



The Contribution of Impact Management Project for Investors' Impact Reporting

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Abstract

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While the impact investing market has grown rapidly in recent years, investors face the challenge of managing, measuring, and reporting their impact. Investors have a wide range of tools and frameworks at their disposal without a standardized approach to impact reporting. The organization Impact Management Project (IMP) has supported this process with consensus-building. This thesis explores how the IMP can contribute to a potential standardization for impact reporting. Based on information obtained during interviews with IMP employees and impact investors, we propose guidelines and a framework for an impact reporting process for investors. The proposed framework contains five steps starting with a reporting committee. The study highlights the success factor of best-practice and the need for guidelines in impact reporting for investors.

Key Words: Impact Investing, Impact Reporting, Impact Management, Sustainability, Impact Management Project

Sumário

Título: A contribuição do Projecto de Gestão de Impacto para os Relatórios de Impacto dos Investidores

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Embora o mercado de investimento de impacto tenha crescido rapidamente nos últimos anos, os investidores enfrentam o desafio de gerir, medir, e reportar o seu impacto. Os investidores têm à sua disposição uma vasta gama de ferramentas e estruturas sem uma abordagem padronizada de relatórios de impacto. O Projecto de Gestão de Impacto (IMP) assumiu o apoio a este processo com a construção de consensos. Esta tese explora a forma como o IMP pode contribuir para uma potencial normalização na elaboração de relatórios de impacto. Com base em informações obtidas durante entrevistas com funcionários do IMP e investidores de impacto, propomos directrizes e um enquadramento para um processo de elaboração de relatórios de impacto para investidores. O quadro proposto contém cinco etapas, começando com um comité de elaboração de relatório. O estudo destaca o o factor de sucesso das melhores práticas e a necessidade de orientações em matéria de relatórios de impacto para os investidores.

Palavras-chave: Impact Investing, Relatório de impacto, Gestão de Impacto, Sustentabilidade, Impact Management Project

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List of Abbreviations

CAGR	Compound Annual Growth Rate
ESG	Environmental, Social, and Governance
GIIN	Global Impact Investing Network
GRI	Global Reporting Initiative
IFRS	International Financial Reporting Standards
IMM	Impact Management and Measurement
IMP	Impact Management Project
IIRC	International Integrated Reporting Council
ISSB	International Sustainability Standards Board
PRI	Principles for Responsible Investment
R.Q.	Research Question
SASB	Sustainability Accounting Standards Board
SDGs	Sustainable Development Goals
SIA	Social Impact Assessment
SIM	Social Impact Management
SRI	Socially Responsible Investment
U.N.	United Nations

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1 Introduction

1.1 Problem Statement

Over the last three decades, a new type of investment activity has emerged worldwide, deliberately focusing on creating value for society while maximizing investors' financial returns. (Ormiston et al., 2015). Therefore, investors currently face the challenge of classifying, measuring, and reporting this impact to clearly specify the "value" of the investment to stakeholders. Despite the importance of this development, there is an underdeveloped standard for measuring and reporting social ventures' impact (Rawhouser, Cummings, and Newbert 2019). The lack of standardized approaches lead to unverified reporting and, therefore, room for interpretation and reduced quality for information consumers (Mynhardt et al., 2017). Instead, the investor offers numerous tools and frameworks to choose the suitable method without following precise guidelines.

Nevertheless, investors depend on a generally recognized method to make their investment decisions credible and transparent. One way for investors to make their impact transparent to stakeholders is to write an impact report. One of the most widespread impact management and reporting solutions is the Impact Management Project (IMP). It provides investors with norms called the "five dimensions" and the "impact classification matrix" on measuring, accessing, and reporting their impact, building on the industry's best practices. Although many investors already use the norms of IMP for their impact reports, there is no legal standardization for creating one. For this reason, the following research question (R.Q.) arises:

R.Q.: How can IMP contribute to the standardization of impact reporting for impact investors?

This thesis aims to answer the research question by assessing the following sub-topics:

- What are the benefits and motivations of IMP for an impact investor?
- What are the current challenges of the investors while using the IMP methodology?
- What are best-practice approaches to publish an impact report, including IMP?
- What kind of guidance can the IMP provide impact investors who want to create an impact report?

1.2 Managerial and Academic Relevance

Due to the novelty of this field, little academic research has focused on generally applicable principles to manage, measure, and report impact. For this reason, the contents of the described tools are mainly published by practitioners (e.g., GIIN, IMP) themselves.

Based on practitioners' insights, this study provides recommended actions combining an impact management practice, the IMP methodology, with impact reporting for impact investors, including managerial implications. However, neither uniform methodology for social impact management (SIM) and impact reporting is prescribed in the literature nor practice. It is merely a matter of best practice and recommendations for action.

More attention will be drawn to this topic and contribute to a standardized SIM and impact reporting for impact investors. Furthermore, implementing uniform impact reporting can be integrated into the Impact Management Platform to develop further the framework for managing investments.

1.3 Structure

This study follows the classical structure with literature review, methodology, analysis, including a conclusion to the research questions (R.Q.). The literature review (chapter 2) explores the terms Impact Investing, Social Impact Management, and Impact reporting to reach a common understanding of the terminology used in the existing literature and among practitioners. In addition, a brief overview of the tools and frameworks currently used in impact investing is set up. The focus is on IMP, which is the main component of the follow-up analysis. The chapter rounds off with a presentation of impact investors' current motivations and challenges, which serve as the basis for the benefits and challenges of IMP.

Next, the methodology (chapter 3) illustrates the study's empirical approach, including the applied research approach, data collection, and analysis. The study follows the qualitative research methodology by interviewing 14 practitioners about IMP using the snowballing method and semi-structured interview guide.

In chapter 4, the results from the interviews conducted are analyzed and discussed with the literature review findings. The benefits and challenges with the IMP are examined in more detail as the basis for the following recommendations for impact reporting. Moreover, best-practice recommendations from investors for reporting are derived from the interviews. Finally, a framework for the impact reporting process arises as managerial implications.

2 Literature Review

2.1 Explanation of Terms and Characteristics

2.1.1 Impact Investing

The practice "impact investing" or "social investment" has first origins in third-sector traditions such as civil society and gift-giving as well as distributive government policies focusing on welfare by state spending and, second origins in traditional investment notions such as focusing on financial markets and asset management (Nicholls, 2010). Initially, the term "impact investing" was coined in 2007 by the Rockefeller Foundation. Whereby today, the most widely used definition in practice is from the Global Impact Investing Network (GIIN) (2020): *"investing made with the intention to generate positive, measurable social and environmental impact alongside a financial return."*

Social entrepreneurship includes the practices and processes conducted to find, identify and leverage resources to maximize social wealth by developing new businesses or operating existing entities in an innovative manner (Zahra et al., 2009). Their goal is to fund their social innovation to address persistent social issues, whereby impact investing offers a significant opportunity to support enterprises financially. (Jackson & Harji, 2012; Murdock & Nicholls, 2012). Further, impact investing differs from conventional philanthropy and government financing to supply investors with a financial return. Furthermore, it differentiates it from conventional finance, which seeks explicitly to affect society positively (Nicholls, 2010; Ormiston et al., 2015). Moreover, impact investing is comparable, but probably different from, other 'positive' investment classes, such as 'socially responsible investment' (SRI) or 'ethical investment.' SRI is an existing aspect of wealth management, which typically includes positive or negative investment screening depending on social, environmental, governance (ESG), or ethical parameters (Renneboog et al., 2008). Impact investing aims to create a positive, measurable, and well-identified impact beyond financial return (Geobey et al., 2012) rather than merely avoiding negative impact and relying on high-level ESG considerations (Jackson & Harji, 2012; Scarlata & Alemany, 2010). However, they both have in common the involvement of investment practices in distressed urban areas and social venture capital funding (Affleck & Mellor, 2006; Scholtens & Sievänen, 2013). Thus, impact investing can be seen as an SRI evolution with overlapping aspects simultaneously (Ormiston et al., 2015).

2.1.2 Social Impact Assessment and Management

The existing literature does not use a fixed definition for SIM. Instead, it describes the meaning of Social Impact Assessment (SIA). According to Vanclay (2003), SIA analyzes, measures, and manages development's social implications. Social impact managers analyze the social consequences of projects or enterprises and design methods to monitor and manage such consequences continuously.

SIA is not just the estimation of forecasting social impact. Instead, it is the whole process of analyzing, monitoring, and managing the intended and unexpected social consequences, both positive and negative. Its main goal is to create a more social and sustainable environment by achieving the social mission. Project proponents utilize SIA approaches to facilitate decision-making and prioritize social investments (Esteves et al., 2012).

Among impact investors and other practitioners in the field, SIM is increasingly used. The following definitions can be found. First, Gentile (2002) defines SIM as *"the field of inquiry at the intersection of business practice and wider societal concerns that reflects and respects the complex interdependency between these two realities"* (p.25). Second, IMP (2020) considers analyzing both the beneficial and adverse effects of the underlying organizations and the investor's contribution as managing the impact of an investment or portfolio. Third, the GIIN (2020) refers to the term "impact management and measurement" (IMM), which is defined as *"identifying and considering the positive and negative effects one's business actions have on people and the planet, and then figuring out ways to mitigate the negative and maximize the positive in alignment with one's goals"* (p. 61).

GIIN understands the terminology as four actions that impact investors should take: setting targets, defining strategies, selecting metrics to track performance, and managing the impact performance process by improving decision-making and evaluating risks. GIIN and IMP work closely together and have a largely uniform understanding of SIM. Since this work refers to the practical application of the IMP, the definition of the latter two will be used for SIM.

2.1.3 Conventional vs. Impact Reporting

The conventional financial reporting method adheres to the accounting regulations enforced by the appropriate professional and government agencies, with the primary goal of the accounting unit being to report on financial profits (Gray, 2006). Therefore, the yearly financial statements are generated in compliance with the accounting profession's measurement and disclosure rules to record financial transactions and satisfy the stakeholders' purposes (A. Almagtome & Abbas, 2020). Financial and productivity measurements evaluate performance, although ineffective in assessing performance, strategy, and sustainability (Tangen, 2004). Furthermore, the existing accounting system ignores social and environmental costs that have no direct financial implications, such as emissions, pollution, and the negative social repercussions of economic activities (A. H. Almagtome et al., 2020). Investors are worried about the conventional financial reporting system's incapacity to deliver the information required to assess an organization's success (Ong et al., 2010).

