

Is Capitalism Waking Up to Impact?

What the Impact Management Project Is and How You Can Plug In



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- Background on the Impact Management Project
- Measuring and Managing Impact
- Classifying Impact



Background on the Impact Management Project

Thousands of practitioners have been building consensus about how we talk about impact – and therefore our goals & performance



ADVISORS

This multi-stakeholder effort is enabled by a consortium of thoughtful funders, who provide strategic direction on the project scope during monthly consultations.

CONTRIBUTING AUTHORS

This project is driven by partnerships to co-create the convention, develop norms and positioning measurement approaches.



Organizations that have built the unifying convention

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Client discovery categories



Portfolio construction



Investor's performance & goal-setting categories



Enterprise's performance & goal-setting categories

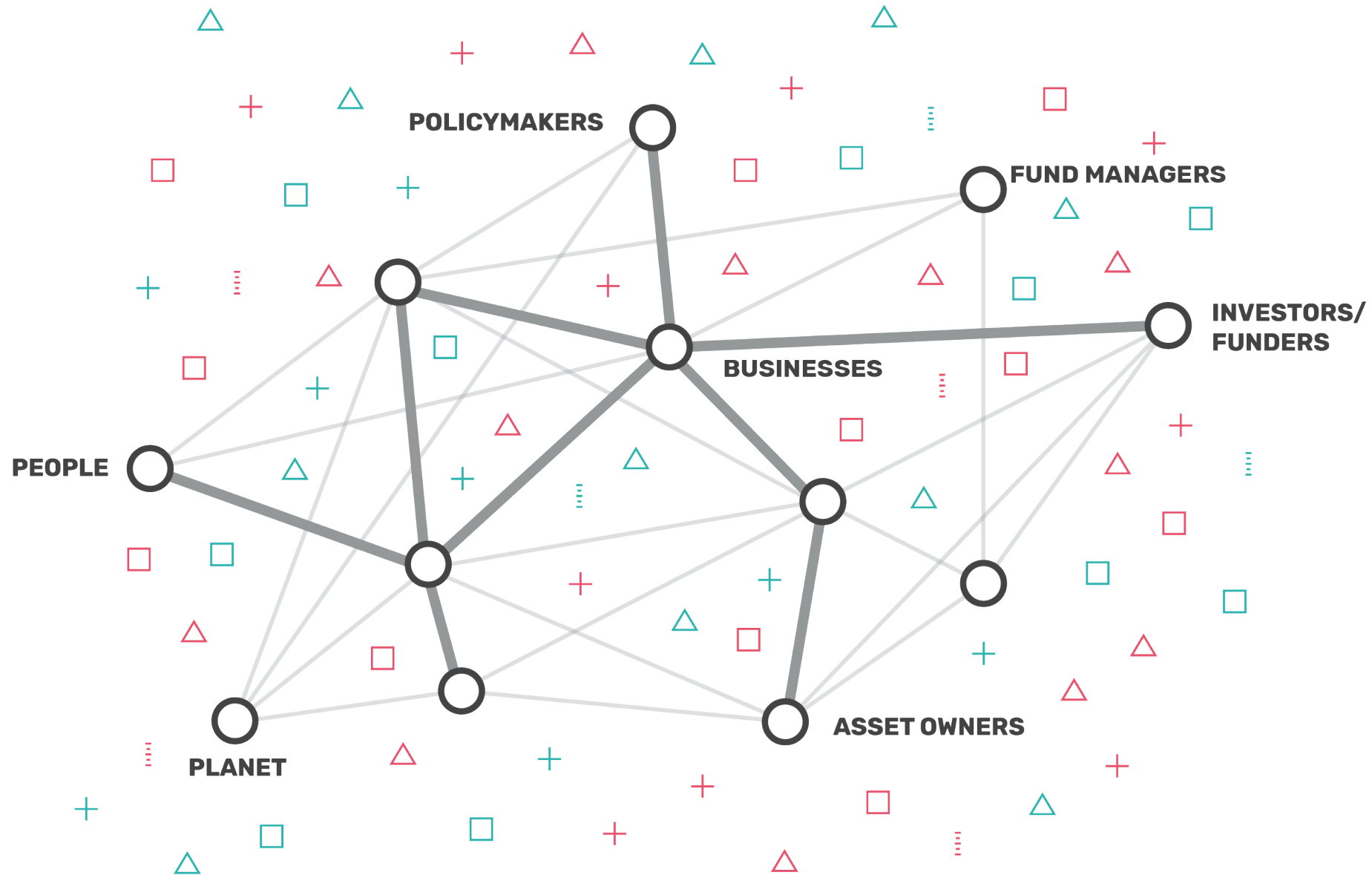


Stakeholder feedback



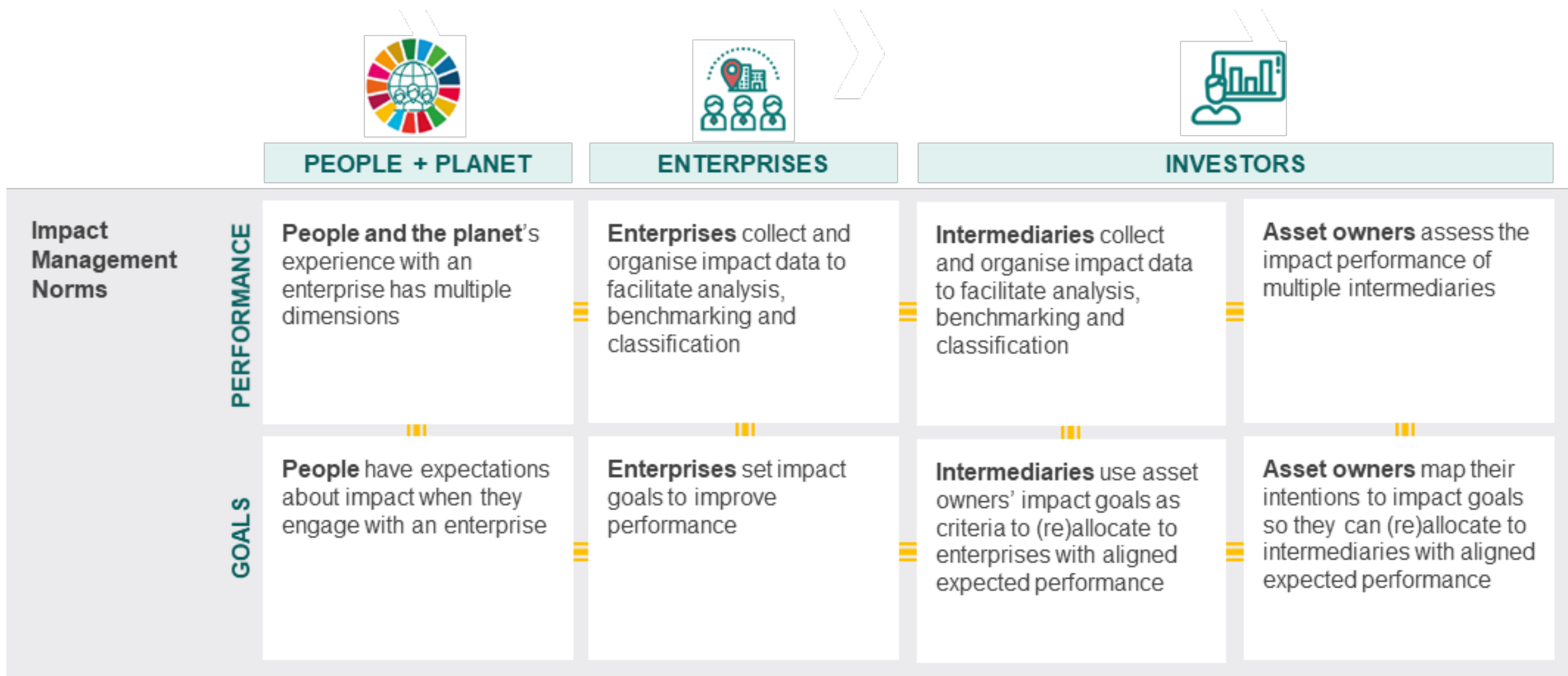
We all operate in complex value chains

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The need for a golden thread

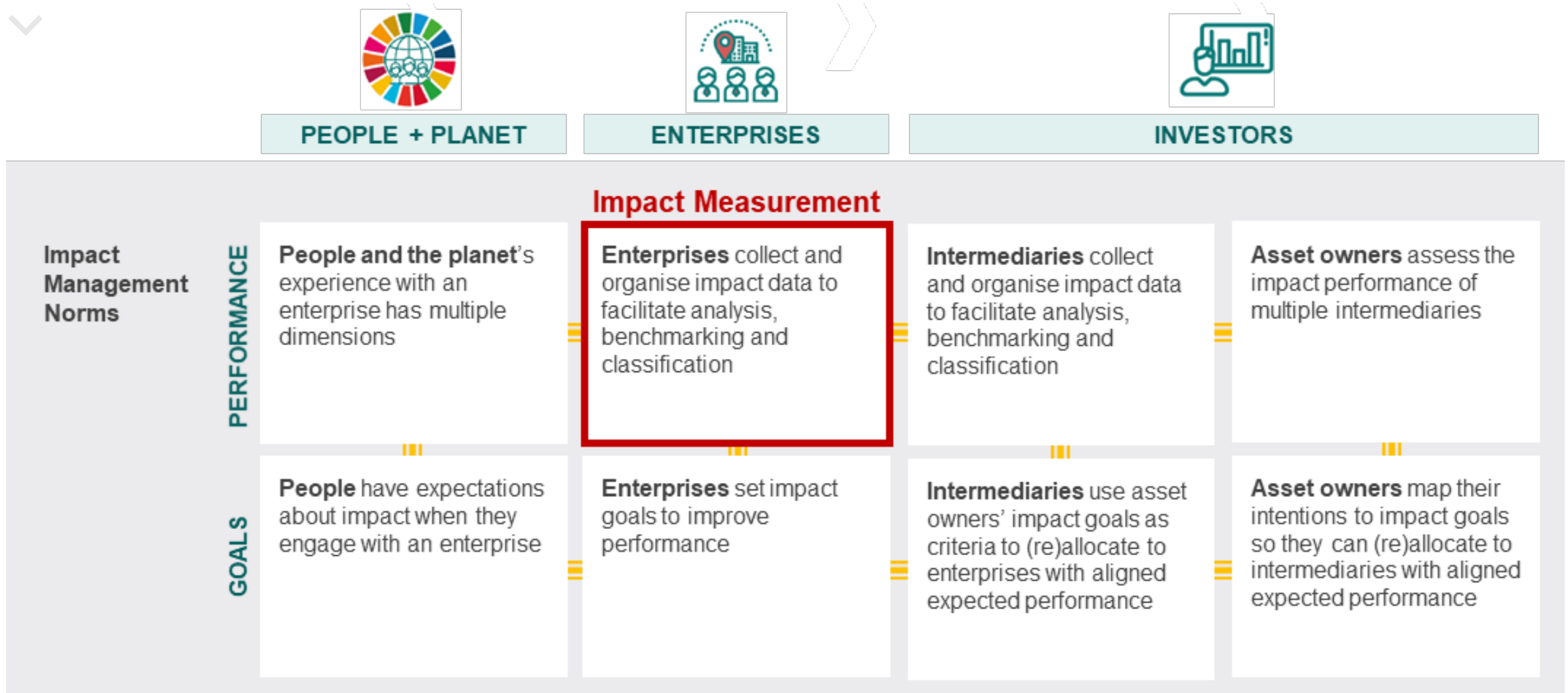
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An iterative process: Impact management

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Measurement is a **necessary but insufficient** part of impact management








Measuring and managing impact

| What is *real* impact to you?

Enterprises can understand the impact of each of their effects by assessing data across five dimensions


We manage our effects that matter to people and planet – and we understand which effects matter by considering **five dimensions**:

	Description of impact dimension	Example
 WHAT	What is the outcome experienced by the stakeholder when engaging with the enterprise? What is the stakeholders' view of whether the outcome they experience is important?	Important positive outcome of \$15.27 per hour (above real living wage of \$14.01)
 WHO	Who are the stakeholders experiencing the outcome? What is the demographic status of the stakeholders in relation to the outcome, prior to the effect?	Underserved employees (baseline: \$12.05 per hour)
 HOW MUCH	How many stakeholders experience the outcome? What is the degree of change experienced by stakeholder? How long do stakeholders experience the outcome?	High degree of positive change (depth), for many people (scale), long-lasting (duration)
 CONTRIBUTION	What is the estimated degree of change that would occur anyway for stakeholders? What is the estimated time period that outcome would last for stakeholders anyway?	Likely better than what would occur otherwise (industry benchmark: \$13.28)
 RISK	Which risk factors are significant and how likely is the effect different from the expectation?	Low evidence risk – data is directly measurable and verifiable



