
White Paper

Integrating Frameworks for Multi-Capital Accounting, Reporting and Valuation

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A. Introduction

On December 12th, 2018 and March 22nd, 2019, the University of Oxford's Saïd Business School hosted the first and second Oxford Impact Roundtables (OIR). About twenty-five practitioners and experts came together to discuss whether and how it is possible to extend the language and practice of accounting to non-financial capitals and develop a management accounting tool with a more expansive view of profit through the incorporation of companies positive and negative externalities. All participants were united in a strong sense of urgency and necessity for reliable measurement tools to help managers consider the right level of profit for their decision making. Participants presented their own measurement approaches and innovations, which differed in various aspects. Through this, the workshop took stock of current progress on accounting tools that incorporate measures of multiple capitals and facilitated discussion around best practices, valuation methodologies and what role standards would play for this in the future.

This White Paper provides a summary of the insights gathered at these Roundtables and proposes a structured frame for the evaluation of the most popular sustainability accounting, reporting and valuation approaches and their relation to one another. Through this we hope to identify synergies and complementarities of different frameworks and enable a better understanding of these by internal and external audiences. Specifically, this paper considers the following frameworks: Sustainability Reporting, Triple Bottom Line, Integrated Reporting, Impact Valuation, Integrated Profit and Loss accounting (Integrated P&L) and the Mutual Profit and Loss statement (Mutual P&L). Recognizing that a multitude of frameworks exist and are in use, we

¹ **Acknowledgment:** We are grateful to all participants of the first and second Oxford Impact Roundtable for their thoughtful comments and their contribution to the development of this White Paper. In particular, we thank Colin Mayer, Robert Eccles, Kazbi Soonawalla and Will Ritzrau for their detailed comments on various versions of this White Paper.

have focused our analysis on those that are most frequently used and relevant for the context of the OIR participants.

All OIR participants have participated in discussions under the premise that non-financial measurement is possible and relevant to business. Still, intentions and audiences vary. Therefore, we will start by summarizing the expressed views on why the measurement of multiple capitals is deemed important before surveying the various techniques and methodologies of doing so.

B. Why Impact? Why Measurement?

In the last 10 years, many companies have decided to create a Statement of Purpose in recognition of the fact that long-term profit can only come from a true sense of Purpose. In this Statement, the company communicates to its internal and external stakeholders how it defines its role and responsibilities in the wider context of society. To align definitions of Purpose with the practice of companies, new accounting tools need to be developed which take into account how profit is earned, not just how much is earned. This requires taking account of the positive and negative social and environmental externalities that are produced by the company's operations. For the last couple of years, various companies and non-profits have committed substantial efforts and resources to develop frameworks and methodologies for the measurement and incorporation of non-financial capitals. Being developed separately but concurrently, the existence of these tools indicates that the time has come for a new management and accounting tools and methodologies that better aligns profit to Purpose.

Yet why do companies strive to include measures of social, human and natural capitals in the first place? And what do various organizations mean when they speak of managing their "impact" on society and environments? The OIR discussions highlighted four core realizations which incentivize companies to consider non-financial assessments for their operations: the increased importance of the firm's Purpose, the necessity to extend the boundary of the firm, the importance of non-financial assets for long-term value creation and the increased demand for reliable and verifiable information in this space:

- 1) The Purpose of the corporation is being revised in thought and practice, leading to a discussion of its license to operate. The gravity and urgency of systemic

challenges, such as climate change and income inequality, oblige firms to operate as agents of change to maintain their license to operate within society. To achieve this, corporations have to redefine their role within their ecosystem and towards their stakeholders and change their mindset from value-extracting, via value-maintaining to value-creating (Mazzucato, 2018). Reiterating what corporations are for, Mayer (2019) lays out that “the purpose of business is to produce profitable solutions to problems of people and planet.” In other words, managers need to be aware of the effect which their business operations and products have on their ecosystem to avoid value extraction and leakage and support value creation. This awareness requires assessment.