After the financial crisis in 2008, the entire industry has started to question financial measurement and reporting (Hameedi et al., 2021). As a result, the International Integrated Reporting Council (IIRC) launched the Integrated Reporting Framework to promote a change in financial reporting by including non-financial components (A. H. Almagtome et al., 2020). According to IIRC (2013), the integrated report includes the following eight elements:

“(1) Overview of The Organization and External Environment, (2) Governance, (3) Business Model, (4) Risks and Opportunities, (5) Strategy and Resource Allocation, (6) Performance, (7) Basis of Preparation and Presentation and (8) General Reporting Guidance”(p. 1040).

The increased reporting of non-financial data about an organization's relationship with its physical and social surroundings resulted in separate impact reports (Hackston & Milne, 1996; Manes-Rossi et al., 2018). The definition of impact reporting is publicly reporting an organization's economic, environmental, and social sustainability impacts. For example, SDGs' reporting clearly illustrates how an organization addresses the SDGs (Rosati & Faria, 2019). Some organizations are concerned about receiving negative feedback from society if they disclose their impacts (Carvalho & Fonseca, 2019). Impact reporting can be a critical driver of an organization's sustainability orientation (Lozano, 2011). It motivates organizations to set their impact goals and supports them in focusing on sustainable development. Furthermore, it can be a powerful tool to communicate with stakeholders demonstrating transparency and accountability regarding their impact (Patten & Zhao, 2014). Most impact investors seem to have rec-

ognized the benefits of impact reporting, with nearly 100 percent reporting on their impact performance somehow, although just under half do so in the form of a public report (Bass et al., 2020).

Simultaneously, the reporting manner is by no means uniform, as the reports are voluntary and have no legal framework. Instead, the number of standalone reports is growing significantly (Cho et al., 2012). Even the widespread SDGs reporting is seen as a complex challenge since many stakeholders are usually involved in SDG projects and there are many targets and indicators (Van Den Homberg & Sussha, 2018).

Although there are initiatives, such as the Global Reporting Initiative (GRI) or Sustainability Accounting Standards Board (SASB), which have specialized in the development of standards in impact reporting (Global Reporting Initiative, 2021; Sustainability Accounting Standards Board, 2021), these have not yet been used by impact investors across the board, currently at 13 percent in each case (Bass et al., 2020). For this reason, five leading global organizations for impact reporting have recently reported a standard view of what is needed to advance inclusive corporate reporting and the intention to collaborate to accomplish it (Impact Management Project, 2020).

2.2 Impact Management Tools and Frameworks

2.2.1 Overview Market and Players

The impact investing market is still relatively new but has shown exponential growth, especially in recent years. In 2020, the GIIN projected the worldwide market size of the impact investing at \$715 billion in their annual survey. While between 2013 and 2019, the impact investing market has grown annually by around 27 percent. Globally, the fastest-growing impact investment allocation is in Europe with a 25 percent Compound Annual Growth Rate (CAGR) after Asia (East and Southeast) at 23 percent CAGR from 2015 to 2019.

Impact investment represents a class of investors that can operate in a wide variety of individual or institutional investors. In 2020, the asset managers covered about 70 percent of the market, while 17 percent were foundations. Others include banks, pension funds, insurance companies, development finance institutions, and family offices. Whereby investors are also making impact-neutral investments. In the annual GIIN survey, 39 percent of investors (e.g., insurance companies, pension funds, and diversified financial institutions) indicated making traditional investments.

The market is not only rapidly growing but is also remarkably successful. Thus, 88 percent of investors stated their financial objectives were met or exceeded in 2020. The annualized return for private equity impact funds amounted to 5.8 percent per year (Hand et al., 2020).

According to a study by the Global Impact Investing Network (GIIN) about Impact Measurement and Management (IMM), investors use, among others, the United Nations Sustainable Development Goals (SDGs), IRIS Catalog of Metrics by the GIIN as well as the Impact Management Projekt (IMP) as tools for IMM (Bass et al., 2020). The most widely used tools and frameworks are summarized in Table 1 below.

Organization	Tool, framework	Objective	Distribution ¹
UN	Sustainable Development Goals	Definition of global goals of the U.N. as an adoption of the Agenda 30	73 %
	Principles for Responsible Investment	Investment principles to provide a menu of potential steps to integrate ESG concerns into the process of investment	18 %
GIIN	IRIS Catalog of Metrics	Source of standard social and environmental performance metrics	46 %
	IRIS+ Core Metrics Sets	Investment decision-making-process support by standardized data comparison	36 %
IMP	IMP – Five Dimensions	Global consensus about measuring impact	32 %
B Lab	B Analytics / GIIRS	Data platform to measure and manage impact	18 %
Impact Principles	Operating Principles for Impact Management	Framework for investors to design and implement their impact management systems	18 %
Global Reporting Initiative	GRI Standards	Global standards for impact reporting	11 %
Value Reporting Foundation	Sustainability Accounting Standards Board	Global standards for impact reporting	9 %

Table 1: Overview Tools and Frameworks IMM (referring to Bass et al., 2020)

The United Nations (U.N.) (2016) committed in 2015 to their so-called Agenda 30, ending poverty and addressing social inequalities while protecting the planet by agreeing on the 17 Sustainable Development Goals (SDGs). The Agenda 2030 emphasizes that the SDGs are interlinked and that achieving sustainable development is critical to ensuring integration across all 17 goals, illustrated in Figure 1 below.

¹ n=276 impact investors



Figure 1: Sustainable Development Goals (United Nations, 2016)

Furthermore, the SDGs are broken down into 169 targets, and there are currently roughly 230 indicators proposed for meeting these targets (Edward & Joanne, 2017). The SDGs have already generated engagement across many actors, including business, accounting, and finance stakeholders (Bebbington & Unermann, 2018). Indeed, one of the SDGs' characteristics is that they represent a consensus that business has played and will continue to play a crucial role in achieving transformative global development (Caprani, 2016). This trend is also evident among impact investors, with SDGs the most prevalent framework at 72 percent. (Bass et al., 2020).

With the U.N.'s support, another tool has been available since 2005, namely the Principles for Responsible Investment (PRI). They are a voluntary and ambitious set of investment principles that provide a menu of potential steps to integrate ESG concerns into the process of investment (Majoch et al., 2017; PRI Association, n.d.).

The GIIN is, according to their website, one of the significant impact investing networks, bringing together impact investors to encourage information sharing, showcase new investment techniques, enhance the industry's evidence basis, and provide essential tools and resources. The most common GIIN tools are the IRIS Catalog of Metrics and the IRIS+ Core Metrics Sets.

2.2.2 Impact Management Project (IMP)

The IMP (2020) offers a platform for creating public understanding about how impacts should be measured, managed, and reported. Enterprises and investors need to handle environmental, social, and governance (ESG) risks and contribute meaningfully to global objectives. Furthermore, they promote a coordinated network of 16 standard-setting organizations such as, among

others, the GIIN or the PRI that organize efforts to provide full criteria for assessing, addressing, and reporting impacts on sustainability through their unique and complementary skills (Impact Management Project, 2018b). Since 2016, due to its practitioner community of over 2000 organizations, IMP has established a consensus, also known as norms, which reflects a shared logic to enable enterprises and investors to truly understand their impact (Impact Management Project, 2016).

According to the IMP (2020), the strategic approach can be divided into three categories depending on the strength of the investors' motivations; (A) Act to avoid harm, (B) Benefit stakeholders, or (C) Contribute to solutions. The IMP does not determine a concrete process for how investors manage, measure, or report their impact but provides best-practice material and relevant resources. The main components published by the IMP over time from 2016 to 2021 are the (1) five dimensions of impact, (2) the impact classification matrix, and (3) the impact management platform.

(1) Five Dimensions of Impact

The IMP's Practitioner Community of over 2,000 organizations established consensus that impact can be quantified across the five dimensions ("What, who, how much, contribution and risk"). The investor can classify the investments into three categories of investors' motivations through answering the related impact questions for each dimension. IMP also gives investors suggestions about what data they can use to answer the questions. Furthermore, by translating the five dimensions, the IMP empowers companies and investors to comprehend and enhance their performance according to the SDGs. The interaction of the five dimensions with the impact questions and the impact data categories illustrates the Figure 2 below.






Impact Dimension	Description	Impact Questions	Impact Data Categories
 WHAT	What tells us what outcome the enterprise is contributing to, whether it is positive or negative, and how important the outcome is to stakeholders.	<ul style="list-style-type: none"> - What outcome is occurring in the period? - Is the outcome positive or negative? - How important is the outcome to the people? 	<ol style="list-style-type: none"> 1. Outcome level in period 2. Outcome threshold 3. Importance of outcome to stakeholder 4. SDG or other global goal
 WHO	Who tells us which stakeholders are experiencing the outcome and how underserved they are in relation to the outcome.	<ul style="list-style-type: none"> - Who experiences the outcome? - How underserved are the affected stakeholders in relation to the outcome? 	<ol style="list-style-type: none"> 5. Stakeholder 6. Geographical boundary 7. Outcome level at baseline 8. Stakeholder characteristics
 HOW MUCH	How Much tells us how many stakeholders experienced the outcome, what degree of change they experienced, and how long they experienced the outcome for.	<ul style="list-style-type: none"> - How much of the outcome is occurring across scale, depth and duration? 	<ol style="list-style-type: none"> 9. Scale 10. Depth 11. Duration
 CONTRIBUTION	Contribution tells us whether an enterprise's and/or investor's efforts resulted in outcomes that were likely better than what would have occurred otherwise.	<ul style="list-style-type: none"> - Would this change likely have happened anyway? 	<ol style="list-style-type: none"> 12. Depth counterfactual 13. Duration counterfactual
 RISK	Risk tells us the likelihood that impact will be different than expected.	<ul style="list-style-type: none"> - What is the risk to people and planet that impact does not occur as expected? 	<ol style="list-style-type: none"> 14. Risk type 15. Risk level

Figure 2: Impact Management Project – Five Dimensions (referring to Impact Management Project, n.d.)

(2) Impact Classification Matrix

The Investor's Impact Classification Matrix combines the impact of a portfolio's underlying enterprises/assets (the 'ABC') and an investor's contribution to this impact. According to IMP (n.d.), the contribution that a stakeholder can make is possible in four different gradations: "Signal that measurable impact matters, Engage actively, Grow new or undersupplied capital markets, and Provide flexible capital." The investors' strategies can either be limited to one of the four or represent a combination of several contributions.

Thus, the impact of a portfolio of assets may be divided into one of 12' impact classes.' The boxes on the matrix express whether an investment opportunity's impact characteristics match an investor's impact intentions. The logic follows the financial asset classes matching investors' financial intentions. The matrix assists investors in describing and communicating the impact aspects of a potential or existing investment. Investors can either use the matrix to rank their impact goals or the actual performance of the investments. Figure 3 below illustrates the matrix filled with examples of investing archetypes.