Impact data categories: A worked example

Effect: Increased wages for employees working in the domiciliary care industry

Impact dimensions		Raw data		Analysis	Assessment	Data source
	Impact categories	Indicator	Value			
What	Capital type	n/a	Human	a / b = 109%	Positive	IIRC
	SDG	n/a	Decent income			UN
	SDG target and indicator	n/a	8.5.1			UN
	a Outcome in period	Income per hour	\$15.27			Company data
	b Threshold for positive outcome	California real living wage per hour	\$14.01			livingwage.mit.edu/states/06
	Importance of <outcome> to stakeholder	Survey results (5=very important)		Mean = 5	Important	Annual survey
Who	Stakeholder	n/a	Employees	c / b = 86%	Underserved	Company data
	Geography	Country	US			Company data
	Target area	State / Region	California			Company data
	c Demographic of <stakeholder> in relation to <outcome> prior to <effect>	Income per hour in prior period	\$12.05			Company data
How Much	Scale d	Number of <stakeholder> experiencing <outcome>	Total no. of employees	a / c 127%	High degree	Company data
	Depth e	Degree of change experienced by <stakeholder> as a result of <effect>				n/a
	Duration f	Time period for which <stakeholder> experiences <outcome>	Average tenure of employees (months)			Company data
Enterprise Contribution	Depth g	Estimated degree of change that would occur anyway for <stakeholder>	Domiciliary care industry benchmark: average wage per hour	a / g = 115%	Likely better	Industry statistics
	Duration h	Estimated time period that <outcome> would last for anyway	Domiciliary care industry benchmark: average tenure of <employees> (months)	f / h = 271%	Likely better	Industry statistics
Risk	Type and level of risk	Evidence Risk		Data is directly measurable and verifiable	Low risk	

| The impact categories are not meant to replace any existing impact reporting frameworks that you have, but they are a good **checklist to ensure you have covered all five dimensions of impact**

Case study: Off-grid energy provider

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	Effect 1		Effect 2	
	Description	Assessment	Description	Assessment
WHAT	Improvement in quality of life due to improved access to clean energy	Important positive outcome	Reduction in CO ₂ emissions	Important negative outcome
WHO	Poor quality of life experienced by households due to poor access to reliable clean energy in the prior period	Majority underserved	The planet experiences this negative outcome	Underserved
HOW MUCH				
Depth	Stakeholders reported a 60% increase in quality of living	High degree of positive change	Net reduction of 6m tonnes of CO ₂ emissions	Marginal degree of positive change
Scale	80k people experienced this outcome	Large scale	n/a	n/a
Duration	Solar installations were robust and required maintenance periodically	Medium term	Reduction in CO ₂ emissions is enduring	Long term
Contribution	80% of households had no access to alternatives	Likely better	CO ₂ emissions are significantly lower than using kerosene lamps or backup generators	Likely better
Risk	Evidence risk	Low	Evidence risk	Low
Impact classification	Contribute to solutions		Contribute to solutions	

Case study: Off-grid energy provider

	Effect 3		Effect 4	
	Description	Assessment	Description	Assessment
WHAT	Decent household income	Important positive outcome	Improved studying environment due to clean and reliable light sources	Important positive outcome
WHO	Households receive an income below the national living wage defined by research bodies (18,000 rupees)	Underserved	Children had no access to clean and reliable light sources in prior period	Underserved
HOW MUCH				
Depth	Household income increased above the national living wage	High degree of positive change	Children have an average of one additional hour of studying per day	Marginal degree of positive change
Scale	60% of households experience an increase in household incomes	Large scale	80% of children experience this benefit	Large scale
Duration	Evaluation found that increase in household incomes were enduring	Long term	Improved studying environmental have long-term benefits on educational outcomes	Long term
Contribution	Household incomes unlikely to increase significantly without enterprise's intervention	Likely better	Children will not have affordable access to clean and reliable light sources otherwise	Likely better
Risk	Evidence risk	Low	Evidence risk	Moderate
Impact classification	Contribute to solutions		Benefit stakeholders	

Case study: Off-grid energy provider

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	Effect 5		Effect 6	
	Description	Assessment	Description	Assessment
WHAT	Electrocution and fires due to poor battery quality	Important negative outcome	Improving battery durability to reduce volume of battery waste	Important negative outcomes
WHO	Households at risk of electrocution and fires due to poor quality of batteries	Underserved	Battery waste pollutes the environment	Underserved
HOW MUCH				
Depth	The damage to livelihoods due to electrocution and fire is severe	High degree of negative change	Battery durability improved by 60%	High degree of positive change
Scale	70% of batteries did not have proper protection against overcharging and deep discharge	Large scale	n/a	
Duration	Damage to livelihoods is long-lasting	Long term	Improvements to battery technology is long-lasting	Long term
Contribution	The risk of fires from kerosene is approximately the same as battery failure	Likely same or worse	Technological improvements can be attributed to the enterprise	Likely better
Risk	Evidence risk	Low	Evidence risk	Low
Impact classification	Does cause harm		Act to avoid harm	

Deep dive into surveying your customers

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Questions		Dimension
1	When you bought this product/service, what improvement in your life were you looking for?	What
2	Is the improvement you are experiencing sufficient to meet your needs?	What
3	How much change have you experienced?	How Much - Depth
4	Did anything else in your life improve that you think is important?	What
5	Did anything bad happen because of the <organization>? Please provide details.	What
6	How soon after using this product/service did these improvements happen?	How Much - Rate
7	Have these improvements been long-lasting?	How Much - Duration
8	Is there a good alternative to the product/service that will deliver the life improvements you want?	Contribution
9	Do you expect that the <organization> will use the feedback from this survey to improve its work?	Risk
10	Demographic questions (e.g. age, department, tenure, gender)	Who

Breakout activity: Impact data categories

The impact data categories contain the essential and minimum data categories required to understand and report impact

Impact dimension		Effect 1:	Effect 2:	Effect 3:
WHAT	Outcome			
	Threshold for positive outcome			
	Importance of outcome to stakeholder			
WHO	Stakeholder			
	Demographic status of stakeholder in relation to outcome prior to effect			
HOW MUCH	[Scale] Number of stakeholders experiencing outcome			
	[Depth] Degree of change experienced by stakeholders			
	[Duration] Time period for which stakeholders experience outcome			
ENTERPRISE CONTRIBUTION	[Depth] Estimated degree of change that would occur otherwise			
	[Duration] Estimated time period for which outcome would last for otherwise			
RISK	Type and level of risk			

Classifying Impact

| What *kind* of impact do you want to have?

