SOCIAL IMPACT MEASUREMENT AND MANAGEMENT IN IMPACT INVESTING: THE JUNGLE WE MUST STEER THROUGH

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CONTEXT

Faced with these risks, challenges and lack of regulation – how should organisations in impact investing approach, and navigate, the jungle that is social impact measurement and management?

The impact investing market has dramatically expanded, but not without any real problems: the risk of contamination by the traditional form of investments, the proliferation of non-standardised and integrated standards and tools, and confusion about how to manage the social impact by factoring a multitude of actors are all matters that need to be considered;

Several challenges remain to be solved, including the confusion about which factors should be weighed when measuring social impact, understanding the risks associated with those factors during the decision-making process, difficulties in generating and collecting high-quality social impact data, lack of alignment among stakeholders on the timeline for measuring and managing social impact, social impact not being prioritised by many organisations, and the high risk of “impact washing”;

Hard and soft law is needed to improve the measurement and management of social impact when moving beyond the “one-size-fits-all” approach, and thus considering the multitude of stakeholders when designing and assessing impact initiatives.

PREFACE

This white paper is the first of a series published by UCL School of Management to advance research and practice in the field of impact investing, specifically around social impact measurement and management. This research initiative (called IMmPACT) is led by Professor Paolo Taticchi, OMRI and sponsored by the John Ryder Memorial Trust. Ms Chiara Andreoli is the co-investigator. The research initiative has led to the creation of a “Social Impact Practice Group” comprised of 30+ organisations (see the full list of members in the Acknowledgments section) with different roles in the social impact and impact investing ecosystem. These organisations have shared experiences and views with the research group with the goal of advancing research around social impact measurement and management. The focus is on Impact investing; however, some learnings apply equally to other types of sustainable investing. This white paper integrates key insights gained from the first two workshops the authors carried out with the Practice Group.

THE RISE OF IMPACT INVESTING

It was in 2007 when a small group of “dreamers” convened at the Rockefeller Foundation meeting at the Bellagio Centre in Italy and coined the term “impact investing”. While some organisations were already active in this space, like the Acumen Fund for instance, this meeting marked the beginning of the field as it is known today.

THE BIG IDEA

Reshaping the notion of traditional investing and looking beyond the standard risk-return relationship to generate positive social and environmental impact alongside financial return: this was and still is the premise (and promise) of impact investing.

Sir Ronald Cohen, considered by many the father of impact investing, remarks that impact should be at the core of businesses’ decision-making processes, alongside the financial return. In the face of increasingly severe societal challenges, the world can no longer sustain the old-fashioned idea of shareholders’ capitalism.

By promoting stakeholder-centric organisations, impact investing encourages the shift to a system that prioritises “making money while achieving the highest impact and lowest level of risk” (Cohen, 2021).

The GIIN 2022 report suggested

THE MARKET REACHED 1.164 TRILLION USD IN ASSETS UNDER MANAGEMENT WITH ALMOST 3349 ORGANISATIONS ACTIVE IN IMPACT INVESTING

The survey found that

A NEW COLLABORATIVE EFFORT AMONG WORLDWIDE STAKEHOLDERS HAS EMERGED, IN ORDER TO FOSTER THE DEVELOPMENT OF A HIGH-FUNCTIONING MARKET.

Nevertheless, we still have nothing on how much impact this has, how much would be had if it were just investing without the word ´impact´ or how much is 'new money' that wouldn't otherwise have been invested. On December 1, The European Impact Investment Consortium, including EVPA, GSG and several European National Advisory Board (NABs) and some academic centres, published the "Accelerating Impact" report, the first harmonised European impact investment market sizing study. According to the research, "the European direct impact investment market as €80 billion (0.5%), out of which – at least – € 32 billion (0.2%) has some elements of additionality (positive contributions that would not have happened if not for the investment intervention)." (EVPA, 2022).

The widening scope of sustainable investing and the lack of standardisation in the lexicon leads to great confusion between ESG investing and impact investing. The concept of ESG refers to the integration of environmental, social and governance (ESG) factors that are financially material into investment processes. Thus, it is often considered a risk management approach. Conversely, impact investors are motivated by the willingness to generate a positive social impact on the world by directing their investment capital towards companies that provide solutions to environmental or social challenges. These investors should monitor the generation of positive social and/or environmental impacts alongside a financial return. Nevertheless, if financial targets can be considered a balance between resources, management ability and investors' expectations, the question of who and how impact targets are set is still unanswered.

According to the United Nations Principles Responsible Investing (UN PRI) 2020 report, the market for impact investing today is very active with projects focused on an array of opportunities including energy efficiency, green buildings, renewable energy, sustainable agriculture, sustainable forestry, water, affordable housing, education, health, and inclusive finance projects. Both innovative and non-innovative entrepreneurship are included.