- 2) In order to allow a more complete perspective on the role of a firm in society, the notion of “the boundary of the firm” needs to be extended and redefined. To enact this requires a shift from mere notions of ownership and prosperity to a wider inclusion of other, non-financial assets which are material for the firm. Many key concepts on which our markets are built are affected by this notion and need to be rethought. The mere financial definitions of growth, performance and success, for example, and the way in which we formalize business arrangements through contracts are all affected by the definition of the firm’s boundary. Contracts, for example, are therefore central and complete in the current view of the firm but exclude other, crucial relationships which are important for the evolving view of the firm. The idea of “internalizing externalities” is directly linked to this and refers to the extension of corporate agency beyond the notion of physical ownership to include a wider set of stakeholders’ concerns.
- 3) Long-term value creation is interlinked with assets other than materials and financials. Whereas companies rely on financial and physical assets to undertake their business operations and exchanges, they equally rely on the environment to provide material, on humans to assemble it and on the society to legitimize their operations. Sustainability as a strategy to address environmental, societal and human needs related to business operations is therefore not a mere philanthropic sense of business awareness but a business necessity in its most basic definition: “the quality of being able to continue over a period of time”². Realizing the importance of maintenance of multiple forms of capital sustains the capacity to

² Oxford Dictionary, 2019.

maintain business in the long-term, while driving financial profitability and facilitating benefit to society within the planetary boundaries at the same time (Raworth, 2017). This mutuality of strategy is reflected when accounting for sustainability.

- 4) The external demand and pressure from investors and consumers for reliable and verifiable information about the non-financial commitment of companies steadily increases. This has induced the creation of a data vendor industry that offers large amounts of assessments about the environmental, social and governance (“ESG”) performance of listed companies (Eccles and Strohle, 2018). However, these external assessments of companies remain unreliable with opaque methodologies and are not able to reflect the actual sustainability performance nor the efforts made by companies at the operational level. While the reporting on non-financial measures is important to enable responsible and long-term oriented capital investments, metrics equally need to reflect the true commitment of companies towards material aspects of their business. Accounting methods are therefore necessary to allow the firm to track and manage the success or failure in managing their material non-financial assets. The importance of linking measures to corporate decision making through management accounting systems was therefore strongly emphasized in the OIR discussions. Additionally, due to the possibility of auditing processes, accounting methods offer a degree of verifiability which is lacking entirely from ESG.

The Importance of Materiality

A company’s ultimate definition of success and the related measures, which are used to capture it, will naturally relate to its defined purpose. When success is defined through a company’s purpose, it is most likely that non-financial KPIs will be of importance, as the purpose of a company very seldomly only relates to financial wellbeing. On the contrary, the defined purpose of most businesses speaks to a large group of stakeholders, including employees, customers, surrounding communities and natural eco-systems, as well as society and environment at large. Because of this vastness, the link between purpose and a sound evaluation of practice through measurement must always lead via an assessment of materiality.

Materiality is a key difference between financial and multi-capital accounting approaches. Whereas a company’s material and financial assets can, and in fact

legally must, all be disclosed, a company will never be able to capture all its non-financial assets or measure all social, natural and human areas which are impacted by its operations. Doing so would also not be desirable, as it would be hugely inefficient, counterproductive and unavoidably opaque. Due to this, the assessment and incorporation of multiple capitals must be preceded by a selective process. This process needs to be guided by considerations of which issues are most material to a company. Two concepts of materiality in the sustainability exist: one advocated by the Sustainability Accounting Standards Board (SASB) and one by the Global Reporting Initiative (GRI). The former defines materiality regarding those issues in environment and society, which most affect the operations and return of a company³; the latter, in turn, defines material issues as those externalities, which are most impacted by the company's operations⁴.

The use of Multi-Capital Accounting

Drilling down on the above realizations, a limited set of questions can be defined which firms and stakeholders try to answer by extending traditional frameworks of financial reporting and accounting with multiple capitals.

In particular, four different questions emerge:

1. How do the operations of the firm affect different forms of capital?
2. How do different capitals affect the performance / profitability of a firm?
3. How do different capitals affect the market value of the firm?
4. How can the multi-capital performance of a firm be accounted for?

It is important to note that these questions are aspirational: the current measurement systems in use are only partly able to address them.

