Monetary valuation of environmental impacts and related environmental aspects

Évaluation monétaire des impacts environnementaux et des aspects environnementaux associés
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Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

The procedures used to develop this document and those intended for its further maintenance are described in the ISO/IEC Directives, Part 1. In particular, the different approval criteria needed for the different types of ISO documents should be noted. This document was drafted in accordance with the editorial rules of the ISO/IEC Directives, Part 2 (see www.iso.org/directives).

Attention is drawn to the possibility that some of the elements of this document may be the subject of patent rights. ISO shall not be held responsible for identifying any or all such patent rights. Details of any patent rights identified during the development of the document will be in the Introduction and/or on the ISO list of patent declarations received (see www.iso.org/patents).

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For an explanation of the voluntary nature of standards, the meaning of ISO specific terms and expressions related to conformity assessment, as well as information about ISO’s adherence to the World Trade Organization (WTO) principles in the Technical Barriers to Trade (TBT) see www.iso.org/iso/foreword.html.

This document was prepared by Technical Committee ISO/TC 207, Environmental management, Subcommittee SC 1, Environmental management systems.

Any feedback or questions on this document should be directed to the user's national standards body. A complete listing of these bodies can be found at www.iso.org/members.html.
Introduction

Private and public organizations are facing risks and opportunities due to the beneficial or adverse environmental impacts and related environmental aspects of their activities. The monetary valuation of these environmental impacts and related aspects supports organizations in developing business models and practices that are more sustainable. Using monetary valuation does not mean that money is the only metric of value.

This document is for all organizations that wish to undertake monetary valuation studies or review, compile or use the results. Organizations often have experience in assessing at least some environmental aspects and environmental impacts resulting from their activities in physical units. To further integrate this information in decisions, it is useful to determine the monetary values of these environmental impacts and/or of related environmental aspects. Monetary valuations enable comparisons and trade-offs between different environmental issues and between environmental and other issues. This is useful in, for example, organizational strategy and investment considerations, product and service design, management accounting, performance evaluation, environmental monitoring and reporting, legislation or environmental policy and regulation.

Monetary valuation methods determine monetary values of changes in the environment and not the absolute value of the environment.

This document supports environmental and risk management methods, such as cost-benefit analysis, risk and life cycle assessments.

The main purpose of the document is to increase the awareness, comparability and transparency of the monetary valuation of environmental impacts and related environmental aspects. It demonstrates the benefits that monetary valuation methods offer to users. To achieve this purpose, standardized and transparent documentation of the methods, data and assumptions used to derive monetary values is essential. The multiplicity of monetary values, methods to determine monetary values, and ethical perspectives on money requires careful consideration and prudent communication.

This document provides a framework that includes principles, requirements and guidance for the monetary valuation of environmental impacts and related environmental aspects, following the principles of welfare economics. Monetary valuation methods in this document can also be used to value actual or potential impacts on natural capital, for example, abiotic resources, biodiversity, ecosystems and ecosystem services. The impacts valued could result from environmental aspects and from the dependencies of organizations on the environment. Environmental impacts can occur on the stocks and quality of natural capital, affecting associated flows of benefits (including for human health).

This document focuses on valuation methods and not on costing methods. This means that requirements and guidance on assessing costs are only given if costs are used as measures of monetary values.

In this document, many methodological requirements or recommendations are intended for people assessing monetary values. Following these requirements and recommendations enables good practice of monetary valuation. The requirements in the reporting clause can assist the user of monetary values in assessing the quality of the monetary valuation study.

This document addresses the planning of a monetary valuation (see Clause 5), the monetary valuation itself (see Clause 6), the way in which links between environmental impacts valued in monetary terms and related environmental aspects are established (see Clause 7), checking the quality of the monetary valuation (see Clause 8) and reporting (see Clause 9).