		Impact of underlying assets / enterprises		
		A ct to avoid harm	B enefit Stakeholders	C ontribute to solutions
Investor's contribution	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 underserved people or renewable energy projects
	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
	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
	Signal that impact matters + Engage actively + Grow new / undersupplied capital markets + Provide flexible capital		E.g., Positively-screened private equity fund making anchor investments in frontier markets	E.g., Private equity fund making anchor investments in businesses that have a significant effect on income and employment for underserved people
	Signal that impact matters + Engage actively + Grow new / undersupplied capital markets + Provide flexible capital			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			E.g., Patient VC fund providing anchor investment and active engagement to businesses that have a significant effect on energy access for underserved people

Figure 3: Impact Classification Matrix (Impact Management Project, 2018a)

(3) Impact Management Platform

In November 2021, the IMP published a platform, "Impact Management Platform," as a collaboration of prominent producers of standards, frameworks, tools, and guidance to collect all knowledge for managing sustainable impact. The great majority of the partners are members of the structured network by IMP. The result of the cooperation is illustrated in Figure 4 below and published interactively on the Platform's website for continuous co-development.

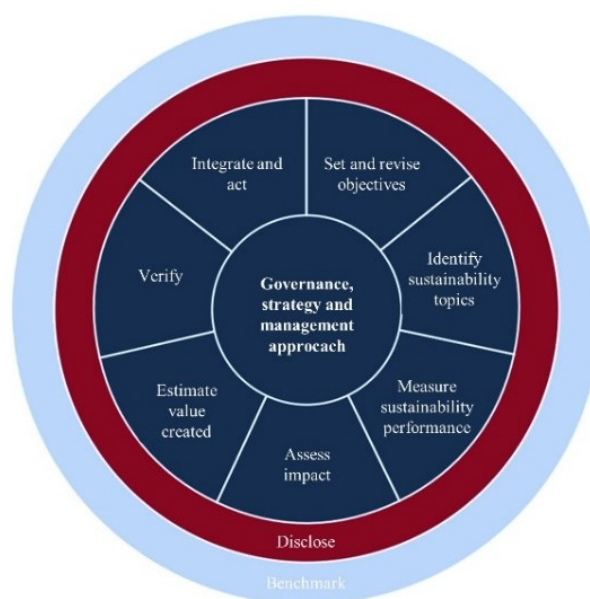


Figure 4: Managing Impact for Organizations via Impact Management Platform (Impact Management Project, 2021)

Overall, it examines the implications of management activities and an explanation of how firms and investors may utilize Partner's standards, guidelines, and tools in tandem to carry out these actions. Moreover, IMP lays the groundwork for digitized sustainability data with the Platform. Furthermore, the organizations accelerated progress toward impact reporting by developing a unified vision for corporate reporting in 2020. The investor-focused transparency activities will be merged into the International Financial Reporting Standards (IFRS) Foundation and its new International Sustainability Standards Board (ISSB) in 2021. The Platform provides a supplementary venue for the greater mission of assisting practitioners in managing their sustainability effects. Finally, the Platform supports enterprises and impact investors to validate their impact management approach.

So far, the Platform only provides information on how enterprises can manage their impact. The Structured network is now working on the corresponding page for banks and investors, which will launch in 2022.

2.3 Opportunities and Challenges for Impact Investors

There are numerous reasons for investors to get involved in social projects and companies. In general, impact investing can transform capital's role in society by proving that considerable social and environmental progress may be achieved alongside financial gains. In addition, to the various opportunities the impact investing market offers, there are also significant challenges that the investors seek to overcome.

Many of the existing challenges of impact investors can be eliminated with the help of impact management. In principle, well-established impact management is crucial for investors and offers many advantages. However, investors also face several challenges in this area that need to be addressed. To provide an overview of the existing benefits and challenges of impact investing and impact management, Table 1 below shows the results of the annual GIIN survey on impact investors from 2020.

	Impact Investing Market	Impact Management
Motivations Impact Investors	<ul style="list-style-type: none"> • Fulfilling social mission to pursue impact through investments • Part of commitment as a responsible investor • Efficient way of meeting impact goals • Contributing to a global agenda (e.g., SDGs) • Response to the client, regulatory, and /or employee demand • Financially attractiveness • Gaining exposure to growing sectors and geographies • Diversification of portfolio 	<ul style="list-style-type: none"> • Better understanding whether impact demonstrates progress towards the impact goal • Proactively reporting impact to key stakeholders • Improving impact performance • Capturing business value from impact data • Communicating impact for marketing or fundraising purposes • Addressing client demands • Adhering to government regulations to measure and report impact
Challenges Impact Investors	<ul style="list-style-type: none"> • Impact washing • Inability to demonstrate impact results • Inability to compare impact results with peers • Lack of common language to describe impact performance • The risk that the industry does not make progress against social and environmental challenges • Inability to integrate impact management and financial management decisions • Increased competition for suitable high-quality deals • Inability to demonstrate financial results • Fragmentation of impact measurement and management approaches 	<ul style="list-style-type: none"> • Comparing impact results with market performance • Collecting quality data • Aggregating, analyzing, or interpreting data • Identifying appropriate impact targets • Using impact data for decision-making • Identifying appropriate impact metrics • Ensuring buy-in for IMM among crucial decision-makers within the organization • Understanding impact strategy or thesis

Table 2: Overview Motivations and Challenges (Bass et al., 2020; Hand et al., 2020)

The impact investing industry provides a wide range of realistic options for investors to promote social and environmental issues while simultaneously earning a profit. According to the GIIN

(2019), some typical investor motivations are the following. First, banks, wealth managers, and others provide new investment opportunities for their clients, especially to people and institutions interested in general or specific social and environmental concerns. This way, they meet customer needs for greater sustainability and social investment, enabling them to differentiate themselves from the competition. Second, institutional investors and family foundations can leverage more significant assets to further their fundamental social and environmental goals while preserving or increasing their total endowment. Third, government investors and development finance institutions can provide financial viability for private investors while fulfilling their social mission.

One of the most recurring challenges in impact investing, on the other hand, is the contradiction between financial return and social objectives. Impact investors and social entrepreneurs are well aware that they compete for institutional logic, such as social and commercial logic (Pache & Santos, 2010). This trade-off between profit and purpose in impact investing exists due to divergent demands and pre-investment understandings. Further, resulting in tensions between impact investors and social entrepreneurs as potential beneficiaries of impact investment (Ciciretti et al., 2019; Nofsinger & Varma, 2014).

Chen & Harrison (2020) state that two alternatives have been proposed to ease the tension: either the investor establishes a solid financial return or insists on committing to a social objective. However, the focus on financial return can lead to unwanted mission drift, implying that an organization may diverge from its primary purpose due to organizational change (Cornforth, 2014).

Nevertheless, as mentioned above, recent developments in the market indicate a positive trend, with 88 percent of impact investors reporting that they are meeting or exceeding their financial targets. This conclusion may indicate a shift away from the increasingly outmoded belief that there is an inherent trade-off between social and financial performance (Hand et al., 2020). However, to what extent this affected the social mission and the pressure to generate impact was not investigated. Among other things, this trade-off means that investors are under pressure to demonstrate that they are delivering a social purpose, stated by Hoffman & Olazabal (2018). The expansion of available capital for social and environmental goods has led to exponential growth over the last decade in the industry. Therefore, the difficulties of managing social and environmental impact and a lack of evidence of the impact of market solutions have been mentioned as significant threats to the sector's continued expansion.

In 2020, 66 percent of investors stated “Impact Washing” as the greatest challenge facing the industry over the next five years (Hand et al., 2020). One possibility for the investors is to counter this challenge by limiting the impact washing effect by employing various methods, tools, and frameworks to measure their impact and report on it. In this field, investors have indeed shown significant progress in recent years. However, they still see it as one of the main challenges.

To conclude, the impact investing market is proliferating, and with it, the urge to manage, measure and report impact increases year on year. The aspects from the literature review, especially the motivations and challenges, will be verified by interviews. The methodological procedure of this study is explained in more detail in the following chapter.

3 Methodology

3.1 Research Approach

The study examines investors' current use of IMP methods for impact management and reporting and emerging benefits and challenges answering the R.Q. of how the IMP can contribute to standardization for impact reporting. Both quantitative and qualitative methods are used in science, leading to valid results. Quantitative methods involve collecting numeric data to support or reject hypotheses (Creswell, 2009; Williams, 2007). Using the statistical calculations with rather large samples, the researcher seeks to find explanations and correlations to support his research question (Mik-Meyer & Justesen, 2012; Silvermann, 2014).

Qualitative research focuses on interpreting processes or meanings to reach an in-depth understanding using words instead of numbers (Silvermann, 2014). Qualitative research is sometimes seen as a naturalistic, interpretative method focused on investigating things from inside and using the viewpoints of study participants as a foundation. The goal is to give a comprehensive and interpreted understanding by learning how individuals make sense of their situations and experiences. The informative style of qualitative research improves the researcher's knowledge of extensive, rich, and detailed data (Ritchie et al., 2013).

However, the researcher's engagement in a very open study could be subjective. Furthermore, because qualitative research focuses on individual situations, generalization may be limited, and samples are rarely chosen at random. However, generalizing is not the primary purpose of qualitative research; instead, it seeks to comprehend and explore a specific phenomenon and environment (Bryman, 2016)

Due to the nature of the research question, a qualitative research method is more appropriate for this study because investors' experiences with the IMP are somewhat subjective. In addition, it is easier to derive concrete guidelines in a direct conversation. The experiences for investors working with IMP in practice were not entirely foreseeable for the researcher. Therefore, it did not seem recommendable to test anticipated variables and take the risk of missing out on essential parts related to impact reporting.

3.2 Data Collection

3.2.1 Research Sample

This study is subject to purposive sampling. This method means the participants are not selected randomly as in the probability sampling, but the researcher selects the participants according to their characteristics and experiences (Etikan, 2016). Moreover, no underlying theories or a specific number of participants are required (Bernhard, 2006). In this case, participants are selected according to the following variables. First, the interviewee must work for an impact investor. Second, the participant must have an above-average familiarity with the IMP due to applying their methods in praxis. Finally, the participant area of work is impact management and reporting.

The snowball sampling technique is used for this study to select these candidates. Meaning, the researcher initially begins with a small group of people relevant to the research question and continues with the proposed people during the first interviews (Bryman, 2016). This method is particularly suitable for leveraging individuals' networks, and probability sampling is impossible or not feasible (Noy, 2008).

All interviews were conducted from October 2020 to December 2020. Initially, IMP members (n=3) are interviewed as the starting group. Afterward, their access to the so-called Structured network of the IMP connects the researcher with impact investors using IMP methods and tools within their company. These contacts could partly establish further connections. Impact investors (n=11) include some multi-asset investors or simple impact funds. Some have been working with IMP since the beginning of 2016 (n=3). Others joined later between 2017 and 2020 (n=8).