A good example is the Danone Venture Capital (VC) fund, whose aim is to empower innovative social entrepreneurs to achieve sustainable social impact by investing in social businesses, providing capital, technical and managerial expertise, and networking. The company decided to focus mainly on Sustainable Development Goals n°2 (Zero hunger) and n°6 (Clean water and sanitation), with an impact also on SDG n°1 (No poverty). The Grameen Danone Foods Ltd is one of the many projects launched by this VC fund. Through this impact project, Danone developed Shokti +, a yoghurt enriched with micronutrients (iron, Iodine, zinc, vitamin-A), which is helping 300,000 children in Bangladesh to fulfil their nutritional needs. It is much needed support in a region where one out of two children suffer from malnutrition.

The project is also a source of income and jobs, as almost 500 farmers sell their milk to Danone; and women who were previously unemployed now earn a salary by selling the products door-to-door. Moreover, Grameen Danone Foods Ltd provides insurance, sales training, and revenue stability to 100 van pullers.

THE COMPLEXITY OF THE IMPACT INVESTING FIELD

The evolution and expansion of the impact investing field did not come without challenges. According to the United Nations Impact Investing Market Cap 2018, until some years ago only traditional impact investors, who targeted low and mid-liquidity and maturity impact companies and more innovative companies, were active in the market. The field has evolved, however, as more "mainstream" impact investing started to target listed equity firms and large privately-owned companies that can be deemed more attractive to institutional and traditional investors. The two types of impact investments operate symbiotically and complementary (United Nations Principles Responsible Investing, UN PRI, 2018). This shift has shed light on the need for academia and industry to consider the "risk of contamination". Not everything is impact investing:

"We need to have a thorough discussion about materiality since there is a lot of confusion around what is risk management through ESG practices and what is actually generating positive impact."

Arnau Picon, Research Associate at European Venture Philanthropy Association (EVPA)

Materiality and intentionality of impact: these are the first two words that readers should bear in mind when speaking about impact investing to distinguish it from other types of investments. Materiality[1] refers to the identification of material outcomes, "that are important enough to consider when making decisions about allocating resources. Any activity will result in many different outcomes for different people. Inevitably a way of prioritising the most important outcomes will be necessary" (Social Value International Standards, Principle 4, pg.2, 2016). This implies an analysis of specific issues that are key to achieving a company's short-, medium-, and long-term goals, and can vary from company to company. If an organisation does not consider materiality risks during the decision-making process, therefore lacking information on material changes, it cannot act to maximise its impact (Social Value International Standards, Principle 4, 2016).

"The assessment must be dynamic. For example, stakeholder needs and expectations are changing all the time and a development that is judged as not material today may well become very material in 5 years' time and may well require the beginnings of action today in response."

Dr. Jan Dauman, Founder & Trustee at John Ryder Memorial Trust and Former CEO of InterMatrix

[1] The GRI (Global Reporting Initiatives) explains how the concept of materiality evolved from only including the financial aspect to considering the impact perspective too: "Financial materiality and impact materiality together under the umbrella of 'double materiality' are the only relevant forms of materiality, with both perspectives needed in a two-pillar structure - for financial and sustainability reporting - with a core set of common disclosures and each pillar on an equal footing."

Intentionality denotes "an investor's intention to have a positive social or environmental impact" (GIIN, 2022). At the same time, it is probably unavoidable to have at least one positive impact, the intention though could be to have a net positive impact, or a net positive impact at a rate commensurate with global needs and stakeholders' expectations, as Jeremy Nicholls brings up.

Let us add a third one: the additionality[2] of impact, without which an intervention leads to effects that would have occurred anyways (EVPA Glossary, 2022). And a fourth one: the measurement of impact[3], fundamental for managing it. Without fully understanding the four pillars of impact investing, the market risks being contaminated by other, more traditional, financial strategies.

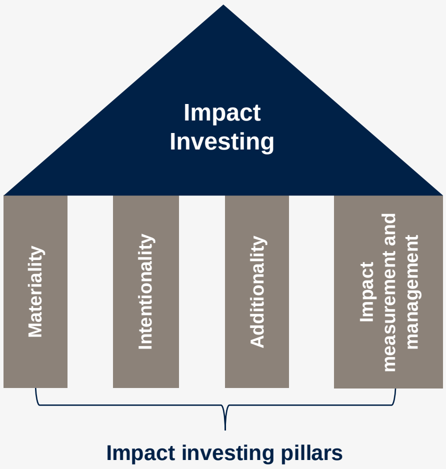


Figure 1. Impact investing pillars (Source: Authors´ elaboration)

Moreover, the last 15 years have seen a proliferation of standards, principles, frameworks, and metrics (Appendix 2) developed to measure, manage and report corporate-level or project-level impacts on society beyond financial performance. These tools are far from perfect, however, and several issues persist. The social factors in particular are the most difficult to be defined, measured (quantitatively and qualitatively) and integrated with other factors that are considered within decision-making processes.