Enterprises and investors vary in the extent they prevent negative impact and increase positive impact

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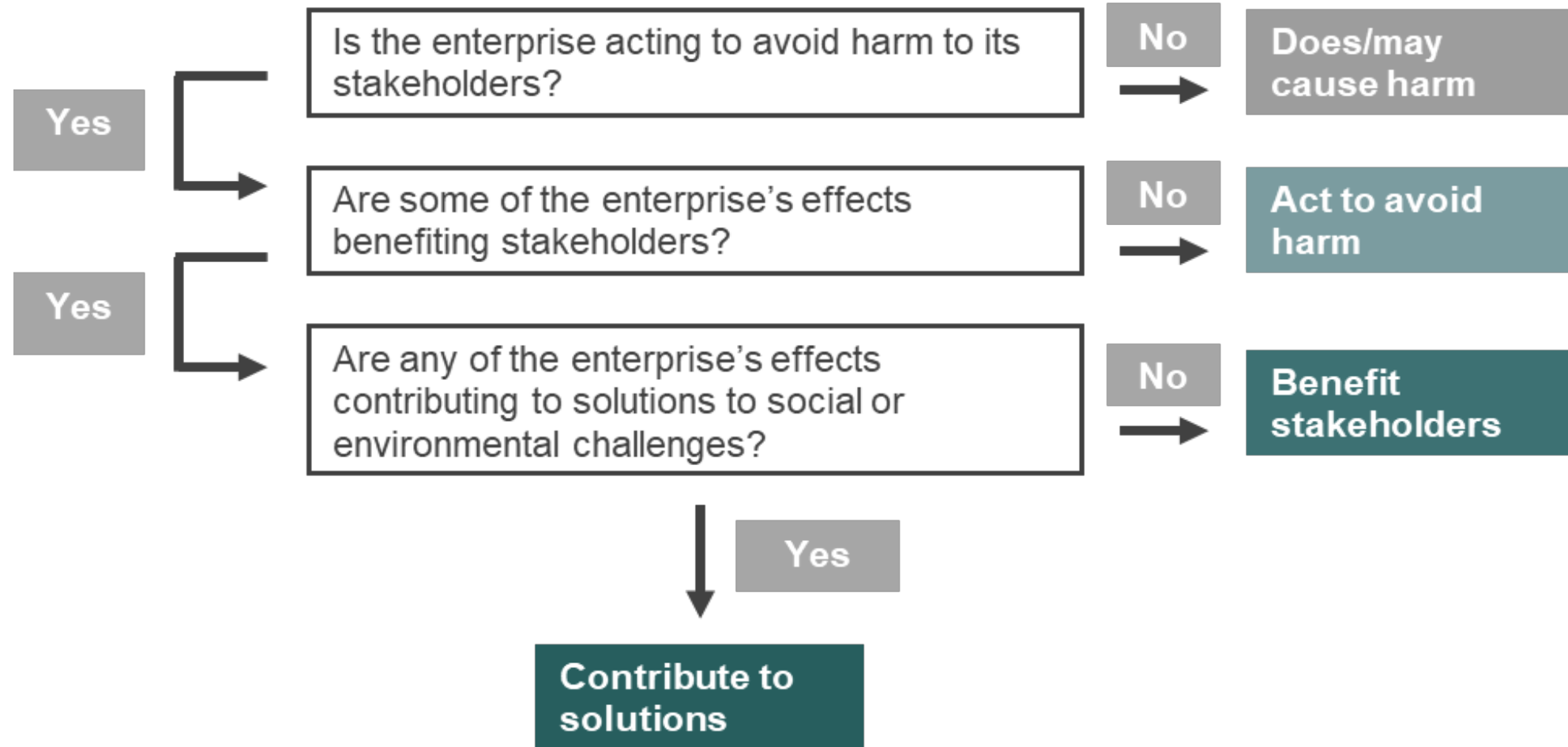


The five dimensions of impact help us to classify the impact of any effect

	May cause harm	Does cause harm	Act to avoid harm	Benefit stakeholders	Contribute to solutions
What	Unknown	Important negative outcome(s)	Important negative outcome(s)	Important positive outcome(s)	Important positive outcome(s)
Who	Unknown	Various	Underserved	Various	Underserved
How Much					
Depth	Unknown	Various	High degree of positive change	Various	High degree of positive change and/or
Scale	Unknown	Various	Various	Various	For many and/or
Duration	Unknown	Various	Various	Various	Long-term
Contribution	Unknown	Various	Likely same or better	Likely same or better	Likely better
Risk	Unknown	Various	Various	Various	Various

Positioning the impact of an enterprise

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Case study: Hackney Community Transport

HCT Group is a social enterprise in the transport industry, safely providing over 30 million passenger trips on our buses every year.



	Effect 1		Effect 2	
	Description	Assessment	Description	Assessment
WHAT	Improve access to jobs, education and services to the most vulnerable and marginalized people through community transport provision	Important positive outcome	Training and education: provision of education and training opportunities	Positive outcome
WHO	Disadvantaged individuals	Underserved	Customers, some unemployed people	Mostly well-served
HOW MUCH				
Depth	60% of service users reported improved confidence	High degree of positive change	80% of participants reported a high improvement in skills	High degree of positive change
Scale	1,134,742 passenger trips provided to disadvantaged individuals	Large scale	2,540 individuals not working for HCT who gained qualifications as a result of HCT	Large scale
Duration	n/a	n/a	n/a	n/a
Contribution	Data not available	Unknown	386 unemployed people who obtained jobs outside HCT as a result of training or education provided by HCT	Likely better
Risk	Evidence risk: Survey data shows that improved confidence is achieved; achievements tracked in annual impact report	Low risk	Execution risk: Mitigated by offering a 3-week course to training leads	Medium risk
Impact classification	Contribute to solutions		Benefit stakeholders	





Case study: Hackney Community Transport

HCT Group is a social enterprise in the transport industry, safely providing over 30 million passenger trips on our buses every year.