In the assessment of non-financial performance, definitions of which categories to address vary. While external evaluations focus on the performance dimensions of environmental, social and governance issues, most companies focus on at least “environmental” and “social” as different categories for assessment. Other frameworks, such as the International Integrated Reporting Council's (IIRC) framework and the

³ <https://www.sasb.org/standards-overview/materiality-map/>, last viewed May 2019

⁴ <https://www.globalreporting.org/resourcelibrary/Defining-Materiality-What-Matters-to-Reporters-and-Investors.pdf>, last viewed May 2019

Mutual P&L, each define a more granular set of non-financial capitals to address. Both define financial capital, natural capital, social / relationship capital and human capital. The IIRC additionally defines intellectual and manufactured capital and the Mutual P&L adds shared financial capital. The term “capital” is used to reflect the equality of these measures to the commonly accepted terminology of financial capital. The following section will address the frameworks and measures used to capture these multiple forms of capital.

C. Non-financial Accounting and Reporting Frameworks

The Frameworks discussed here seek to reflect a firm’s relationship with society and the environment in accounting and reporting language. A variety of such frameworks have emerged, each focusing on a range of diverse issues, as appropriate for different audiences. Most frameworks are concerned with both the influence of firm operations on society and the environment (impact) and with the effect of society and environment on the firm’s operations, its financial outcomes and profitability (materiality).

The development of these frameworks can be seen in the context of a larger development in both management and investing towards more inclusive, sustainable and long-term notions of business and the capital markets.

Figure 1 depicts this progression on three related dimensions: management, investing and reporting.

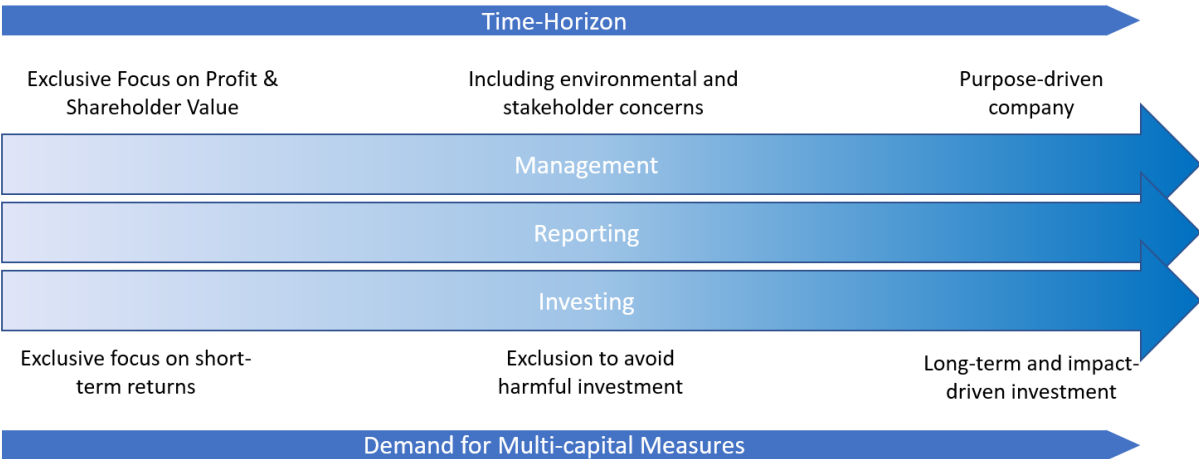


Figure 1: Evolving Emphasis in Management, Reporting and Investing

The progressions in figure 1 depict a very simplified version of how the common views on business and capital markets have changed. In both management and investment practice we find an extension of time-horizons and a greater inclusion of concerns about stakeholders and eco-system which have relevance beyond the exclusive creation of financial returns. Yet, although the thinking on the right side of the spectrum has grown more prevalent over time, the practices of the majority of companies and investors are still largely aligned with the reasoning depicted on the left side of this graph. Reporting and accounting practices have developed as a result of these developments, driven by a greater demand for information on other relevant capitals alongside financial and material ones. In the next part of this paper we assess some of the frameworks that have developed in response to this demand.

Six prominent frameworks are summarised here. These range from a qualitative assessment of project-based interaction between the company and its stakeholders, to a quantified account of the firm's financial and non-financial performance:

Sustainability Reporting: A firm-level annual report raising awareness about a firm's environmental and societal initiatives across various projects, summarised with qualitative information. The report is targeted at investors and external stakeholders.

