

ISO 14054:2025-10 (E)

Natural capital accounting for organizations - Principles, requirements and guidance

Contents

Page

Foreword..... v

Introduction..... vi

1 Scope..... 1

2 Normative references..... 1

3 Terms and definitions..... 1

3.1 Terms related to natural capital..... 1

3.2 Terms related to a natural capital account..... 3

3.3 Terms related to natural capital accounting..... 6

4 Principles..... 7

4.1 General..... 7

4.2 Rigour..... 7

4.3 Completeness..... 7

4.4 Consistency..... 7

4.5 Credibility..... 7

4.6 Relevance..... 7

4.7 Transparency..... 7

5 Process of preparing a natural capital account..... 8

5.1 General..... 8

5.2 Define the purpose of the natural capital accounting..... 9

5.3 Define the organization..... 9

5.4 Select the scope of the natural capital account..... 10

5.5 Select the type of natural capital account..... 10

5.6 Natural capital register..... 11

5.7 Undertake a materiality assessment..... 11

5.8 Identify interested parties and the extent of their involvement..... 12

6 Collect data and conduct data quality assessment..... 13

6.1 General..... 13

6.2 Attribution and apportionment..... 14

6.3 Monetary valuation..... 14

6.4 Discounting of monetary values..... 15

7 Natural capital income statement..... 15

7.1 General..... 15

7.2 Increases in natural capital and associated natural capital benefits..... 17

7.3 Decreases in natural capital and associated natural capital benefits..... 17

7.4 Completed natural capital income statement..... 17

8 Natural capital balance sheet..... 18

8.1 General..... 18

8.2 Natural capital risk register..... 19

8.3 Physical flow account..... 19

8.4 Monetary flow account..... 20

8.5 Cost schedules..... 20

8.5.1 General..... 20

8.5.2 Maintenance cost schedule..... 20

8.5.3 Production cost schedule..... 21

8.6 Completed natural capital balance sheet..... 21

9 Documentation, interpretation and integration..... 23

9.1 Documentation..... 23

9.2	Interpretation.....	25
9.2.1	Interpreting the natural capital income statement	25
9.2.2	Interpreting the natural capital balance sheet	26
9.3	Integration.....	26
9.3.1	Integration of natural capital accounting with financial accounting.....	26
9.3.2	Integration of natural capital accounting into decision-making and reporting.....	27
Annex A (informative)	Graphical representations in natural capital accounting.....	28
Annex B (informative)	Examples of an organization’s purpose for natural capital accounting.....	30
Annex C (informative)	Illustrating the choice of natural capital account and scope	32
Annex D (informative)	Monetary valuation context and background.....	34
Annex E (informative)	Hypothetical case study of a natural capital income statement and a natural capital balance sheet of a farm	36
Bibliography		41