	Effect 3		Effect 4	
	Description	Assessment	Description	Assessment
WHAT	Decent level and security of income	Important positive outcome	Reduce CO ₂ emissions	Important negative outcome
WHO	Employees from underserved markets	Underserved	Environment	Underserved
HOW MUCH				
Depth	Average annual wage exceeds the living wage by 50%	High degree of positive change	4,612 tonnes of CO ₂ emissions reduced	High degree of positive change
Scale	596 employees	Large scale		
Duration	Attrition rate of 6%	Long term		
Contribution	20% of employees hired from underserved markets; Employee wage exceeds industry average by 15%	Likely same or better	Data not available	Unknown
Risk	Evidence risk: Number of employees and level of income are directly measurable and verifiable; employees are asked about likely alternatives	Low risk	Evidence risk: Tonnes are directly measurable	Low risk
Impact classification	Contribute to solutions		Act to avoid harm	
Enterprise impact classification	Contribute to solutions			

Case study: Root Capital

Impact dimensions	Root Capital Expected Impact Rating Components	Source of Data	Points (10 total)
 WHO	<p>Poverty Level (up to 0.5 pts)</p> <ul style="list-style-type: none"> • <\$2.50/person/day (0.5 pts) • \$2.50 to \$4/person/day (0.25 pts) OR • >\$4/person/day (0 pts) <p>Environmental Vulnerability (up to 0.5 pts, 0.25 pts each) Location of enterprise and farmers vis-à-vis:</p> <ul style="list-style-type: none"> • Biodiversity hotspots • Soil degradation • Water scarcity • Climate change risk 	<p>Progress out of Poverty Index databases</p> <p>3rd party, publicly-available evaluations of environmental degradation</p>	Up to 1.0
 ENTERPRISE CONTRIBUTION	Prices premiums paid to farmers and wage premiums paid to employees are relative to an estimated best alternative option for those farmers and employees, if not for the investee.	(Included in “How Much”)	
 INVESTOR CONTRIBUTION	<p>Flexible capital / additionality rating:</p> <ul style="list-style-type: none"> • 6.5 points: Loans which a borrower likely would not have obtained from any other lender • 3.0 points: Loans which a borrower likely could have obtained from a subsidized lender • Zero points: Loans which a borrower likely could have obtained from a commercial lender 	Loan officer assessment	Up to 6.5
 RISK	Root Capital’s approach has relatively low impact risk because they only lend to enterprises that they have reason to believe will deliver the expected impact and, if they don’t, Root Capital can decline to renew their loan the following year.		





Case study: Root Capital

Impact dimensions	Root Capital Expected Impact Rating Components		Source of Data	Points (10 total)
<div> <div>WHAT</div> <div>HOW MUCH</div> </div>	Livelihoods (income & gender) Environment & climate		Enterprise records; if enterprise is certified (e.g. organic or Fair Trade), records of certification audit; loan officer discussion with enterprise managers; spot checks of enterprise operations and discussions with affiliated farmers and employees; results of impact studies, if available.	Up to 2.0
	Depth of effect	<p>Livelihoods (max 1.0 point; 0.25 points each):</p> <ul style="list-style-type: none"> • Price 10%+ above local market prices paid to farmers • Agronomic extension for 50%+ farmers • Income diversification for 25%+ farmers • Loans to 25%+ farmers • Community services to 25%+ farmers • Higher (10%+) wages & benefits to employees • 30% or more participation by women as producers and/or employees; OR women-led and 20% or more participation by women <p>Environment & Climate (max 1.0 point):</p> <p>Environmental certification (0.5 pts)</p> <ul style="list-style-type: none"> • Climate change mitigation / adaptation (0.25 pts each) • Farmers employ diversified agroforestry methods • Farmers raise wild harvest tree crops • A/reforestation activities (100 trees / year) • Low-emissions technology • Weather/crop early warning system • Other mitigation/adaptation activities 		
	Scale of effect	<p>Number of farmers and employees (max 0.5 pts):</p> <ul style="list-style-type: none"> • More than 1500 (0.5 pts) • Between 500 and 1500 (0.25 pts) • Less than 500 (zero pts) 	Enterprise records	Up to 0.5
	Duration	Not currently taken into account		

Case study: Big Society Capital



BSC sets specific impact goals that can be mapped to the five dimensions, and hence classified into the ABCs




Impact dimension	BSC's Impact Goals	Impact goals
 WHAT	<ul style="list-style-type: none"> • Employment, Training and Education • Housing and Local Facilities • Income and financial inclusion • Physical health • Mental Health and Well-being • Family, Friends and Relationships • Citizenship and Community • Arts, Heritage, Sport and Faith • Conservation of the Natural Environment 	<div> Negative outcome <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> Positive outcome </div> <div> Unimportant outcome <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> Important outcome </div>
 WHO	<ul style="list-style-type: none"> • People experiencing long term unemployment • Homeless people • People living in poverty and/or financial exclusion • People with addiction issues • People with long-term health conditions/life threatening illness • People with learning disabilities • People with mental health needs • People with physical disabilities or sensory impairments • Voluntary carers • Vulnerable parents • Vulnerable children (including looked after children) • Vulnerable young people and NEETs • Older People (including people with dementia) Ex/Offenders • People who have experienced crime or abuse 	<div> Underserved stakeholders <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Well-served stakeholders </div>

Case study: Big Society Capital



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BSC sets specific impact goals that can be mapped to the five dimensions and therefore classified into the ABCs

Impact dimension	BSC's Impact Goals	Impact goals
 HOW MUCH	Deliver deep change and at scale	<div>Marginal change <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> Deep change</div> <div>Small scale <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> Large scale</div> <div>Short term <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Long term</div> <div>Various</div>
 CONTRIBUTION	Enterprise impact should be much better than what is likely to occur otherwise	<div>Likely worse <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> Likely better</div>
 RISK	Various risk levels tolerated	<div>High risk <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Low risk</div> <div>Various</div>

BSC's Impact Goal = Contribute to solutions

| What are *your* impact goals?

