assumes that all waste produced in a country stays in that country, thereby excluding the international waste trade. Attempting to incorporate them, if feasible, would add significant complexity to the models.
- The technical staff provided the following statistics:
 - For plastic, approximately 5 million tons were traded globally in 2020, which was about 2% of the total plastic waste generated. (Small amount of the total, but still very significant)
 - In 2022, approximately 5.1 million tons of e-waste (8.2% of the total) were shipped across borders.
 - a) 65% was shipped from high income to middle- and low- income countries.
 - Conclusions: the waste trade is significantly different depending on the waste composition described, and it disproportionately affects lower income countries than higher income countries.
- The technical staff posed the following question.
 - What are the potential implications of not incorporating cross-border waste flows into our methodology? Should we consider incorporating them?

Discussion:

- Members provided the following comments:
 - A member asked whether the waste trade can be taken care of by the I/O models.
 - The technical staff stated that it is possible but would have to look into it further.
 - The member responded, stating that landfill should be treated as “worst-case” with the highest impact valuation to discourage use, and recovery of landfill mining could be treated separately as a positive effect.
 - The technical staff noted that it varies by country whether landfill or incineration has the greater impact. The current waste and circularity model describes higher impacts for landfill in many countries, especially in smaller, high-density nations, but this is not always the case.
 - A member inquired whether the use of non-renewable resources represents the most significant “value” among the valued impacts in this area. The member further noted that, for a resource to be considered truly renewable, it is important to distinguish between extracting a material that took thousands of years to form within the Earth and simply relocating existing materials within the Earth. These are distinct concepts, and care should be taken not to conflate these concepts.
 - A member asks if the Methodology could consider a “footprint” approach, assigning impacts (CO₂, plastic leakage, pollution, etc.) based on end-of-life treatment of the importing country, and added a [resource](#).
 - A technical staff member noted that the complexity is that for individual companies, we are unaware of the importing country that waste is sent to, and it would be a challenge to map.
 - The technical staff acknowledged some resources available to map waste trade, while acknowledging that most data is plastic specific and not reflective of all waste. It is difficult to determine where plastics as waste end up in the world and how many times they are traded. Therefore, it may be feasible to include certain types of waste but not all waste.

- A member inquired about comparing results of valuation coefficients (for example, ocean plastics coefficient versus landfill coefficient versus incineration coefficient).
 - The technical staff stated that some analysis of valuation factors has been undertaken internally to understand the drivers of an entity's impacts based on the value factors produced as part of the pre-exposure draft; however, there is no comprehensive database providing an overview of the current landscape.
- A member made the following points:
 - Landfill mining is a challenging business model and an exception rather than the norm. The Methodology should reflect the prevailing reality - that landfill waste is generally unrecoverable and note such exceptions through narrative disclosure.
 - Regarding the name of the Methodology, the member suggested defining its boundaries. A significant portion of waste is generated due to inefficiencies in material use. While this is a waste issue, it is not necessarily a circularity issue. If material efficiency is to be included, it aligns more closely with "waste/resource productivity" than with circularity. Alternative names considered include "Waste & Recycling" or "Outputs" to better match the intended use
- The technical staff acknowledged all feedback and thanks VTPC members.

Conclusions and Next Steps

- To conclude the meeting, the technical staff provided the following updates:
 - The meeting minutes will be sent by the end of the week.
 - Wages: A discussion and any further feedback will be incorporated into next iteration of governance.
 - General Methodology 2: Final draft anticipated in October.
 - Waste and Circularity: Written feedback encouraged through end of September, will be incorporated into next iteration of Governance.
- The technical staff thanked the members for their participation, and the meeting was concluded.

Appendix A: Attendance

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

Technical Staff	
Name	Organization
Dan Osusky	IFVI
Mosunmola Olowu	IFVI
Marc Rosenfield	IFVI
Michael Verbücheln	VBA
Francisco Ortin Cordoba	VBA

Additional Observers	
Name	Organization
Rob Zochowski	IFVI
Martin Lok	Capitals Coalition