Furthermore, investors internationally were surveyed for diversification reasons. The variable above-average familiarity with the IMP is asked with a self-assessment of the respondents on a scale of 0 (no experience) and 10 (very high experience). A minimum value of 6 was decisive for the fulfillment of the criterion.

All participants have been asked to record the interview and use the anonymized data for analytical purposes. The interview participants' list is illustrated in Table 3 below, where each participant is presented with an identification number (I.D. #).

ID#	Organization type	Introduction IMP	Role	Familiarity ²	Headquarter
ID1	IMP	2016	Co-founder	10	United Kingdom
ID2	IMP	2016	Impact Data Lead	10	United Kingdom
ID3	IMP	2016	Engagement Lead	10	United Kingdom
ID4	Non-profit investment firm	2016	Senior Officer Impact Communications	9	USA
ID5	Multi-asset investment vehicle	2017	Investment Analyst	8	United Kingdom
ID6	Impact Accelerator	2019	Investment Analyst	6	Portugal
ID7	Investment Management firm	2019	Head of Risk and Responsible Investment	6-7	Canada
ID8	Venture Capital firm	2016	Platform Associate	7	USA
ID9	Private Impact Fund	2020	Impact Report Specialist	7	Latin America
ID10	Impact development consultancy	2017	Director of Investment	9	New Zealand
ID11	Impact investment fund	2018	Head of Impact	10	Israel
ID12	Outsourced Chief Investment Office	2019	Director of Impact	10	USA
ID13	Private Equity	2016	Associate Impact Investing	10	United Kingdom
ID14	Impact Investment firm	2019	Associate Impact Reporting	10	Portugal

Table 3 Interview Participants

3.2.2 Semi-structured Interview Guide

The researcher studied the existing literature and explicitly the general publications and the published investors' impact reports of the IMP before conducting the interviews. They build the interviews' foundation to answer the research question. In this process, the results of the initial group interviews were incorporated into the design of the investor interview guide. Likewise, the second group was given supporting answers for the open-ended questions to deepen existing ideas further and generate a flow of speech in the interview. The two interview guides and the consent form can be found in Appendices A, B, and C.

Before the interview, the questions were distributed to the participants for review. The interviews were conducted and recorded in English via Zoom while sharing the question via Screen. The interviews were transcribed with the online tool "otter.ai" to be processed for the subsequent study. The researcher made linguistic and grammatical adjustments if necessary. Furthermore, text passages irrelevant to the analysis were shortened, retaining the meaning of the relevant statements.

² According to self-assessment of the participants, scale from 0 = no experience to 10 = very high experience

3.3 Method of Analysis

First, the material must be defined, which means announcing who was questioned, how the sample was selected, and the fundamental circumstances of the interviews, as done in chapter 3.2.2. Second, to identify the goal of the analysis and interpret the material, the research topic (chapter 1) and theoretical background (chapter 2) must be clarified and specified (Ritchie et al., 2013). The theory was included in the interview guide and coding agenda (Appendices B, C, D).

There are three types of interpretation in qualitative content analysis, according to Ritchie et al. (2013). First, 'summary' refers to the reduction of data. The second is discovering more information called 'explication.' Third, 'structuring' refers to filtering significant parts of the data. The most appropriate strategy for this study is 'structuring' and filtering the relevant information out of the transcribed interviews and assessing it according to previously selected categories, defining the categories to filter the interviews for remarks that fall within the categories. The codes were created in an inductive manner, led by the collected data. The categories are used to organize the codes into topic areas based on the four sub-questions described in chapter 1.1.

In addition, coding guidelines were established to distinguish the categories from one another when necessary coming together in a coding agenda (Appendix D). Following the categories and coding, the interviews were classified following the agenda. Variable-related content was grouped into a category system (Appendix E) and organized appropriately.

The researcher reviewed the transcripts word for word and underlined every comment to collect concepts and essential thoughts. After reevaluating the established categories, the transcript's material was organized using a color system. Statements, views, and quotes were extracted in their color and then summarized into the category system. New ones were created if the information did not fit into any existing categories. The application "MAXQDA" was employed as a software tool for this process.

4 Analysis and Discussion

4.1 Benefits IMP

What are the benefits and motivations of IMP for an impact investor?

The literature review identifies several motivators for impact investors to engage with impact management. Participants provided why impact investors chose to use IMP for impact management in the interviews. The strongest motivator for impact investors is (1) proving impact. Further, the (2) best-practice approach is recognized as a decisive success factor success of IMP. Moreover, (3) reporting strategies published by the IMP are expected from the investors. However, the (4) Structured network plays a lesser role than expected. Instead, individual collaborations have proven to be instructive for investors. Other motivators for investors are contributing to standardization and getting guidelines from the IMP for impact management and reporting. Both will be discussed in chapter 4.4.

(1) Prove impact (20 counts) & flexibility (4 counts)

According to GIIN (2020), Improved understanding of whether impact reflects progress toward the impact objective is the main reason impact investors manage their impact. The statement is confirmed by the investors interviewed. All of them state that one reason for IMP is that it gives them transparency about their impact. Thus, one investor clarifies: *"Being able to be transparent to prove that we were creating an impact"* (ID9). For 3 out of 11 investors, proving impact is even the main reason for working with the IMP. In this context, investors find that the five dimensions or the classification matrix help create a structured discussion about the impact of individual investments. This statement underscores the following statement from an impact investor: *"The IMP is an excellent framework to follow and help guide our meaningful discussion"* (ID7).

Furthermore, the investments within the own portfolio are comparable, as another interviewee points out: *"...but also compare them compare those businesses across our portfolio using the same framework"* (ID10). One of the reasons cited for the practical discussion is the high flexibility of the IMP's applications: *"The flexibility provided by the matrix has also been something that has helped us simplify a pretty complex portfolio"* (ID12). To conclude, the interviews confirm that IMP's methods are helpful for impact management in general.

(2) Best practice (18 counts) & publications (20 counts)

According to IMP's self-image, they see themselves as an organization built on best-practice. The self-image is shown on the IMP website and explicitly confirmed by the three IMP employees interviewed. For example, a member of the IMP team states, *"it went through that consensus-building effort, which is very much focused on practitioners"* (ID2). Impact investors have also recognized this added value. Statements as *"we are seeking to build on best practices"* (ID14) or *"we wanted to use something that is already common"* (ID9) illustrate that best practices are in high demand in the industry. Thus, 9 out of 11 investors would like to orient themselves on what has already been developed. The relevance of best-practice examples must be considered in the recommendations for IMP, as this is a decisive success factor success of IMP. For this reason, it is advisable to start even more profound here. Investors demand that they are *"publishing as many case studies as possible endorsed by the IMP"* (ID11). Investors expect significant added value from *"having real-life examples from different fund managers [...] take the handbook and develop it a little bit more"* (ID13) because they can then compare their impact management methods with others.

Not only can IMP itself broaden the best-practice approach, but so can impact investors themselves. For example, impact investors can offer their stakeholders pro-actively to explain the methodology in more detail. One set of design options is described by an investor as follows:

"did a one-hour session on this model and how we apply it [...] wrote a one-pager [...] do one-on-one meetings with our clients to introduce that model [...] New clients interested in learning about IMP will attend their quarterly meeting and provide full training on applying this model." (ID12).

The Impact Management Platform offers the possibility to publish the guidelines and best-practice examples. The platform will be developed step by step by the IMP and their Structures Network.

(3) Report impact (11 counts) & demand stakeholders (6 counts)

In the GIIN (2020) report, proactively reporting to critical stakeholders and communication for marketing purposes are cited as motivators for impact management. Reporting and communicating the impact is confirmed by 9 out of 11 investors as a benefit of IMP. For example, ID14 highlights: *"We want to communicate our results to our stakeholders in a report."* Beyond voluntary reporting, 4 of the 11 investors surveyed also state that they are actively requested to report by their stakeholders. For example, one investor emphasizes that *"our primary reason is*

that our investors want it" (ID4). More details on the reporting process and IMP's role in it are provided in chapter 4.3.

(4) Network (13 counts) & collaboration (18 counts)

According to IMP (n.d.), one of their critical success factors is the so-called Structured network. Which initially suggests that a motivator for investors is exploiting the network as one of the reasons for IMP. The majority of the investors are aware of the broad network. Even isolated investors recognize the network's advantage, such as: *"first, we want to benefit from their network"* (ID4). However, 8 out of 11 investors tend not to use the network for their purposes. For example, an impact director states, *"seeking to benefit from the network is not essential for us"* (ID10).

In this context, some of the investors speak of beneficial collaborations. Forms of collaboration describe some investors as:

"we do not use the network that much from the IMP. But we work closely together with IMP." (ID14) or *"we partnered with the team that developed the IMP at Bridges"* (ID12).

For collaboration, the Structured network plays a significant role. Although this is still little used by only 4 out of 11 investors, successful collaborations with IMP are highlighted as positive. In this way, the Structured network can act as a middleman between the standard-setters and organizations because *"Investor or enterprises engaging with standards have questions"* (ID2).

Collaboration can occur in a variety of ways. First, direct contact with an IMP member who can help with understanding questions about IMP and the reporting process is possible. For example, there was intensive cooperation between: *"we had a lot of calls with their team to clarify doubts"* (ID14). Second, the already mentioned exchange with the standard-setters to merge the different approaches may lead to further publications, such as the Impact Management Platform. Third, by publishing templates, IMP achieves that impact enterprises also deal with IMP, which encourages more and more to speak the language of IMP and enables the dissemination of IMP in the industry.

4.2 Challenges IMP

What are the current challenges of the investors while using the IMP methodology?

The literature review identifies several challenges for impact investors to engage with impact management, verified with the interviews. The IMP employees and the impact investors explained their challenges with the IMP and gave further insights into the struggle with creating an impact report.

The biggest challenge is the (1) perceived subjectivity of the IMP in connection with the language used. In addition, the (2) IMP and the published guidelines are very complex for some respondents, which makes them difficult to (3) implement IMP in practice. Moreover, investors confirm the difficulty with the (4) proper data handling. Finally, it also challenges (5) impact reporting with the IMP.

(1) Subjectivity (28 counts) & language (11 counts)

One of the biggest challenges of IMP is that the flexibility, which is perceived as entirely positive, goes hand in hand with the emerging subjectivity of the IMP: *"It is challenging that the framework does not eliminate all subjectivity"* (ID7). Subjectivity creates a high level of judgment among investors, which leads to discussion. In particular, the interpretation of the impact classification matrix is highly subjective according to 10 out of 14 of the interviewees. For example, two investors state:

"The ABC matrix can leave room for judgment. It can be not easy sometimes to classify between them" (ID5) and *"There is always room for judgment with the ABC categories and their communication. I think that is the main challenge"* (ID11).