We can use the five dimensions of impact as a framework for impact goal-setting

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Impact dimension	Impact goal-setting questions	Impact goals
What	What outcome(s) do you seek to contribute to? Are they important to the person (or planet) experiencing it?	<p>Outcome: _____</p> <p>Negative outcome <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Positive outcome</p> <p>Unimportant outcome <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Important outcome</p>
Who	Who are you delivering the outcome(s) for (describe their location and/or demographics)? Are they currently underserved in relation to the outcome(s) sought?	<p>Stakeholder: _____</p> <p>Underserved stakeholders <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Well-served stakeholders</p>
How Much	How much will you drive the outcome, in terms of scale, depth and duration?	<p>Small scale <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Large scale</p> <p>Marginal change <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Deep change</p> <p>Short term <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Long term</p>
Enterprise Contribution	Do you expect the contribution of the enterprise – in terms of depth and duration – to be better than what would likely occur anyway?	<p>Likely worse <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Likely better</p>
Risk	What level of risk that impact will not occur as expected are you willing to bear?	<p>High risk <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Low risk</p>



Investor's contribution

| The impact of an investment portfolio is not just the impact of the portfolio's underlying assets / enterprises

The investor's contribution makes a difference too

The impact of an enterprise PLUS the investor's contribution tells us the investors' impact

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$$\begin{aligned} &\text{Investor's impact} \\ &= \\ &\text{Impact of enterprise(s)} + \text{Investor's contribution} \end{aligned}$$

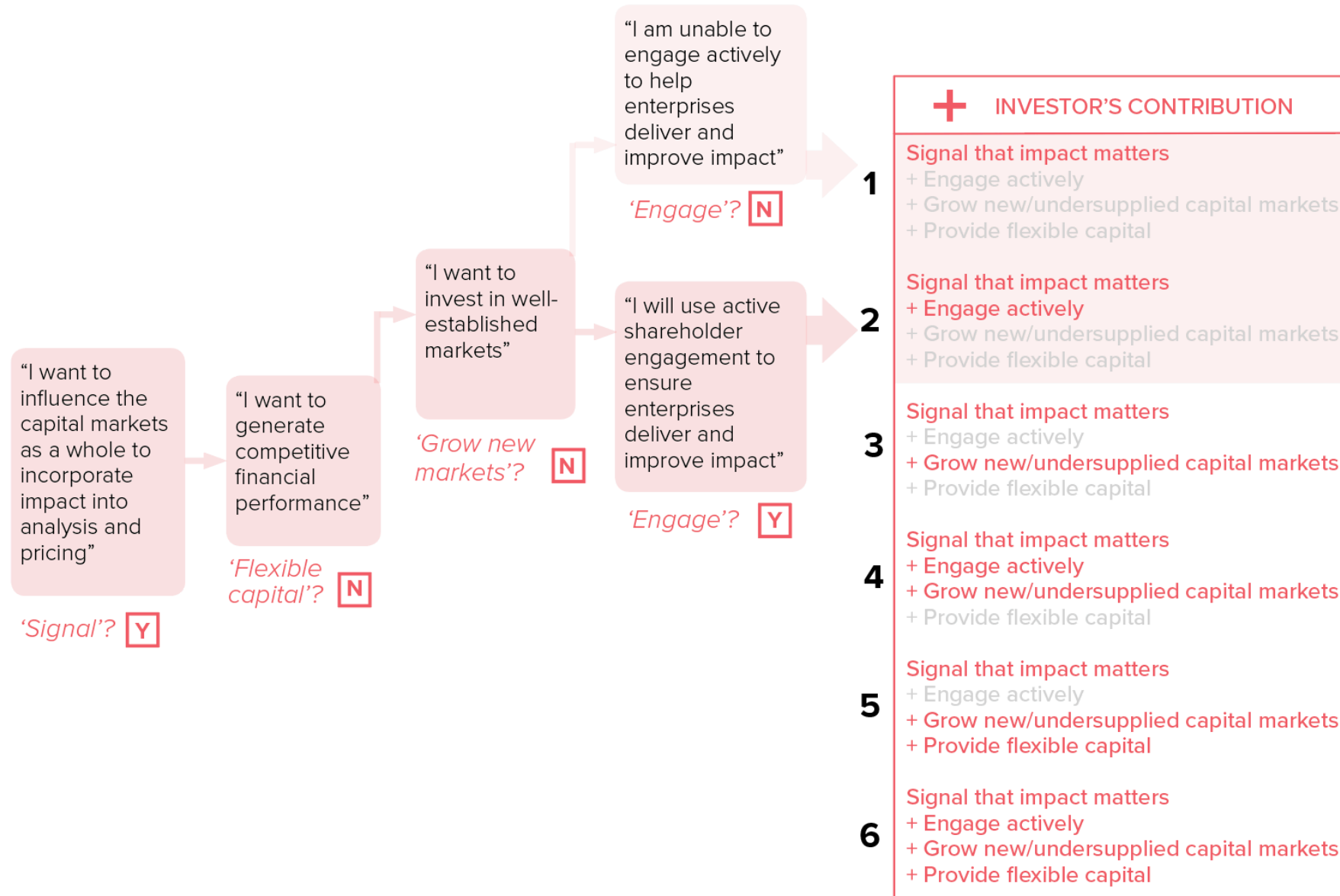
Investors use four strategies to contribute to impact, often in combination

- **Signal that impact matters** = choose not to invest in or to favor certain investments that, if all investors did the same, would ultimately lead to a 'pricing in' of effects on people and planet by the capital markets more broadly.
- **Engage actively** = provide expertise and networks to improve the impact of businesses.
- **Grow new or undersupplied capital markets** = anchor or participate in new or previously overlooked opportunities that offer an attractive impact and financial opportunity. This may involve taking on additional complexity, illiquidity or perception of disproportionate risk.
- **Provide flexible capital** = recognize that certain types of businesses will require acceptance of disproportionate risk-adjusted return in order to generate certain kinds of impact.



Six common combinations of strategies that investors use to contribute

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Case study: Big Society Capital



INVESTOR'S CONTRIBUTION
Signal that impact matters + Engage actively + Grow new or undersupplied capital markets + Provide flexible capital
Signal that impact matters + Engage actively + Grow new or undersupplied capital markets + Provide flexible capital
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| Combining the impact classification of the enterprise (or portfolio of enterprises) with the investor's contribution, gives us twelve “impact classes”

These are captured in the [Investor's Impact Matrix](#)