"Regrettably, proliferation has not favoured standardisation and today there is more confusion than ever around terminology, metrics and methods. Frameworks and tools should be integrated and used complementarily. Moreover, social impact measurement and management should be combined with other factors, such as environmental and governance."

Fermín Martínez de Hurtado Yela, Head of Sustainability & Responsible Banking at Santander UK

With the expansion of the market, every actor in the "impact ecosystem" (Figure 2) should measure and manage its social impact by considering a multitude of stakeholders involved in impact investing projects (Figure 3).

[2] Additionality "means that an intervention will lead, or has led, to effects which would not have occurred without it. In the impact context, it refers to achieving positive outcomes that are better than what would have happened without the investment. Additionality may result from: growth of new or undersupplied capital markets; provision of flexible capital, accepting disproportionate risk-adjusted returns; active engagement providing a wide range of non-financial services" (EVPA Glossary, 2022).
[3] Impact measurement represents "the commitment of the investor to measure and report the social and environmental performance and progress of underlying investments, ensuring transparency and accountability while informing the practice of impact investing and building the field" (GIIN, 2022)

The Impact Ecosystem

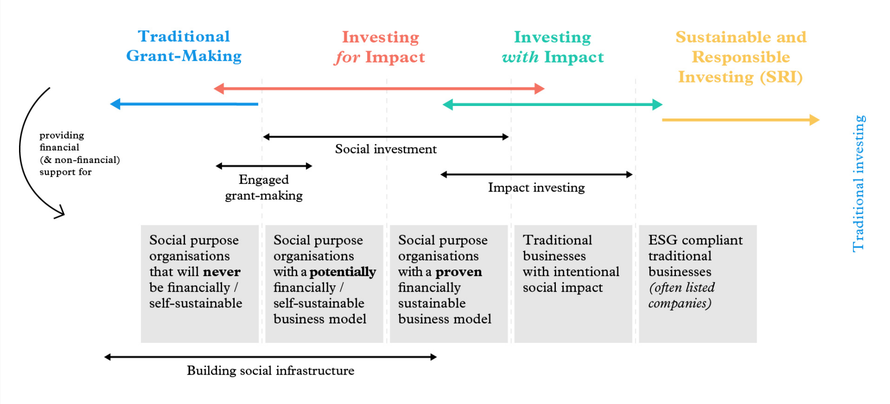


Figure 2. The impact ecosystem (Source: EVPA Website, 2022)

The impact ecosystem is "the space where organisations adopt impact strategies, which can be classified as investing for impact[4] or investing with impact[5]", as defined by European Venture Philanthropy Association (EVPA). Some innovative investors are already starting to measure their impact at this level, thereby going beyond the more traditional investor-investee relationship (Giaggiotti, Gianoncelli and Picon, 2022).

Impact investing actors

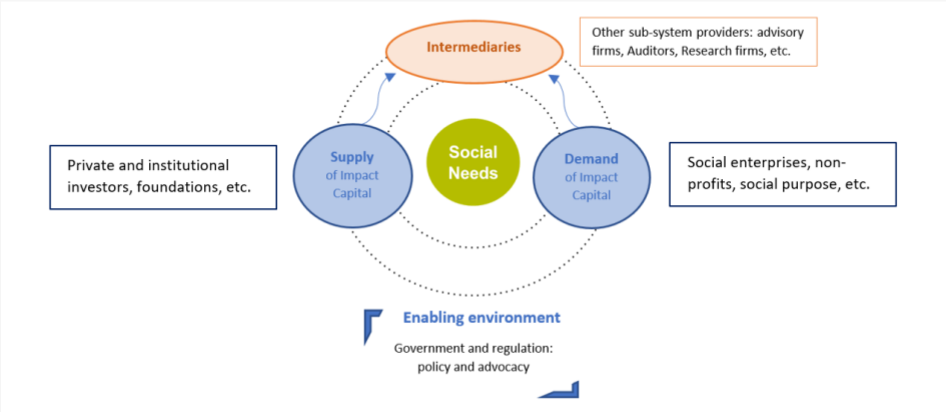


Figure 3. Impact investing actors (Source: Authors´ elaboration)

First, measuring the social impact on only one group of stakeholders is paradoxical in the impact investing context. The goal of impact investing to solve specific societal challenges for multiple stakeholders explicates the need of extending the measurement beyond only one worldview (e.g., investor or investee perspective) to manifold. Second, to design high-impact initiatives or to assess existing ones it is vital that relevant stakeholders (e.g., final beneficiaries) are identified, mobilised and engaged in the different stages of decision-making. There are trade-offs to be addressed and synergies that can be built when impact projects are managed through an ecosystem approach.