Subjectivity means that the results are understood differently, both internally and externally, which makes comparability between investors almost impossible.

One possible reason why subjectivity is so high is the use of the language of the IMP. According to the GIIN (2020) report, one challenge for impact investors is the *"Lack of common language to describe impact performance"* (p. 10). The problem is confirmed because 5 out of 14 respondents highlight having problems with the language. For example, one investor states: *"the language used by the IMP is a problem. I do not think it is amicable"* (ID14). The ambiguity of the language is also a challenge that all three IMP members are aware of, as ID2 argues: *"People are using the same words for different things or using different words for the same thing."*

On the one hand, this challenge means that participating investors have difficulty understanding the full scope of the IMP. For example, one investor commits: *"I still do not understand the difference in some cases"* (ID4). On the other hand, even if investors are comfortable with IMP

internally, they find it challenging to communicate it to their stakeholders in an understandable way: *"five dimensions and the framework is just so rigid as it is not very accessible to all of our investors"* (ID4). However, some investors also highlight that their team quickly understood the IMP:

"It was love at first sight as the IMP makes sense and is relatively simple. We are gonna be able to use it. Everybody understands the questions I get" (ID7).

The disagreement on the comprehensibility of the IMP among respondents shows that it is perceived differently within the industry. According to the respondents, this could also have something to do with the fact that the IMP itself is quite complex, which is the next challenge of the IMP.

(2) Complexity IMP (26 counts)

Respondents do not fully agree on whether the IMP is complex or not. On the one hand, 3 out of 14 respondents see no problems with the complexity of the IMP. For example, ID8 states: *"Dealing with complex guidance, I have not experienced this challenge."* On the other hand, 7 out of 14 participants addressed some complexity associated with the IMP. The type of complexity perceived includes several areas. First, the interpretation of the IMP's adaptations (five dimensions and the impact classification matrix) is seen as a challenge. For example, two participants highlight: *"the various forms of impact and things"* (ID10) or *"the idea of a baseline for defining underserved and well served versus availability of options was also tricky"* (ID14). Second, one respondent states: *"The implementation for me was complex"* (ID9). Third, the website's structure is not intuitive enough, resulting in difficulty finding guidelines. This challenge emphasizes ID4: *"It is seeing is like locating it on their website is the more significant challenge."*

(3) Implementation in practice (9 counts) & impact goals (5 counts)

Closely related to IMP's general complexity is applying impact investing in practice, as 3 out of 11 investors see this as a challenge. The following statements from the investors surveyed confirm this challenge: *"Individuals do not know what IMP is"* (ID4), *"IMP is a widespread basis for that framework. But again, they are applying it in their ways"* (ID10), and *"IMP is not designed for environmental startups"* (ID14). Further, the biggest challenge is the effect of greenwashing, according to GIIN (2020). An investor also confirms the problem:

"You are always going to have greenwashing. Always going to have managers that are having a positive impact but are not measuring their impact" (ID12).

Greenwashing is what IMP is trying to solve by setting impact goals. However, according to members of the IMP and the investors themselves, these are not always applied correctly. The following statements emphasize this challenge: *"the most impact goal setting is not done very well so far"* (ID1), and *"the biggest problem we have right now influenced finding our impact goals"* (ID14).

(4) Data (21 counts)

According to the GIIN (2020), collecting, aggregating, analyzing, or interpreting data are critical challenges in impact management. These problems are also perceived by 13 out of 14 respondents. Statements like ID9's: *"The biggest challenge is getting valuable data"* are made by almost all respondents. While this clarifies that something should be done urgently to facilitate data collection and analysis, respondents do not see IMP itself as responsible in this regard. ID4 states: *"... It is not a challenge with the IMP. That is just an impact management challenge."* How investors are trying to meet this challenge is analyzed in more detail in chapter 4.3 under "data handling."

(5) Reporting impact (13 counts)

As Cho et al. (2012) noted, the number of single impact reports increases, signaling a challenge for impact investors. In general, 6 out of 14 respondents confirm the assumption that impact investors find problems with reporting and communicating: *"There are always challenges, and communicating impact is not an easy thing to do"* (ID7). The challenges around writing an impact report were further explored to derive recommendations for action later. Among the most frequently mentioned challenges are missing reporting guidelines (5a), dealing with multiple stakeholders (5b) and frameworks (5c) simultaneously, and prioritizing topics and metrics in the report (5d).

(5a) Missing reporting guidelines (14 counts)

As explained above, investors expect IMP to provide guidelines on impact management. However, 10 out of 14 respondents agree that they are missing reporting guidelines. There are guidelines for some parts of impact management, but there is a lack of guidelines in reporting. One member of the IMP states:

"there are the webinars, and then there are sort of like templates and references online, but not for reporting [...] It is probably a big gap." (ID1).

Either the investors miss guidelines: *"Missing clear guidelines on the report's content"* (ID7) or they try to create their own for their organization: *"As we came up with our methodology, it*

is not a problem. It is more a problem for the sector to give things context" (ID5). However, both show that external parties cannot compare the reports between the investors.

(5b) Multiple stakeholders (11 counts)

Another challenge that comes up again and again in connection with reporting is how to deal with various stakeholders. As one investor states: *"it depends on different audiences, [...], dealing with multiple stakeholders"* (ID5). All organizations are continuously exposed to different stakeholders. However, this is even stronger in impact investing because the interests are driven from two sides. For example, an investor makes clear:

"We have investors in our fund that not only want impact. Some do not want any traditional investments. And so when you write an annual report that is speaking to all of them, but it is also a bit challenging" (ID12).

The different interests between the financial and impact reporting are also expressed in the content of the impact report. For example, one investor highlights:

"Some investors want to know about the financial side, and the impact of the nice to have. Others are primarily focused on the impact side, and the financial is nice to have" (ID10).

(5c) Multiple frameworks (10 counts)

According to the GIIN (2020) report, various tools and frameworks are currently used for impact management. Likewise, there is no standard in impact reporting — even existing ones using only a minority of impact investors. However, the multitude overwhelms the impact investors, as one investor states: *"The challenge is which tools or frameworks we should use"* (ID14). For this reason, some of the investors choose to use only a few tools, including IMP: *"It was a long, long discussion before we got the IMP"* (ID7). Others, however, go a bit further and try to merge the different methods: *"It is about how to bring all the frameworks together?"* (ID4).

(5d) Prioritization (9 counts)

Finally, from the different frameworks and stakeholders, the problem of prioritizing the content in the report automatically arises. Thus, it challenges investors to find the right measure for their report:

"complex numbers and ideas and qualitative rationale go into our evaluations. The challenge is to summarize it for your clients, [...] take the most important of this information and put it into a package that is appealing and exciting" (ID12).

Another investor identifies this as *"the trade-off between granularity and simplicity in language"* (ID14).

4.3 Reporting Process

What are best-practice approaches to publish an impact report, including the IMP?

As already described in chapter 2.1.3, more and more impact reports are being produced. The impact investors provide insights into best-practice approaches, which concern four essential aspects for the preparation of the report: (1) the role of IMP, (2) data handling, (3) structure and content, and (4) timing.

(1) Role IMP (65 counts) and development (33 counts)

According to IMP (n.d.), they have published several results between 2016 and 2021. These are essentially the five dimensions, the impact classification matrix, and the Impact Management Platform, the latter of which had not yet been published at the time the interviews were conducted. Investors use IMP in different ways for their impact reports. The five dimensions are used by the most (10 out of 11) and thus have the widest distribution. 7 out of 11 even supplement their report with further explanations on the theoretical background of the IMP. Moreover, 8 out of 11 investors use the impact classification matrix for reporting, but most of them have problems with it: *"it does not have a tremendous amount of credibility in there"* (ID5). However, some investors find it useful for stakeholders who *"want to go a little bit deeper than the marketing reports"* (ID4).

In addition to increasing awareness and guidelines, the investors also see further potential development for IMP. The potential already starts around the impact defining, which was already identified as a challenge in chapter 2.2. For example, one investor would like to see *"a little more details on what questions matter at the end to drive"* (ID7). However, a tremendous potential lies in the impact classification matrix as it currently reflects the complexity challenge described in chapter 2.2. For example, ID9 highlights: *"the contribution part still has some gaps. I think they can go further on the explanation."* One Portuguese impact investing company goes as far as *"instead of having three classifications, we have nine, three within each of these letters"* (ID14). Investors' new approaches should be discussed within the IMP and integrated as appropriate.

Furthermore, 5 out of 11 investors state that they include the IMP logo in their report to indicate collaboration. Finally, 5 out of 11 derive a scoring model for themselves from the IMP, which they also publish in this context. It should be noted that the scoring is not coordinated with the IMP and is developed individually by the investors themselves. For example, one investor states: *"it is not the IMP providing a scoring. [...] That is investor-specific"* (ID13). Scoring

models aim to make the impact quantifiable and thus more comparable. However, there is no uniformity in the scoring, which is why it is subject to a high degree of judgment

All impact investors who use the IMP for impact management assessed what role the IMP plays within the report. The result is a mean value of the role between the 11 investors of 7.7. Only one investor states that it does not use the IMP for the report other than the logo: "*We do not use the IMP framework in the impact report*" (ID4).

(1) Data handling (16 counts)

The reporting process for most investors is initiated by requesting data from the organizations in their portfolios. Data retrieval takes about 2-3 months, as the companies themselves must also first collect the required data. As mentioned in chapter 4.2, data collection is fraught with many problems that IMP cannot wholly solve. 4 of 11 investors indicate that they use a uniform template to standardize data retrieval, which is usually an Excel sheet:

"the companies send us their report in a standard template. If not, we create a template for them" (ID4).

Either the companies can use the one proposed by IMP or use their developed one. Further, some investors evaluate their investments in an ongoing process analogous to the five dimensions facilitating integration into the report. For example, ID12 explains:

"Every single investment in our portfolio is evaluated according to the IMP model [...] so we have a complete record of how our investments are rated at any time"

(2) Structure (6 counts) & content report (24 counts)

The structure and contents differ fundamentally from each other since, as already mentioned, there are no concrete specifications for the creation. Nevertheless, the investor's ideas and approaches are best-practice as the investors are highly familiar with the IMP.