Investor's Impact Matrix

Impact of underlying assets / enterprises

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Investor's contribution

Matrix		A	B	C
		Act to avoid harm Prevent or reduce significant effects on important negative outcomes for people and the planet	Benefit stakeholders Have various effects on important positive outcomes for people and the planet	Contribute to solutions Have a significant effect on specific important positive outcome(s) for underserved people or the planet
1	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital	E.g. Ethical bond fund	E.g. Positively-screened / best-in-class ESG fund	E.g. Sovereign-backed bonds (secondary market) funding vaccine delivery to understand people or renewable energy projects
2	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital	E.g. Shareholder activist fund	E.g. Positively-screened / best-in-class ESG fund using deep shareholder engagement to improve performance	E.g. Public or private equity fund selecting and engaging with businesses that have a significant effect on education and health for underserved people
3	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital	E.g. Anchor investment in a negatively-screened real estate fund in a frontier market	E.g. Positively-screened infrastructure fund in a frontier market	E.g. Bond fund anchoring primary issuances by businesses that have a significant effect on environmental sustainability, access to clean water and sanitation
4	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital	Investment archetype not widely observed	Investment archetype not widely observed	E.g. Private equity fund making anchor investments in businesses that have a significant effect on income and employment for underserved people
5	Only relevant for investors whose intentions and constraints are such that they are willing and able to provide flexible capital			
6	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital	Investment archetype not widely observed	Investment archetype not widely observed	E.g. Below-market charity bonds, or an unsecured debt fund focused on businesses that have a significant effect on employment for underserved people
	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital	Investment archetype not widely observed	Investment archetype not widely observed	E.g. Patient VC fund providing anchor investment and active engagement to businesses that have a significant effect on energy access for underserved people



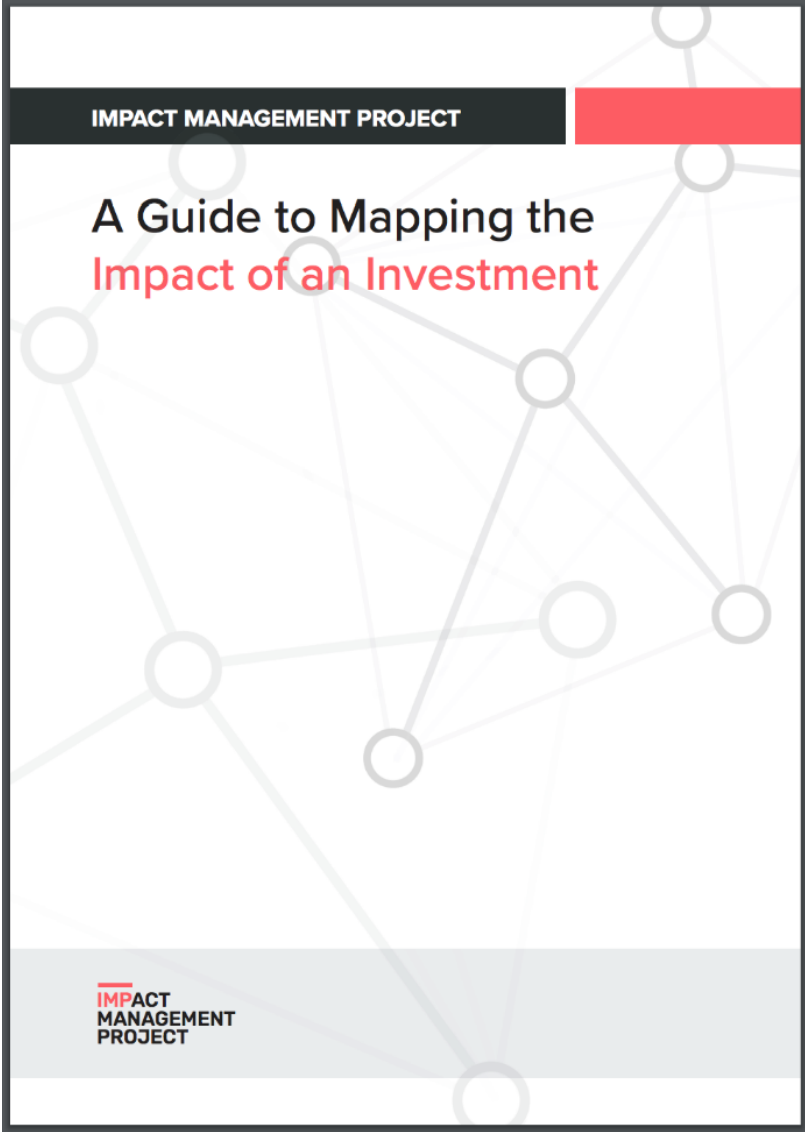
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		Impact of underlying assets / enterprises		
		A	B	C
		Act to avoid harm Prevent or reduce significant effects on important negative outcomes for people and the planet	Benefit stakeholders Have various effects on important positive outcomes for people and the planet	Contribute to solutions Have a significant effect on specific important positive outcome(s) for underserved people or the planet
Investor's contribution	1	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital		
	2	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital		
	3	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital		
	4	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital		
	5	Only relevant for investors whose intentions and constraints are such that they are willing and able to provide flexible capital		
	6	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital		



A guide to mapping investment products has been published on our website



Mapping a portfolio

Mapping a portfolio's impact

Classify the impact of a portfolio of assets by looking at the classification of the underlying assets (A, B or C) in the portfolio, as well as the strategies that an investor uses to make a contribution to impact (1-6).

If there is a range of impact in a portfolio (e.g. some B and some C enterprises), or the investor contribution strategy varies per investment, indicate what percentage of AUM is invested in which impact class.

For example, see below for an illustration of how a product, 'Health Fund I' has been plotted based on performance (in grey). If the product is new, and there is insufficient performance data, the goals of the product can be plotted instead (in pink).

		IMPACT OF UNDERLYING ASSETS / ENTERPRISES		
		A	B	C
INVESTOR'S CONTRIBUTION		Act to avoid harm	Benefit stakeholders	Contribute to solutions
	1	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital		
	2	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital		
	3	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital	Health Fund I (0%)	
	4	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital	Health Fund I (75%)	Health Fund I (75%) Health Fund I
	Only relevant for investors whose intentions and constraints are such that they are willing and able to provide flexible capital.			
	5	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital		
6	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital			

Please note: Given that many portfolios will be mapped by their goals, until there is sufficient performance data available to map actual performance, it is possible that the placement of a product could shift over time compared to what was initially expected. In this way, the matrix can help inform asset owners' decision-making on whether to re-allocate to a specific portfolio, or invest elsewhere.