[4] Investing for impact strategy "is followed by investors that adopt the venture philanthropy approach to support social purpose organisations maximising their social impact. Their support is mostly non-financial (e.g., adding expertise in impact measurement within an organisation)" (EVPA, 2022).
[5] Investing with impact strategy is followed "by investors that have access to large pools of resources and need to guarantee a certain financial return alongside the social impact they aim at generating" (EVPA, 2022).

Nevertheless, “This is undeniably challenging. We live in a jungle, and we must steer through it!” **says Lisbeth Zacho, Founder and Managing Partner at Nordic Impact Funds.**

“Almost everyone is focusing on the reporting side, but the problem sits with the governance of impact measurement and management[6]. Who is included in the process, for whom the impact is being measured and managed, and how to collect and generate information among stakeholders are all key factors that need to be considered.”

Priscilla Boiardi, Policy Analyst at OECD in the Impact Investment and Blended Finance team

Thus, this white paper delineates the main issues that remain to be solved, and that practitioners face when measuring and managing social impact (Figure 4).

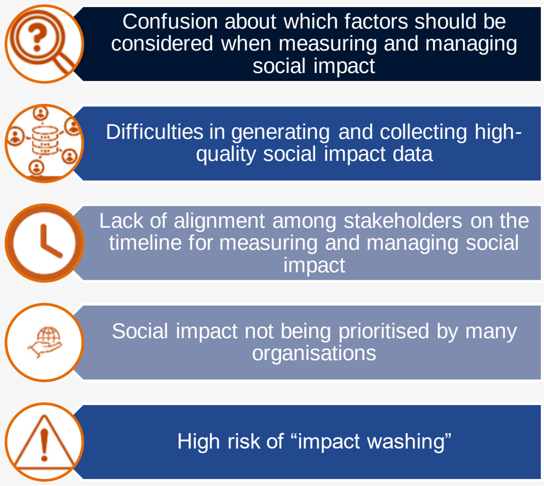


Figure 4. Identified challenges in social impact measurement and management (Source: based on IMmPACT workshops and additional interviews)

WHAT FACTORS SHOULD BE CONSIDERED IN THE SOCIAL IMPACT MEASUREMENT AND MANAGEMENT?

This is the first question that practitioners in the group raised. Clarity around definitions emerged as an issue that is still far from being resolved. In industry, as well as academia, people still struggle to give a simple but comprehensive definition of what social impact is, and how it should be measured and managed. By clarifying which elements to consider, it will be easier to understand the risks associated with those factors during the decision-making process.

“A sort of standardisation across themes and industries around what specific social factors should be measured is still needed in the impact investing arena. This would also decrease the burden of proving consistency across industries while respecting the distinction between different asset classes, the `glocal´ perspective, and the differences between the private and public market.”

Rasmus Juhl Pedersen, Head of ESG at Pædagogernes Pension (PBU)

The Sustainable Finance Disclosure Regulation (SFDR) raised hope for the finance (and non-finance) world to have more standardisation[7]. However, the reality is much more complex, and if some practitioners opt for a “keep it simple” motto, a myriad of factors should be considered when measuring impact “on the ground”. Put simply, standardisation is not always optimal. For instance, many organisations find it challenging or impossible to implement Sustainable Development Goals (SDGs) guidelines at the company level, initially conceived for governments and not for private companies.

[6] The Social & Human Capital Coalition offers the foundational principles for measuring and valuing social and human capital and make these a core part of business decision-making. This Protocol is a key Coalition resource, setting out many of the foundational principles for measuring and valuing social and human capital.
[7] ISO/TC 322 on sustainable finance helps integrate sustainability considerations including environmental, social and governance practices in the financing of economic activities (e.g., iso 32210, 32211 and 32220)

Clearly, a 100% standardisation would limit the possibility of holistically measuring the impact of every organisation. Realistically, there will always be a battle between standardisation and tailoring to the organisation and project level.

"How do we manage the trade-off between standard metrics that apply across different companies and projects, and bespoke metrics that reflect the individuality of a project and the feedback of stakeholders?"