As a basis for the report, investors follow, for example, the "*three-year strategic plan*" (ID4). According to IIRC (2013), the integrated report includes eight elements, stated in chapter 2.1.3. However, it is not observed among investors that they all adhere to these eight points. Instead, the reports are kept much simpler. For example, one investor describes the content as: "*starts with a brief overview of the business, a financial update, and an impact update*" (ID10). As mentioned earlier, most investors follow IMP's five dimensions for their report preparation. These coincide with part of the eight elements of IIRC. However, the five dimensions do not represent the fifth point, "strategy." Investors (e.g., ID14) try to close this gap by reporting on their strategy in addition to IMP.

Furthermore, the SDGs mentioned in chapter 2.2.1 are reflected in many reports. According to GIIN (2020), SDGs are the most widely used tools or frameworks in impact management. Since "subjectivity" has been one of the biggest challenges of IMP so far, it may make sense to add the SDGs to pick up as many stakeholders as possible.

Overall, three directions can be identified concerning the prioritization of quantitative share in the report: First, investors limit themselves to the stories with many pictures and the methodology in general without going into the impact in quantifiable numbers for example, ID5 mentions: *"about building on the conversation, thinking about the methodology behind people using it."* This prioritization on content rather than concrete numbers is done to reduce complexity: *"We do not include this in your quantitative results interior report because it is too complex"* (ID12). In this case, the report is used primarily for marketing purposes described by 3 out of 11 investors. Therefore, investors publish a *"highly visual, low text, and straightforward"* (ID4) report.

Second, the focus is on quantifying the impact. In this case, the impact classification matrix is often brought to the fore and discussed in detail: *"the implementation of the classifications in the impact report"* (ID8).

Third, is a combination of the story behind the impact and the impact classification:

"First, you have your glossy marketing report. Second, you have got to report to a classification system, directory, or database like the impact classification system. Third, you have got your deep disclosures" (ID4)

The combination of both is the predominant phenomenon among investors, as 8 out of 11 quantify their impact with the matrix and integrate images. All prioritization approaches can work well for the investor if the stakeholders' level of knowledge is factored into the decision.

(3) Timing (18 counts) & participants (8 counts)

Overall, the investors describe the process around reporting as long, lasting up to *"six months"* (ID9). For example, one investor highlights: *"it is a very long process"* (ID4). In addition, the impact report investors create a public-facing report in a normal process; 6 out of 11 participants speak of annual reporting. If the report is client-specific, reporting is sometimes done per quarter (ID12) or day-to-day (ID11).

Specified persons within the company usually carry out the preparation of the report. 3 out of 11 investors even speak of a permanent team responsible for impact management and reporting. The investors speak of an *"impact committee [...] with eight people"* (ID7), *"performance team"* (ID14). However, the pure report creation then takes place full-time by one or two people:

"It is mostly one other colleague and me [...] I have done full-time for almost two months [...] we have got nearly every Vice President of our company looks at it [...] our entire investor relations team is involved in providing input" (ID4).

The references to timing and participants are not reflected in the literature as reporting is not standardized and is the investors' responsibility. Based on the success factor "best-practice" described in 4.1, other practitioners can be guided to publish an annual report and define clear responsibilities for the process. With a standing "impact committee," the investor can manage to overcome the challenges of "complexity IMP" and "subjectivity," described in 4.2, as everyone involved in the team speaks the same language and is familiar with IMP.

4.4 Standardisation vs. Guidance

What kind of guidance can the IMP provide impact investors who want to create an impact report?

The benefits and challenges already analyzed also lead to recommendations on how IMP can support the reporting process: Finally, the question is answered in which role IMP can contribute to the standardization of impact reporting. As there are already some initiatives dealing with the standardization of impact reporting, IMP needs to position itself. The question is whether IMP sees itself as a (1) standard-setter or a (2) guidance-giver. Both sides have advantages and disadvantages, which are discussed below.

(1) Standard-setter (36 counts)

The GIIN Report (2002) highlights the need for standardization as investors look to comply with regulatory requirements. These are primarily due to specific standards. The members from the IMP also see the advantage of having a standard. For example, *"No one tries not to change the dimensions. Basically, this is a social construct."* (ID1). The investors' side confirms this statement: *"We would not be using the IMP if it was not such a widely accepted norm"* (ID4). One investor even goes so far as seeing them as *"part of the standardization, as the leader in standardized impact frameworks recognized by our stakeholders and other players in the industry"* (ID8). However, the opinion is not supported by the other ten investors.

In general, all impact investors surveyed indicate that they are looking to contribute to a possible standardization for impact management. For 3 out of 11 investors, standardization is even the main reason for working with the IMP. Thus, one investor points out: *"We are seeking to contribute to a possible standardization framework management. That is the first one"* (ID13).

However, this does not automatically mean that everyone sees IMP as the standard as all the members of IMP are opposed to being a standard-setter. For example, one member of the IMP highlights: *"The IMP was never set up to do be a standard-setter"* (ID2). Instead, they see themselves as someone who *"works with standard setters, focusing on finding opportunities within existing standards"* (ID2).

(2) Guidance-giver (22 counts)

Closely related to the best practices are the guidelines that IMP provides for investors. Although the five dimensions of IMP emerged from a consensus-building of the practitioners, one member of the IMP illustrates: *"the impact investors seek guidance on how to use the five dimensions"* (ID3). 10 out of 11 investors state that they expect guidelines for impact management from IMP. Statements as *"we are seeking guidelines to manage the impact. This is one of the key reasons"* (ID7) or *"we are seeking for guidelines to manage our impact is essential"* (ID10) show the importance of the guidelines. To achieve this, investors are calling for: *"Instead of everyone doing self-scoring, have some more accepted guidelines"* (ID5). When asked how helpful IMP reporting guidelines are to investors, they gave an average score of 6.7. However, 3 out of 11 investors mention the guidelines but rate their importance as low.

What this form of guidance should look like is elaborated on differently by respondents in the context of benefits. Although, it should be emphasized: *"whatever guidance we can get these people to help them is excellent"* (ID3). In doing so, the IMP member will strive to achieve the following goal: *"consolidated set of guidance [...] work with these 16 organizations to be able to report your impacts"* (ID3).

To conclude, IMP is far from becoming a standard-setter itself and probably should not aspire to it at this point. The focus should be on every investor managing and reporting their impact., the focus should remain on best practices and guidance. Since guidance does not exist for impact reports, IMP should focus on closing the gap. In addition, it is crucial that IMP clearly distinguishes itself from the standard-setters and only promotes cooperation with them.

4.5 Managerial Implications: Impact Reporting Process

Chapters 4.1 to 4.4 presented a deep analysis of practitioners' perceptions regarding the use of IMP and how they do their impact reporting. These findings provide a practical and best-practice process for impact investors to support a more standardized reporting approach with the IMP methodology. The process builds on the previously published materials of the IMP de-

scribed in chapter 2.2.2, as it provides a foundation for further development of the Impact Management Platform for the investor side and includes the methodology of the IMP. Details for applying the steps follow, with helpful guidelines from best-practice experiences of the investors interviewed. This process is for impact investors who want to create an impact report with the IMP methodology. However, the steps can be transferred to any organization that wants to write an impact report, with adaptations if necessary.

Before explaining the details, Figure 5 below gives a brief overview of the different process steps.

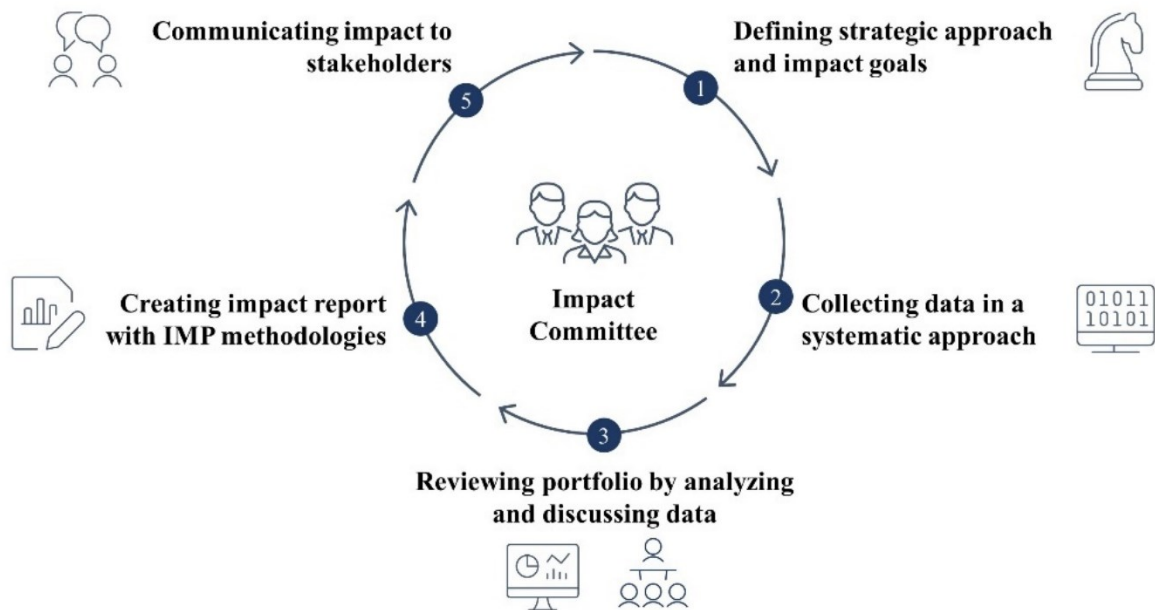


Figure 5: IMP – Impact reporting process for impact investors (authors work)

(0) Impact Committee

Before a company dedicates itself to impact reporting, it is crucial to identify the relevant responsible parties and other stakeholders for the process, as analyzed in chapter 4.3. Best-practice shows that usually 1-2 people are involved full time to create the process, as well as a variety of other people are brought in for discussions and input. Companies can set up an "Impact Committee" for intensive discussion and further processing. The committee has the task of steering the process and representing the strategic approach according to IMP methodology internally and externally. Therefore, they should be particularly confident in the language used by IMP.

(1) Defining strategic approach and impact goals

In the first step, investors become clear about their motivations by defining how strongly they want to generate impact. According to IMP (n.d.) and their recently published Impact Management Platform, described in chapter 2.2.2, the strategic approach is central in managing impact. Furthermore, according to GIIN (2020), "greenwashing" is the most significant challenge. Investors reinforce this with the challenge of "impact goals," analyzed in chapter 4.2. Therefore, investors should consider the strategic approach when preparing the impact report. The investor is guided by IMP's three approaches (A, B, C) and where the company or fund as an impact investor wants to be positioned, which can be done at the company's level or at the level of each financial instrument or fund they manage. In this step, an intensive discussion must be held with all those involved. During the first application, a member of the IMP is ideally consulted for understanding questions, as 3 out of 11 investors (e.g., ID14) have found the personal exchange particularly helpful.