Triple Bottom Line: A firm-level annual report which tracks three separate areas and bottom-lines: Environmental, Social and Economic. Measures are tracked annually in absolute units of social and environmental (e.g. environmental measures, such as GHG emissions), which are not converted to financial units.

Integrated Reporting: A firm-level report for the board and external audience which highlights interdependencies of six capitals and how they can be used for value creation. Understanding interdependencies is expected to guide corporate strategy and develop a corporate culture of "integrated thinking and steering". Examples of such integrated thinking are the increase in employee-retention or reduction of CO2 emission to increase profits or higher spending on training to increase human and intellectual capital.

Impact Valuation: A technique to capture environmental and social impacts in monetary terms, without using them for the adjustment of financial statements. Impacts are measured in appropriate non-financial units and are then multiplied by a 'valuation coefficient' to allocate a monetary value for each impact. These

valuation coefficients are based on existing market prices or costs to society. Impact Valuation complements traditional financial measures to inform specific high-level decisions, such as capital allocations.

Integrated P&L: The adjustment of a traditional financial P&L along the value chain; From the upstream supply chain (own operations) to downstream through the use of product and services. The environmental and societal impacts from across the firm are monetised individually through valuation coefficients and the original financial P&L statement is then revised by adding the material monetised values, revealing the 'Integrated Profit' of the firm for that year. These statements target board-level decision-making and external reporting.

Mutual P&L: A cost-based technique to maintain and build non-financial capitals through financial investments within a project. Project-level business interventions integrate the financial and non-financial capitals. Successful projects increase the financial profit at the project-level and firm-level. Improvements in non-financial capitals can also be aggregated at the firm-level. Multiple capitals are integrated at project- and aggregated at firm-level.

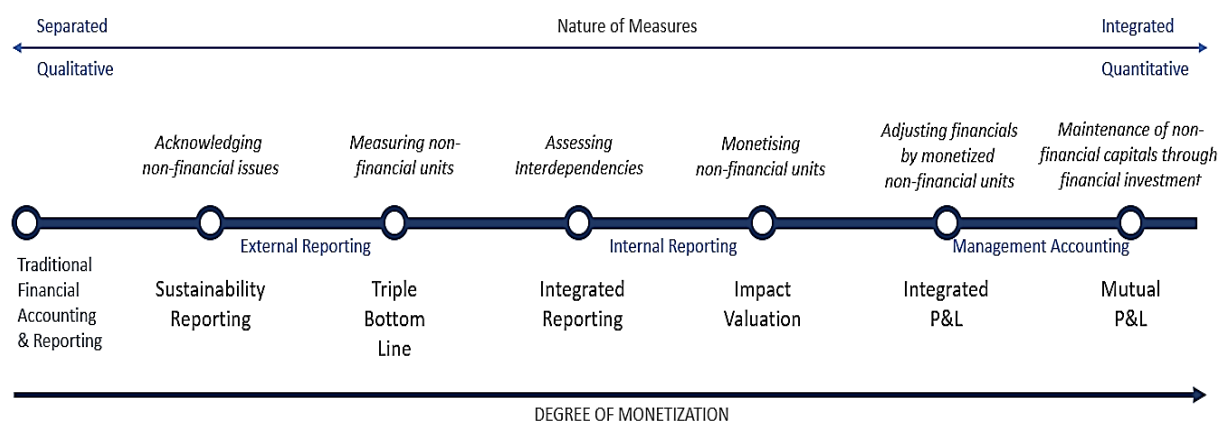


Figure 2: Spectrum of Multi-Capital Accounting Frameworks

The various Non-Financial Accounting Frameworks have been situated along a spectrum (Figure 2). This spectrum represents an **integration of the multiple capitals**, and an increasing **degree of monetisation** of non-financial capitals. There is a progression from qualitative sustainability reporting on singular non-financial

issues towards specifically quantified and integrated financial / non-financial accounting systems, such as the Integrated P&L and the Mutual P&L.

Furthermore, different Non-Financial Accounting Frameworks function at different levels of analysis (product / project- versus firm-level) and cater to different audiences (internally and / or externally). Regarding the unit of analysis, it is particularly interesting to note the levels on which frameworks *do not* have immediate applicability. The audience ranges from investors, board members, project managers, to public bodies and other stakeholders. Depending on the intention for which a framework is used, different understandings of materiality and techniques of valuation apply. Table 1 summarizes unit of analysis, audience, intentions, materiality and valuation for each accounting and reporting framework.