Oliver Kempton, Social Value UK and partner at Envoy Partnership

Managers should be able to not only make sense of the frictions at the organisational level but to go beyond and uncover the complexity underneath the surface.

"Especially when dealing with social initiatives, there will always be a degree of subjectivity in defining the impact meaning and related metrics, as it is not as strict as it is normally with investing in financial instruments."

Benedetta Gava, External Sustainability Consultant at Rai Way

Moreover, when measuring and managing social impact, the environmental and governance factors should also be part of the analysis, as they are often strictly interlinked with social issues. Indeed, the recurring tensions between the environmental, social and governance spheres have always been high on the agenda in impact investing. Most of the trade-offs are present at the system level.

"It is only by deeply understanding the trade-offs and synergies that managers, as well as other stakeholders, can then undertake strategic actions to tackle specific societal issues and implement efficient measurement processes."

Andreas Rasche, Professor at Copenhagen Business School

HOW CAN STAKEHOLDERS GENERATE, COLLECT AND USE IMPACT DATA FOR DECISION-MAKING PROCESSES?

As American author Ted Gioia said: "In your life, you will be evaluated on your output. But your input is just as important. If you don't have good input, you cannot maintain good output".

In the field of impact investing, this rule applies. Good decision-making – and in turn good story telling - requires good data. Organisations need quality data, before a project starts, to inform on KPIs decisions and reporting, and throughout the investment life of a project. Data, both qualitative and quantitative, are essential for analysing the baseline, but also for internal (with other projects) and external (with other companies) benchmarking.

Unlike environmental data, which are easier to track and quantify, there is a lack of standardised and high-quality social data, given the presence of multiple standards and metrics that practitioners can use as mentioned above. There are several reasons for this. Firstly, people-related data are the most difficult to be defined.

"There are no scientifically based, universally agreed metrics when it comes to social issues, such as human rights. It is challenging to account for unintended consequences and unpick the interaction between positive and negative impacts. Reporting shouldn't only focus on positive impact but account for complex dynamics, so it can be leveraged to learn how social change really works."

Diana Copper, Sustainability Strategy, Head of Portfolio Management, The Commonwealth

Another friction that practitioners found is how to link the social impact data to the financial return. As Dr. Jan Dauman, Founder & Trustee at John Ryder Memorial Trust and Former CEO of InterMatrix emphasises, "**we don´t have to**

be fixated on cash." In some cases, monetising the social outcomes is necessary to compare different projects, **but is it really helpful to monetise everything?** For instance, thinking about the value of intangibles (e.g., health improvement) not everything can be monetised.

"You may even end up giving the wrong value if you pretend to monetize everything. As a consultant in projects for the public sector, I see that monetisation is much more common there than in the private."

Jonathan Woad, Strategy and Sustainability Consultant at Baringa

HOW CAN MULTIPLE STAKEHOLDERS AGREE ON A TIMELINE IN IMPACT INVESTING PROJECTS?

Unlike how it is perceived in some frameworks, such as the Social Value International (SVI) standards, the different perceptions of time that stakeholders have represents another obstacle for many actors operating in the impact investing space. ´Impact' refers to the long-term outcomes and not short-term outputs of activities and investments.