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Examples of products mapped to date

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		Impact of underlying assets / enterprises		
		A	B	C
Investor's contribution		Act to avoid harm	Benefit stakeholders	Contribute to solutions
	1	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital	Neuberger Berman Quantitative ESG Factor	
	2	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital	ClearBridge Large Cap Growth ESG Strategy Select Neuberger Berman Emerging Markets Debt	US Financial Health (Omidayar Network, Financial Inclusion Initiative) Neuberger Berman Municipal Impact
	3	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital		
	4	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital	Bridges Property Alternatives Fund Bridges UrbanView Lok Capital Growth Fund (Lok III)	Bridges Sustainable Growth Funds Christian Super Renewable Energy Sleeve Nesta Impact Investment Fund ...
	Only relevant for investors whose intentions and constraints are such that they are willing and able to provide flexible capital			
	5	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital		Calvert Impact Capital Deutsche Bank New Initiatives Fund
	6	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital	BRAC Africa Loan Fund	Acumen Bridges Evergreen Holdings Calvert Impact Capital Deutsche Bank New Initiatives Fund ...



Case study: Mapping the €220bn portfolio of the PGGM pension fund



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Impact of enterprises

Investor's Contribution

	ACT TO AVOID HARM			BENEFIT STAKEHOLDERS			CONTRIBUTE TO SOLUTIONS		
		€B	%		€B	%		€B	%
Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital	Listed Real Estate	12	5.6%	Mortgages*	1.7	0.8%	Private Real Estate – BiO Climate	0.3	0.1%
	Private Real Estate	12	5.8%	Private Real-Estate – BiO	0.1	0.0%	Private Equity – BiO Climate	0.2	0.1%
	Private Equity	9.9	4.8%	Other Equities – BiO	0.5	0.2%	Other Equities – BiO Climate	0.3	0.1%
	Government Bonds	39	18.9%				Cash BiO**	0.1	0.0%
	Other Equities	4.2	2.0%						
	Alternative Equities Strategies	18	8.7%						
	High Yield Developed Markets	4.8	2.3%						
	Insurance Linked Investments	3.7	1.8%						
	Total	103	50.0%	Total	2.3	1.1%	Total	0.9	0.4%
Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital	Developed Market Equities	25	12.0%	Investing in Solutions Equities – BiO	6.4	3.1%	Investing in Solutions Equities – BiO Climate	1.5	0.7%
	Emerging Market Equities	8	3.9%						
	Developed Market Credits	6.7	3.2%						
	Emerging Market Credits	3.5	1.7%						
	Emerging Market Debt Local Currency	8.5	4.1%						
	Total	51	24.9%	Total	6.4	3.1%	Total	1.5	0.7%
Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital	Structured Credit	5.4	2.6%	Developed Market Credits – BiO	0.4	0.2%	Developed Market Credits –BiO Climate	0.1	0.0%
				Emerging Market Credits – BiO	0.1	0.0%	Emerging Market Credits–BiO Climate	0.1	0.0%
							Government Bonds–BiO Climate	0.7	0.3%
							Semi-sovereign, sub-sovereign and agency bonds – BiO Climate	0.1	0.0%
	Total	5.4	2.6%	Total	0.5	0.2%	Total	1	0.5%
Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital	Infrastructure	6.5	3.2%	Infrastructure – BiO	0.1	0.0%	Infrastructure – BiO Climate	1.1	0.5%
				Private Real Estate – Healthcare Mandate—BiO	0.1	0.0%	Private Equity – Microfinance	0	0.0%
				Private Equity – Healthcare – BiO	1	0.5%			
	Total	6.5	3.2%	Total	1.2	0.6%	Total	1.1	0.5%



Case study: Mapping the \$10m portfolio of a family foundation

Impact of enterprises

Investor's Contribution		ACT TO AVOID HARM		BENEFIT STAKEHOLDERS		CONTRIBUTE TO SOLUTIONS	
			%		%		%
	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital	Cash	0.6%	Corporate bonds, sovereign bonds	10.0%	Thematic private debt	2.4%
		Private equity	13.4%	Positively screened public equities	17.4%	Thematic private equity	0.5%
		Public Fixed Income	0.5%	Sustainable alternatives	7.1%	Thematic real estate	3.1%
				Thematic private equity	1.0%		
				Thematic public debt	2.1%		
		Total	14.5%	Total	37.7%	Total	6.0%
	Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital						
Total		0.0%	Total	0.0%	Total	0.0%	
Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital					Thematic cash	3.1%	
					Thematic private equity	2.3%	
					Thematic real estate	0.6%	
					Thematic alternatives	3.8%	
					Thematic bonds	7.7%	
					Thematic public equities	12.8%	
	Total	0.0%	Total	0.0%	Total	30.4%	
Signal that impact matters + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital					Thematic private debt	3.5%	
					Thematic private equity	4.7%	
					Thematic real estate	0.1%	
	Total	0.0%	Total	0.0%	Total	0.0%	
Overall Total		14.5%		38.7%		46.8%	



Breakout activity: Mapping the impact of your investment products / those of your target investors

Investor's Impact Matrix

Impact of underlying assets / enterprises

A

B

C

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Investor's contribution

1

Signal that impact matters
+ Engage actively
+ Grow new/undersupplied capital markets
+ Provide flexible capital

2

Signal that impact matters
+ Engage actively
+ Grow new/undersupplied capital markets
+ Provide flexible capital

3

Signal that impact matters
+ Engage actively
+ Grow new/undersupplied capital markets
+ Provide flexible capital

4

Signal that impact matters
+ Engage actively
+ Grow new/undersupplied capital markets
+ Provide flexible capital

5

Only relevant for investors whose intentions and constraints are such that they are willing and able to provide flexible capital

6

Signal that impact matters
+ Engage actively
+ Grow new/undersupplied capital markets
+ Provide flexible capital

Act to avoid harm
Prevent or reduce significant effects on important negative outcomes for people and the planet

Benefit stakeholders
Have various effects on important positive outcomes for people and the planet

Contribute to solutions
Have a significant effect on specific important positive outcome(s) for underserved people or the planet



Q&A

Publications and resources

- The IMP regularly co-authors publications with leading organizations on impact management topics. To date we have published more than 20 reports covering topics across the value chain, accessible through our website:
www.impactmanagementproject.com
- If you would like any clarifications on the shared fundamentals, please contact team@impactmanagementproject.com
- Follow us on Twitter ([@impmgmt](https://twitter.com/impmgmt)) and subscribe to our newsletter (through website) for the latest case studies, publications and updates on the Impact Management Project
- Reach out to SVT (svtgroup.net and [@svtgroup](https://twitter.com/svtgroup)) to get additional help designing and implementing impact management systems.



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