Table 1: Comparison of Non-Financial Accounting Frameworks

	Sustainability Reporting	Triple Bottom Line	Integrated Reporting	Impact Valuation	Integrated P&L	Mutual P&L
Unit of Analysis	Firm- level	Firm-/ Project-level	Firm-/ Project-level	Firm-/ Project-level	Firm-/ Product-level	Project-level
Audience	Reporting Audience / External	Reporting Audience / External	Board & Reporting Audience	Board & Reporting Audience	Board-level Management / Internal	Management Accounting / Internal
Intentions	Inform	Inform	Create integrated thinking	Supplement decision-making	Change decision-making	Change processes & operations
Materiality	Externality	Externality	Financial / Externality	Financial / Externality	Financial	Purpose-driven
Valuation	No monetization	Absolute, no monetization	No monetization	Present Value	Present Value	Cost-based

D. The Role of Valuation

A major point of distinction between the different frameworks is the choice of valuation technique which underlies the assessment of non-financial capitals. The valuation techniques presented here are (see elaboration and examples in Appendix A):

- Qualitative assessment without monetization (Sustainability Reporting)
- Absolute, measures in non-financial units (Triple Bottom Line, Integrated Reporting)
- Net Present Value of non-financial capital for external stakeholder (Impact Valuation, Integrated P&L)
- Cost of Investment for firm to maintain non-financial capital (Mutual P&L)

Since these valuation techniques are at the heart of accounting frameworks, their distinguishing attributes are seen in the reports prepared for each accounting frameworks (see Appendix B for sample-extracts from reports).

Whether or not an assessment of non-financial capitals *should* include monetization, and if so for whom, is still to be debated. Those frameworks which work with monetization argue that monetized numbers are easier to understand and compare

than absolute non-financial entities. Usefulness and efficacy, especially for investors and managers, stands therefore in the forefront of this exercise. At least on the investor side this could be challenged, as investors could estimate monetized impact themselves if standardized non-financial figures were coherently given. Arguably it is therefore the incoherence of reporting, not the missing monetization, which impedes the utility of non-financial capitals for investors.

The choice of valuation technique also has implications for how non-financial capitals are managed. Consider a comparison between Integrated P&L and Mutual P&L, frameworks based on different valuation techniques. A limitation in Integrated P&L is that detrimental environmental or societal impact can be masked by increasing financial profit. If a firm were to scale up its operations in their current form, it would still show an increasing 'Integrated Profit' bottom-line, concealing the exacerbating environmental impact and societal impact in the background, which would be subtracted as relatively smaller values from the larger Integrated Profit. Improvement in Integrated Profit therefore need not reflect responsible management of multiple capitals.

In contrast, consider the cost-based technique used in Mutual P&L. Mutual P&L monetises the financial effort needed to restore natural capital in natural capital terms, social capital in social capital terms and so on. If the investment fails to maintain or build non-financial capitals, that amount will instead be accounted as an operating expense, adversely affecting the bottom line of the project. Since this capital-building is to be achieved through context-specific business model intervention, the project-level bottom line is structured to reflect success in maintaining or building those non-financial capitals. These project-level bottom-lines can further be aggregated to a firm-level profit. A downside of this approach is, however, that not all capitals have a natural restoration capacity. Take for example natural resources such as oil and gas, if used there is no natural "restoration". In turn, companies would have to think about restoration through building alternatives (e.g. cleaning energy use by replacing oil and gas through wind).

The accounting frameworks discussed have concentrated on the measurement of (impacts on) non-financial capitals. The management of these non-financial capitals is

a separate stream of research. Managing businesses to tackle for societal and environmental concerns is explored as shared value or system value. Practice tools such as Future-Fit help companies pursue social and environmental goals and track extra-financial information for internal and external audiences. However, measurement and management of non-financial capitals need to be aligned to improve performance. This places the spotlight on a slight mismatch between the accounting frameworks and management frameworks of non-financial capitals. Management frameworks that guide companies to tackle societal or environmental concerns pursue win-win solutions. However, accounting frameworks are restricted by the firm-boundary, in line with traditional accounting practices. The victory of the external stakeholder, whose societal or environmental concern has been the focus of the management initiative, is therefore beyond the accounting boundary. In summary, what is measured by the accounting framework is different from what is managed for. There is a need to resolve this mismatch.