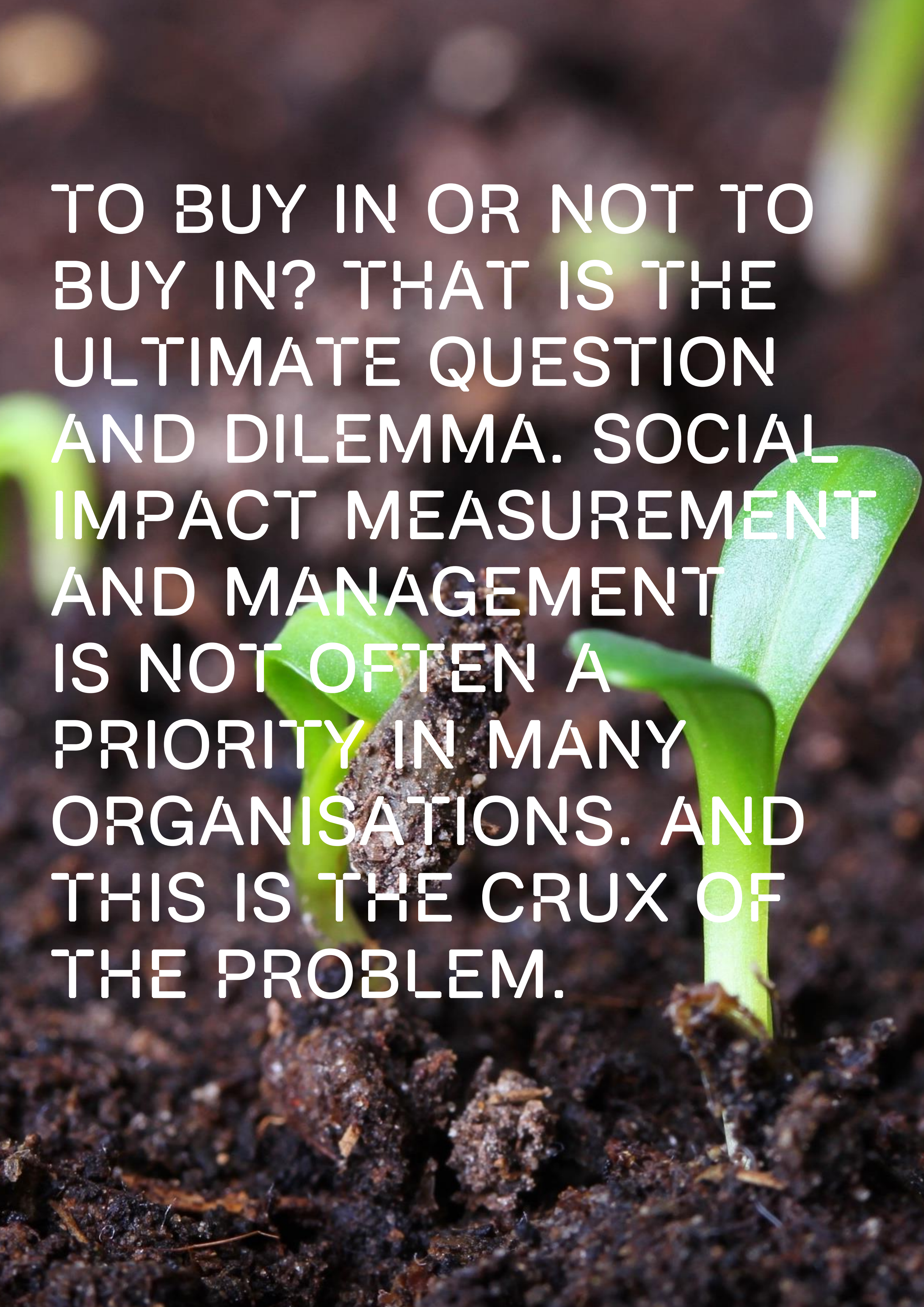
"The lack of alignment on the timeline limits the success of having a long-lasting positive impact on society. We should aim to monitor impact over the long-term life cycle of a project, like 10-15 years. However, we recognise the high costs of doing this."

Paolo Taticchi, Professor at UCL School of Management

While traditional investors have a shorter perception of the time needed to have a return on the investment done, impact investors are aware that it is key to wait to see the results on the ground. If investors do not go back after several years to measure the consequences of business activities and investments, it is almost impossible to account for any negative consequences that would not have been mitigated during the project. Moreover, some positive short or medium-term outputs fade in the long term.

"Most investors' expectations are detached from reality. You do not know whether the impact you leave behind is real and sustainable unless you go back and measure it again. It is key to measure the impact after the project ends, 5, 10 even 20 years later!"

Davide Stronati, Director of Sustainability at Nuclear Decommissioning Authority



TO BUY IN OR NOT TO BUY IN? THAT IS THE ULTIMATE QUESTION AND DILEMMA. SOCIAL IMPACT MEASUREMENT AND MANAGEMENT IS NOT OFTEN A PRIORITY IN MANY ORGANISATIONS. AND THIS IS THE CRUX OF THE PROBLEM.

Skills focused on impact measurement and management are still scarce and there is limited investment in training people to advance their ability to measure, manage and report on impact.

Despite the increased request for impact measurement and management, still many companies are reluctant to assign enough budget to this task. The inadequate financial resources invested lead to limited human resources as well, compounding the issue even further. It is still rare to find a cultural mindset that gives priority to collecting data about impact.

"What we observe especially working with investors is that people are hired for their exceptional financial background, but they need to be trained to be capable of measuring and managing impact."

Priscilla Boiardi, Policy Analyst at OECD in the Impact Investment and Blended Finance team

Another important question worth exploring is, at what level of the organisation should social impact measurement and management be "bought-in". On the one hand, having someone at the top providing the rules and empowering ESG and impact teams could be beneficial, as suggested by Gianluca Pediconi, Portfolio Manager at Momentum Alternative Investment; on the other hand, this approach could be limiting. The drawback of empowering ESG and impact teams, as remarked by Andrea Abbate, Impact models and socio-environmental evaluator at Banca Etica, is that social impact would be confined to only one office.