(2) Collecting data in a systematic way

Once the objectives are clear to all stakeholders, the companies can collect the relevant data from the portfolio companies. Since all investors see the compilation of data as a significant challenge in connection with impact reporting, stated in chapter 4.2, guidelines are necessary to support the investors. Developing a template for the data request is recommended to bring a systematic approach to the process. Several examples of this already exist in practice, as analyzed in Chapter 4.3. Investors should follow the template published by IMP to meet the need for guidelines, according to chapter 4.4.

If necessary, this template should be reviewed and further developed by the members of the IMP. The investors should work closely with the IMP to develop a practicable template for the data request. Because the success factor "best-practice", described in 4.1, has proven that only if the practitioners are closely involved in the development of guidelines, the results will be used.

(3) Reviewing portfolio by analyzing and discussing data

Once the data has been collected from the organizations, the portfolio should be analyzed and discussed with the enterprises. The IMP's five dimensions and impact classification matrix are proper as discussion tools, as they enrich the discussion with questions and structure. The "flexibility", described in chapter 4.1, offers the necessary scope to address company-specific characteristics. The challenge "subjectivity," described in chapter 4.2, should be transparent to all participants during the discussion. Therefore, it is vital that the data collected is not simply

accepted, as the only way to capture the high degree of “subjectivity” is to discuss intensively with the companies by putting the figures into perspective (e.g., ID14). The discussions will answer the investors' questions and deepen their understanding of their impact.

Either the portfolio can be reviewed in an ongoing process (e.g., ID12) or annually while preparing the report. Since most investors suggest an annual review, this is preferred unless the investor's stakeholders request otherwise. In particular, investors who have identified the "demand of stakeholders" described in chapter 4.1 as a critical reason for using the IMP should enter with the stakeholders into an intensive consultation on the structure and objective of the impact report before starting to create the actual report.

(4) Creating impact reports with IMP methodologies

In principle, the presentation of the report remains in the hands of the investors themselves. For this reason, the demand of investors for real-life examples described in chapter 4.4 should be met more intensively by IMP. However, it is crucial to focus on the relevant content for the stakeholders and a visually appealing presentation where the financials do not have to play a significant role for the impact report itself, described in chapter 4.3. If the investors want to write their report with the IMP methodology, the following components could be integrated into it:

- Strategy approach including the A, B, C and investors contribution
- Overview of the portfolio
- Theoretical explanations of the IMP, including their Logo
- Five dimensions
- Impact classification matrix
- KPIs for quantifying the impact
- Scoring

The majority of the investors see the five dimensions as helpful in managing and reporting impact. Therefore, the five dimensions can be easily used as a structure for reporting when investors want to report on individual enterprises or projects. With the help of the Impact Data Categories offered, the five dimensions can be filled with life to include some KPIs in the report. For example, the SDGs can be integrated into the "What" dimension. In order to minimize the “subjectivity” factor, it is essential to coordinate the understanding of the five dimensions with IMP on the one hand and to explain them in the report to external parties on the other.

The situation is different from the impact classification matrix. The matrix is suitable for internal impact management and reporting and can also be used in discussions with investors to

demonstrate the impact of the investor's portfolio. However, the investors see a significantly higher complexity and thus subjectivity analyzed in chapter 4.2. Therefore, each investor should integrate it in their report only after internal intensive employment. When using the matrix for the first time, the investors recommended collaborating with the IMP again.

Another option is to integrate scoring into the report. Some investors already use scoring, but still in very different ways. Therefore, consensus-building with the structured network should ensure a uniform approach before implementing a scoring system.

(5) Communicating impact to stakeholders

Once the report is ready, it can be published and distributed, especially for marketing purposes. To meet the call for real-life examples, it is advisable for investors to proactively engage in conversation with the IMP team to drive the distribution of the report. The report should be discussed intensively with the relevant stakeholders, especially if the impact classification matrix is integrated. For example, the IMP methodology can be explained in special workshops or regular meetings. As a goal, investors should incorporate the IMP methodology into all meetings with enterprises and other stakeholders. These aim to ensure that investors penetrate the complexity of the IMP and speak the same language as investors and IMP members.

To conclude, the proposed framework serves a dual purpose. Firstly, it should highlight the importance of impact reporting to convince other investors and support them in publishing a report with the IMP methodology. In a separate and annual impact report, investors can contribute to a more standardized impact reporting process if they follow the process described. Through the suggested collaborations with the IMP and the best-practice recommendations, investors deepen their understanding of the language of the IMP and thus better understand their own impact.

Secondly, it intends to support IMP to develop the Impact Management Platform further. With the detailed analysis of the benefits and challenges and the different reporting practices, IMP can deduce where the investors have the greatest need for guidelines. One of these is the impact reporting guidelines described above, which IMP can coordinate and further develop with its structured network. This consensus-building should be published on the new Impact Management Platform for investors.

4.6 Limitations and Future Research

Overall, the qualitative methodology has limits. First, the categories may be restrictive and unsuitable for specific investigations. The rules and system might become rigid and inflexible, which can be restrictive (Bryman, 2016). Second, this study's sample is limited in size and country-specific differences. A more significant sample size might lead to more substantial conclusions.

Further, although the research sample shows the worldwide geographic distribution of investors, giving a comprehensive picture, the analysis does not indicate country-specific differences. Therefore, the sample might be enlarged further to support the developed guidelines better. Finally, only investors with a high familiarity with IMP were surveyed. A comparison group having a low familiarity with the IMP could be added. These results could be used to infer why investors have not yet used the IMP and what guidelines these investors need to be convinced by IMP. Further, impact enterprises could be questioned to understand their motivations and challenges, which, in particular, allows the data problem to be analyzed in more detail.

Since impact reporting and impact management have been little explored in the literature and practice, this study contributes to more attention in general to the importance of impact reporting. Each area, including the impact reporting process, opens the door to more in-depth investigation. In particular, an analysis of the impact reports already published with and without the IMP can be interesting to support the best-practice approach with concrete examples. In addition, it will be engaging to find out to what extent the recently published Impact Management Platform manages to reflect the benefits of the IMP and resolves the existing challenges of investors. In this context, it is exciting to see how the unsolved challenges will be met in the future and by whom. Finally, it is interesting to explore what is needed to integrate a recognized standard analogous to financial reporting for impact reporting to which all investors must adhere.

To conclude, it will be fascinating to observe where impact reporting and IMP are going and what strategies and tools investors use to ensure reporting impact becomes more comparable and standardized.

5 Conclusion

The primary objective of this study was to answer the R.Q. on how practitioners can contribute to the standardization of impact reporting. At the same time, impact management and impact reporting are relatively new fields in literature and practice. This study emphasizes IMP and their consensus-building over the last years. IMP's five dimensions, impact classification matrix, and impact management platform provides investors with one of many ways to manage, measure and report their impact.

The qualitative analysis appears to be suitable for this study since it allows for examining the environment in which the information was created. Moreover, it considers the research's theoretical foundation. Using a structured category system to code the material allows for reconstructing the processes inside the analysis, improving the analysis's dependability and the comparability of the outcomes (Bryman, 2016).

The success factors and weaknesses of the IMP were essentially identified by analyzing the benefits and challenges. The most significant success factors are that investors can make their impact visible, the best-practice approach, and enter into collaborations. While subjectivity, data handling, and a lack of reporting guidelines are seen as current weaknesses of the IMP.

The R.Q. about the contribution can be answered so that IMP will by no means act as a standard-setter in the future. Instead, the focus is on collaboration with the other standard-setters on the market to provide a place for existing frameworks to merge. Guidelines-giver is the identified role of IMP in chapter 4.4, which they should take for the reporting process.

As a result, the suggested managerial implications in chapter 4.5 will guide investors and the IMP team to take impact reporting to a more standardized process. The framework for the impact reporting process is derived from the analysis of the literature review and interviews as on managerial implication, which can be published on the Impact Management Platform after consensus-building with the IMP's structured network. With this framework, IMP can significantly contribute to standardization in guidelines and best-practice.

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Appendices

A. Consent Form Interviews

Consent Form Topic	Question	Supporting Answers
Consent form	<p>Dear Participant:</p> <p>I agree to be interviewed for the project entitled Industry research of Impact Management – Reporting the Impact Management Project as a framework for investors which is being produced by Charlotte Roemer. This form gives the interviewer authorization to electronically record and use the material from the interview Industry research of Impact Management - Reporting the Impact Management Project as a framework for investors. The interview records will be kept by the interviewer and the project, and the information contained in the interviews may be used in materials to be made available to the general public.</p> <p>I also agree to be <u>identified by name</u> in the project and related materials.</p>	<ul style="list-style-type: none"> <input type="radio"/> Yes <input type="radio"/> No

B. Interview Guide IMP employees

Topic	Question
Current Status	1. How many investors have already applied the Impact Management Project in their company?
	2. Could you please get me in touch with some of them?
	3. Which of the impact reports would you see as a best practice example ?
	4. Do you have a standard process how the investors should use the Impact Management Project in their impact report ?
	5. Can you imagine why investors report their impact differently ?
Benefits /challenges Impact Investors	6. Where do you see the benefits for an investor when applying the Impact Management Project?
	7. When you work together with the investors to apply the Impact Management Project, where do you see the main challenges for them?
Future Outlook Impact Reports	8. Do you think there should be a common sense or industry standards how the investor is publishing the Impact Management Project in their impact report?
	9. Are you currently working on guidelines how to report or how could this look like for you (guidelines)?
	10. How can the IMP+ACT Alliance help investors to report their impact?
Ending	11. Is there anything else you would like to mention?