E. Application and Research Needs

With an upsurge in external interest and demand in reliable and verifiable information about the non-financial commitment of companies, we witness increasing importance in the relevance of measurement techniques and framework. A deeper understanding of how the prominent frameworks that exist relate to one another is essential for both practitioners and their stakeholders. This understanding helps

- a) organizations to choose and use the right approach by recognizing the possibilities and limits of each framework and measurement technique,
- b) companies to communicate easily and correctly the intention of a chosen framework and measurement technique,
- c) external stakeholders (investors, governments, communities, customers etc.) to read and correctly interpret the outcomes of these methods.

Regardless of the progress made in non-financial accounting and reporting over the last decade, its use remains fragmented and unstandardized. Large initiatives such as the European Union High Commission's Expert Group faced strong opposition that have diluted the results of its mandate to only address few companies in fewer areas. One lever to help firms adopt the (for their purposes) right form of non-financial

accounting is to address the biggest barriers and challenges faced in the adoption and implementation of these frameworks. The following key issues were identified:

- **Scalability:** how can the adoption of non-financial reporting and accounting be scaled beyond one project, product or business unit in order to create a relevant overview of a company's entire operations?
- **Feasibility:** how can the threshold of feasibility (the necessary investment in non-financial measurement to enable reporting and accounting versus the size of a company) be lowered to enable non-financial accounting and reporting and small and medium cap companies?
- **Tensions due to diverse audiences:** A better understanding of the tensions and trade-offs between the need to disclose information (reporting purposes) and the need to manage issues based on this information (decision-making purposes) is needed. How can these tensions be overcome?
- **Language barriers:** There is a necessity to reconcile the language spoken between different communities who use non-financial measures, in particular: corporate accounting and reporting vs. financial analysis of investors (ESG).
- **Tensions due to diverse purposes:** We need to better understand how different measures and valuation techniques are linked to different management needs, in particular regarding (but not limited to) strategic decisions at different levels, operational decisions and processes, incentive structures and corporate valuation.
- **Enabling Ecosystems:** Necessity to understand the enabling or disabling ecosystems that surround non-financial reporting and accounting, in particular: the role of governments, regulation, taxation and social movements.

F. Further Discussion Points

The Importance of Technology. What is the role of technology in creating better data environments within companies? While this point was discussed extensively, there are no technical mainstream solutions yet that allow to supplement financial accounting systems with more and multi-dimensional information. In first instance, this is not a software capability issue, but rather a problem of the lacking integration of technical possibilities into current processes around data mining and use. Issues lie hereby with the lack of clarity around responsibilities of data creation both within and outside of

companies. Whereas the discussion concluded that companies are uniquely positioned to collect necessary primary data, several open questions were highlighted regarding the operationalization and feasibility of this task.

The Role of Professional Accountants. At the second Oxford Impact Roundtable, a part of the discussion was focussed on the role of professional accountants and audit firms in creating assurance for non-financial accounting. The common opinion was that material non-financial tracking and reporting should go into the *mainstream* filings of firms and not, as commonly practices, appear in a separate sustainability exercise. Corporate accountants as well as the Big Four have the responsibility to drive this development into the right direction by actively encouraging their clients to do so and by pushing for common standards which can be used for monitoring and benchmarking across company boundaries.

Challenging the Education Status Quo. What educational needs (e.g. at Business Schools) arise out of an increased acceptance and application of these frameworks? Companies frequently complain that young employees are often unequipped to deal with the “wicked problems” of today’s sustainability challenges. This is often due to lacking integration of topics in mainstream business education and due to the lack of direct career paths associated with this knowledge. Business schools need to step up to this problem and redefine curricula around responsible and long-term oriented leadership and decision-making, fit for the challenges we face.

Finally, if we could wave a magic wand, what would we want the “perfect” purpose management accounting tool to look like? And how do the current tools compare to this ideal type? What are the inhibitors of a development in this direction? The following list is not exhaustive but offers a starting point to think about desirable criteria and roadblocks in the endeavour to use and further develop sustainable accounting techniques.