ARE THE CLAIMS MADE BY INVESTORS MATCHING THE RESULTS?

"Trust is all about being sure that the claims being made are authentic ones."

Tristan Hackett, Director at BlueMark

When there is a disconnect between what investors say about their investment result or the intentions, and the result itself, the phenomenon of "impact washing[8]" can arise. Independent verification is increasingly required to increase the trust and accountability of social impact, and decrease the risk of impact washing (GIIN, 2018). According to EVPA, the impact verification is a "key process to verify the importance and the magnitude of the intended and unintended outcomes generated is listening to the voices of the relevant stakeholders. Impact verification aims at optimising positive impact and also at managing risks and understanding whether the risk mitigation strategies are being effective". For instance, BlueMark was designed to tackle this phenomenon and contribute to making the field of impact investing more transparent and responsible.

As Tristan Hackett highlights, **the issue of impact washing is not only related to "sinister investor"** (e.g., creating marketing reports that inflate the numbers), but it is something that goes beyond this. **It is miseducation in the market of Impact investing,** especially about how to manage the impact in a robust way. It also demonstrates a lack of knowledge about how to accurately report the impact figures. An evaluation of third-party auditors is also essential to ensure transparency when dealing with big projects involving private and public actors.

In this context, we should distinguish between impact verification and impact assurance. The latter is the "external, independent evaluations of the IMM processes followed and the results obtained.

[8] Impact washing "is when fund managers or bond issuers overstate or falsely claim an investment's positive impact on the environment or society. This can be a purposefully dishonest claim, an embellishment of the truth, or a mistake due to inadequate impact measurement", as defined by Harvard Business Review (Cote, 2022)

Impact assurance ensures accountability to the investor towards its stakeholders, and also represents a learning opportunity for both investor and investee to mitigate impact risks and identify gaps on their performance" (EVPA Glossary, 2022). For instance, financial assurance refers to the organisation and the staff accreditation as having competencies, based on an international assurance standard.

As this is also needed for impact, some organisations are working to raise the standards. Among the others, International Auditing and Assurance Standards Board (IAASB) is developing a sustainability assurance standard, ISO Committee on conformity assessment (ISO/CASCO) standards provide the basis for conformity assessment, UNDP is developing an assurance framework for the UN SDG Impact Standards.

Impact verification and assurance, however, do not come without any costs. This can discourage some small companies from being able to evaluate their impact, as Louisa Bullard, Head of Sustainability at Mercato Metropolitano, warns. However**, *why do many organisations still bear the costs of financial audits without concerns? It's a provocative question being debated by many "social impact zealots*.**"

PUSHING THE BOUNDARIES AND MOVING THE IMPACT INVESTING MARKET FORWARD

As a relatively nascent field, impact investing still needs improvements. As our data shows, the presence of several stakeholders in the Impact ecosystem creates many obstacles.

In this report, the five key challenges to improve in measuring and managing social impact, when moving beyond the "one-SIDE-fits-all" approach in impact investing, have been highlighted:

- Confusion about which factors should be considered when measuring and managing social impact
- Difficulties in generating and collecting high-quality social impact data
- Lack of alignment among stakeholders on the timeline for measuring and managing social impact
- Social impact not being prioritised by many organisations
- High risk of "impact washing"

The entire ecosystem, from financial services to charities, from multinationals to small and medium enterprises, from international organisations to lawmakers, should mobilise to make social impact a priority, alongside a financial return.

An additional challenge is the extent to which these factors are viewed as challenges and how they can influence the opportunity, even the necessity, of making more decisions, faster and informed by impact.

Whether "hard" or "soft", improvements in the social impact measurement and management should become reality.

This is already partially happening in the field. Still, more is needed to reshape our system from the "risk-return" idea to "risk-return-impact", as Sir Ronald Cohen fittingly points out.

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APPENDIX 1: RELEVANT DEFINITIONS

Keyword	Definition	Source
Social Impact	The attribution of an organisation's activities to broader and longer-term outcomes, which are in turn defined as the changes, benefits, learnings, or other effects (positive or negative, both long and short term) that result from an organisation's activities. In academic terms, to accurately calculate social impact outcomes should be adjusted for: (i) what would have happened anyway (deadweight); (ii) the action of others (attribution); (iii) how far the outcome of the initial intervention is likely to be reduced over time (drop off); (iv) the extent to which the original situation was displaced elsewhere or outcomes displaced other potential positive outcomes (displacement); and for unintended consequences, which could be negative or positive.	EVPA
Impact investing	Impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets, and target a range of returns from below market to market rate, depending on investors' strategic goals	GIIN
Investing with impact	Strategy used by investors that have access to large pools of resources and need to guarantee a certain financial return alongside the social impact they aim at generating	EVPA
Impact measurement	The commitment of the investor to measure and report the social and environmental performance and progress of underlying investments, ensuring transparency and accountability while informing the practice of impact investing and building the field	GIIN