- Need to inform and affect decision making,
- Be usable for internal and external reporting,
- Be simultaneously usable at project, product and firm-level,
- Be simple to implement, also for small and medium-sized enterprises to create systemic change (we have a bias of large firms with many resources),
- Be relevant to all types of organizations (service, manufacturing, hybrid, etc.),
- Be cost-effective and have an element of valuation (not necessarily monetization),
- Be comparable,
- Be auditable.

G. The Oxford Impact Roundtable

Participants of the first Oxford Impact Roundtable (December 2018):

- BASF (Alexander Fiedler, Christian Heller)
- Deloitte (Colin Fleming, Veronica Poole)
- EY (Jan-Menko Grummer)
- IIRC (Jyoti Banerjee)
- Impact Management Project (Clara Barby)
- KPMG (Rutger Hoechstra)
- Mars (Alastair Colin-Jones, Francois Laurent, Bruno Roche)
- Novartis (Sonja Haut, Marco Venturelli, Denise Weger)
- Olam International (Chris Brown)
- PwC (Tom Beagent)
- SAP (Will Ritzrau)
- Thomson Reuters (Shari Littan)
- Said Business School (Richard Barker, Robert Eccles, Colin Mayer, Judith Stroehle, Sudhir Rama Murthy, Richard Whittington)

Participants of the second Oxford Impact Roundtable (March 2019):

- Adidas (Marina Schurr)
- BASF (Marc Lohmeier)
- Deloitte (Colin Fleming, Veronica Poole)
- Distributed Energy Management (Jimmy Jia)
- Integrated Thinking and Strategy Initiative (Jyoti Banerjee)
- IIRC (Richard Howitt)
- Impact Management Project (Olivia Prentice)
- Mars (Lionel Khalil, Francois Laurent, Bruno Roche)
- Novartis (Sonja Haut, Marco Venturelli, Denise Weger)
- OECD (Karen Wilson)
- PwC (Tom Beagent)
- SAP (Will Ritzrau)
- Said Business School (Robert Eccles, Colin Mayer, Judith Stroehle, Sudhir Rama Murthy, Kazbi Soonawalla)

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Appendix A: Valuation Techniques Comparison: An Illustrative Example

Valuation technique	Qualitative assessment w/o monetization		Absolute, non-financial measures		NPV of non-financials for Stakeholders		Investment cost for non-financial capital maintenance	
Financial profit in Q1 of company X	£	250.000.000	£	250.000.000	£	250.000.000	£	250.000.000
Type of Assessment of Non-Financial Capital (Example)	"Are communities affected by the firm's amount of production water use, and if yes, how?"		"How much water was used for production this year (vs last year) and per unit"?		"If I use 100L per unit of production, what net value does this (used) water represent for external stakeholders"?		"If I use 100L per unit of production, how much does it cost me to clean the water again?"	
Valuation of Non-Financial Capital	Qualitative assessment of affected communities.		Quantitative assessment of Natural Capital in Natural Capital-units.		Assessment of the financial value of the Natural Capital for my stakeholders.		Assessment of the investment cost needed to restore that Natural Capital.	
Valuation example	Descriptive		10L/ product 9,5k hectolitre, 2017 10k hectolitre, 2018		Shadow price of water (e.g. £0.02/L from public statistics) x 10 per prod. unit x 100.000 units in Q1 = £20.000 total impact cost of water use.		Est cost of cleaning water (e.g. £0.012/L) x 10 per production unit x 100.000 units in Q1 = £12.000 total water replenishment cost.	
Action based on Valuation	Which projects can be created that support communities to deal with water scarcity?		What actions can be taken to reduce over-all water use? (in Integrated Reporting: How would these actions affect other capitals?)		In awareness of our negative impact through water use, which strategic decisions can be made to minimize negative impact and maximize positive impact?		The financial impact of neglecting Natural Capital gives incentive to manage, that is build and replenish, these capitals more effectively. If not managed, they affect the profit.	
Financial profit in Q1 adjusted	£	250.000.000	£	250.000.000	£	250.000.000	£	250.000.000
					-	£ 20.000	-	£ 12.000
					£	249.980.000	£	249.988.000

Appendix B: Valuation in different Accounting Frameworks: An illustrative example