Impact management	Monitoring the change created by an organisation's activities, and using the information/data to refine activities in order to increase positive outcomes and reduce potential negative ones (based on measurement)	Adapted from EVPA
Impact reporting	Once the data has been collected and analysed, an organisation needs to consider how to present and share this information. Depending on the stakeholders to whom an investor for impact is reporting, different formats will be required. Investors for impact report to funders on ad-hoc basis and usually make an extensive review yearly, which may be included in an impact report to be shared widely.	EVPA
Impact washing	It is when fund managers or bond issuers overstate or falsely claim an investment's positive impact on the environment or society. This can be a purposefully dishonest claim, an embellishment of the truth, or a mistake due to inadequate impact measurement	Harvard Business Review (Cote, 2022)
Materiality	An assessment made to determine the factors that are relevant, significant and material to include in a true account of the organisation's impact	EVPA
Additionality	An intervention will lead, or has led, to effects which would not have occurred without it. In the impact context, it refers to achieving positive outcomes that are better than what would have happened without the investment. Additionality may result from: growth of new or undersupplied capital markets; provision of flexible capital, accepting disproportionate risk-adjusted returns; active engagement providing a wide range of non-financial services	EVPA
Intentionality	An investor's explicit intention to have a positive social or environmental impact	GIIN

APPENDIX 2: MAIN FRAMEWORKS, PRINCIPLES, STANDARDS, AND GUIDELINES IN IMPACT INVESTING *

Name	Sources	Type	Year	Link
Overarching (multiple purposes) principles, guidelines and frameworks				
UN PRI	PRI	Principles	2006	https://www.unpri.org/pri/what-are-the-principles-for-responsible-investment
SDG	UN	Principles	2015	https://sdgs.un.org/2030agenda
IMP 5 dimensions	Impact Management project	Framework	2016	https://impactmanagementproject.com/impact-management/impact-management-norms/
Impact Principles	IFC	Principles	2019	https://www.impactprinciples.org/9-principles
EVPA principles	EVPA	Principles	2019	https://evpa.eu.com/knowledge-centre/publications/impact-management-principles#publication
Social Capital Coalition	Social Capital Coalition	Framework	2021	https://capitalscoalition.org/capitals-approach/social-human-capital-protocol/
Standards and methodology for measurement,management, reporting				
SROI	Social Value International	Methodology standard for measurement	2008	http://www.socialvaluelab.org.uk/wp-content/uploads/2016/09/SROI-a-guide-to-social-return-on-investment.pdf
SDG Impact standards	UN	Standards for management	2015	https://sdgimpact.undp.org/
GRI	global reporting initiative	Standards for reporting	1997 (first version)	https://www.globalreporting.org/
IRIS+	GIIN	Standards for measurement	2019	https://iris.thegiin.org/standards/
SASB standards	SASB	Standards for Reporting	2011	https://www.sasb.org/
Impact Weighted Accounts Initiative	Harvard Business School	Framework	2020	https://www.hbs.edu/impact-weighted-accounts/Pages/default.aspx
Assurance				
SDG Assurance framework	UNDP	Framework	To be published	https://sdgimpact.undp.org/impact-assurance.html

**Note: This table only includes the frameworks, principles, standards and methodologies highlighted by the members of the practice group during the workshops and interviews. (Source: Authors)*

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Biography
Paolo Taticchi is Professor in Strategy and Sustainability & School Deputy Director (MBA, Global Engagement, Executive Education) at UCL School of Management.

Highly active in executive education, Paolo has trained thousands of managers and executives of Fortune Global 500 companies; and is a sought-after speaker regularly invited to give keynote talks at world-class academic, governmental and industry events.

Paolo's research on corporate sustainability and performance measurement is internationally recognised. Paolo's last book is titled "Corporate Sustainability in Practice" and was published in January 2021.

Outside of the academy, Paolo has significant consultancy experience in the fields of strategy, education, and sustainability. He has worked in this capacity for firms of various sizes, and in a range of different industries. Today, he advices (or serves in the advisory board) influential organisations and is one of the scientific advisors of the Ministry for the Ecological Transition in Italy.

He has received numerous awards for the impact of his work. His projects, quotes and opinions have been featured over 350 times in international media outlets. In 2021, Paolo was indicated by Italian's leading business daily Sole 24 Ore as the most influential Italian under the age of 40.

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