C. Interview Guide Impact Investors

Semi-structured Interview Guideline for Impact Investors		
Topic	Question	Supporting Answers
Opening	1. For which organization are you currently working?	
	2. What is your role in your organization?	
Experience IMP	3. How familiar are you with the Impact Management Project (IMP) ?	<ul style="list-style-type: none"> ○ Likert-Scale from 0 (not at all) to 10 extremely high
	4. Does your organization use the IMP for Impact Management ?	<ul style="list-style-type: none"> ○ Yes since _____ ○ We are thinking about it because _____ ○ No, because _____
	5. Which of the following are reasons for you to work with the IMP ? For example...	<ul style="list-style-type: none"> ○ We are seeking to benefit from their wide network ○ We are seeking for guidelines to manage our impact ○ We are seeking to build on best practices ○ We are seeking to be able to be transparent to prove that we are creating impact ○ We are seeking to contribute to a possible standardization for impact management ○ We are seeking to communicate and report our impact to our stakeholders ○ We are seeking to _____
	6. Have you ever faced challenges when implementing the IMP ? For example...	<ul style="list-style-type: none"> ○ Setting our impact goals ○ Communicating and reporting the results of IMP ○ Getting the data from the companies (availability and quality) ○ Dealing with the complex guidance of how to implement the IMP ○ Having room for judgement of the impact classification (A, B, C) ○ Struggling with the complexity of the IMP itself ○ Others: _____
	7. What suggestions do you have in regard to the IMP?	<ul style="list-style-type: none"> ○ No suggestions ○ My suggestions _____
Experience Impact Reports	8. Which procedure do you currently use to create your impact report ? Please describe...	
	9. Have you ever faced challenges when creating an impact report ? For example...	<ul style="list-style-type: none"> ○ Missing clear guidelines on the content of the report ○ Dealing with multiple stakeholders with different interests ○ Choosing between multiple frameworks for impact management ○ Getting valuable data ○ Others: _____
	10. Do you include the IMP in your impact report ?	<ul style="list-style-type: none"> ○ Yes, since _____ ○ We are thinking about it, because _____ ○ No, because _____
	11. Which role does the IMP play in your impact report ?	<ul style="list-style-type: none"> ○ Likert-Scale from 0 (not at all) to 10 (extremely high)

	12. What parts of the IMP do you report ?	<ul style="list-style-type: none"> ○ MP Logo ○ 5 Dimensions ○ Classification Matrix (A, B, C) ○ Explanations about the theory ○ Scoring ○ Other:
Future Outlook IMP	13. How helpful would it be for you if there were specific guidelines or best practices on how the IMP could be integrated into the impact report ?	○ Likert-Scala from 0 (not at all) to 10 (extremely high)
	14. What are your suggestions for these guidelines or which parts of the IMP are most important for communication?	
	15. Have you heard about the "IMP+ACT Alliance" ?	<ul style="list-style-type: none"> ○ Yes, _____ ○ Maybe, _____ ○ No, _____
	16. How can the practices of the IMP become a standard for an investor ?	
Ending	17. Is there anything else you would like to mention?	

D. Coding Agenda

Category	Code	Definition	Counts
Benefits IMP	Best-practice	Impact Investors seek to build impact management and impact reporting on best practices	18
	Demand stakeholders	Investors use the IMP because their stakeholders expect it from you	6
	Guidelines	Investors expect guidelines on how to manage their impact from IMP	13
	Network	Investors benefit from IMP vast network	13
	Flexibility	Investors appreciate the high flexibility in the application of IMP methods	4
	Prove impact	Investors seek transparency prove for creating impact	20
	Report	Investors seek to communicate and report impact to stakeholders	11
	Standardization	Investors seek to contribute to a possible standardization for impact management and establishing comparability with other investors	27
Challenges IMP	Complexity IMP	Investors are dealing with the complex guidance of how to implement the IMP or struggling with the complexity of the IMP itself	26
	Data	Getting suitable data from the enterprises is a challenge for investors	21
	Impact goals	Setting impact goals at the beginning of the process can be a challenge	5
	Implementation in practice	Understanding of the IMP for outsiders is non-existent or too complex	9
	Language	The language used by IMP is unclear to investors or stakeholders	33
	Reporting impact	Communicating and reporting the results of IMP is a challenge	13
	Multiple frameworks	Multiple tools and frameworks are challenging for investors	10
	Missing reporting guidelines	Investors do not have sufficient guidelines for impact reporting	14
	Multiple Stakeholder	Dealing with the different interests of stakeholders is a challenge when reporting the impact	11
	Prioritization	Setting priorities in impact reporting is a challenge for investors	9
	Subjectivity	Having room for judgement (especially with the impact classification matrix (A,B,C))	28
Role IMP	Theory IMP	The investors publish theoretical material about IMP in the report.	7
	Five dimensions	The investors publish five dimensions of IMP in the report.	10
	Impact classification matrix	The investors publish the impact classification matrix of IMP in the report.	29
	Logo	The investors publish the logo of IMP in the report.	5
	Role IMP general	The IMP plays a different role in the reports of the investors.	13
	Scoring	The investors publish scoring in their report.	12
Reporting Process	Structure	Collection of examples of the structure of impact reports.	6
	Timing	Collection of timing of the impact reports	18
	Content report	Collection of examples of reports` content	24
	Data handling	Examples of handling the data for reporting	16
	Participants	Participants in the reporting process	8
Suggestions	Collaboration	Investors see cooperation with the IMP as beneficial	18
	Defining impact	The impact defining process needs to be improved	7
	Publish best-practice	IMP should focus on best-practice examples	20
	Guidance	Role IMP as guidance-giver	22
	IMP as a Standard	Role IMP regarding standardization	36

E. Summary Category System

Category: Benefits IMP

Code	ID#	Position	Segment
Best practice	ID1	23	The benefits are building on best practice rather than a general consensus, rather than recreating the wheel every time, which we saw a lot before the IMP existed.
	ID1	23	ability to be transparent and build on best practices also like lifting. I think the transparency part is key for lifting others up in addition to sort of sharing, basically.
	ID2	10	it went through that consensus-building effort, which is very much focused on practitioners. So those are doing the work.
	ID3	14	what are the principles that you need to show that you are doing best practice.
	ID3	22	I think enterprises and investors that want to use the Impact management norms is, are by doing that they are adopting best practices.
	ID4	12	best practices like IMP.
	ID4	13	build on best practices
	ID5	13	Built on best practices is also important.
	ID6	9	Building on best practices is also helpful for us.
	ID7	16	We are seeking to build best practices.
	ID8	13	Building on best practices would also be relevant for us.
	ID9	16	So we wanted to use something that is already common.
	ID10	9	We're seeking to build on best practices that are also suitable where it is.
	ID11	9	Essential and best practice
Demand Stakeholders	ID12	16	third, it would be built on best practices.
	ID12	26	The ones who've I've met have all been. I think, really focused on the right priorities, setting out a process that people could use, and then working with standard-setting organizations to apply it and now working with practitioners to utilize it.
	ID13	11	Probably we are seeking to build on that practice's intersection.
	ID14	13	we are seeking to build on best practices.
	ID4	12	Moreover, our investors want us to use best practices like IMP.
	ID4	13	simply a requirement from Investors.
	ID4	20	Our primary reason is that our investors want it.
	ID5	11	t as a way to assess fund managers that were looking to invest into assets.
	ID8	15	We see them as part of the standardization, as the leader in standardized impact frameworks recognized by our stakeholders and other players in the industry.
	ID12	10	primarily invest with active third-party managers. We do a portfolio score and a manager score. Many people would get that manager score as the investors' intention or the investors' impact from an IMP
Guidelines	ID2	36	here are examples of organizations that have found a useful way to engage with.
	ID3	22	whatever guidance we can get these people to help them is excellent.
	ID3	36	I think the impact investors seek guidance on how to use the five dimensions do.
	ID4	13	Lastly, we seek the Guidelines on how to manage the impact.
	ID5	14	some guidelines how to manage impact are also helpful.
	ID6	9	Third, we need more guidelines on how to manage the impact.
	ID7	14	guess we are seeking guidelines to manage the impact. This is one of the key reasons.
	ID7	21	it also goes you're seeking guidelines to match and not manage,
	ID8	13	Guidelines on managing impact are okay but not so essential for us too.
	ID10	9	We are seeking for guidelines to manage our impact is essential.
	ID11	9	Seeking guidelines and benefit from the IMP network is less important.
	ID13	13	We're seeking to share our experience with investors as well. We're bringing the theoretical guidelines from the IMP to practice and then our learnings of it.
	ID14	13	We seek guidelines to manage our impact is the most important one.
	Network	ID4	13
ID4		86	like the five dimensions and the ABC strategies be adopted by a really wide network, because that's the
ID5		14	The network is broad but does not shows us how to use it for us
ID5		14	The fact that we're involved with that, which is a sort of offshoot of IMP is that more network.
ID6		9	Of course, benefitting from their network can be beneficial. But for us, this is less important.
ID7		13	The vast network gave you legitimacy to the framework itself. We are not using their network, but it gives them legitimacy, which was essential for us.
ID8		13	We don't really do much with their network; it is not really relevant for us.
ID9		19	We were not seeking to benefit from their network.
ID10		9	Seeking to benefit from the network is not essential for us.
ID12		18	Last, Benefits from their network and the guidelines for managing impact are less essential for us.
ID12		22	Moreover, we partnered with the team that developed the IMP at bridges. We certainly needed a lot of support, but they could get it.
ID13		12	We are seeking to benefit from their vast network, probably it's one of the last ones.
ID14		13	But we do not use the network that much from the IMP. But we work closely together with IMP.
Flexibility		ID7	19
	ID7	19	help guide our discussion, because that work alone of again, quantifying impact alignment is kind of subjective. So we wanted to have kind of a framework by which we can have meaningful discussion and meaningful debate amongst ourselves. Every time we want to determine if a stock is impactful or not.
	ID12	24	Even, one investment look like a B, we think it's a C. Or an A because of this character. I don't think that's a real challenge. Actually, that's what's great about it is like it

	ID12	24	The flexibility provided by the matrix has also been something that has helped us simplify a pretty complex portfolio.
Prove impact	ID1	33	look at the end of the day, a fund company. You want to understand the people and planet.
	ID4	13	reach transparency to create impact.
	ID5	13	Transparency prove for creating impact is essential?
	ID6	9	First, Transparency proves that creating impact is essential.
	ID7	17	we seek transparency to prove we are creating impact.
	ID7	17	The IMP is an excellent framework to follow and help guide our meaningful discussion. Because quantifying impact alignment is kind of subjective, to determine if a stock is impactful or not
	ID7	19	Every time we want to determine if a stock is impactful or not.
	ID7	35	We wanted to make sure that we add either convenient access to data or use a framework. The framework would help us identify issuers and stocks that would be deemed impactful or not. And so we stumbled upon a time management project, we chose i
	ID8	13	Seeking to be transparent, maybe would be after that.
	ID9	16	Being able to be transparent to prove that we were creating impact. We were seeking a way to communicate impact.
	ID10	9	we are seeking to be able to transparent to prove that we are creating impact.
	ID10	14	We have to understand and communicate their impact internally in order to determine whether we want to make an investment or not.
	ID10	21	we can report on individual businesses, but also compare them compare those businesses across our portfolio using the same framework, which we have found relatively easy.
	ID11	9	I would say to be transparent and prove even to yourself to understand our impact.
	ID11	10	eanant by best practices, but it's actually to manage our impact consistently. You have structured discussions about your impact.
	ID12	9	Ours is a pretty quantitative model.
	ID12	14	We do more qualitative discussion as an investment team and as an investment committee around whether I want to take on the impact risk
	ID12	16	Second, we are seeking to be transparent and prove that we are creating impact.
	ID12	24	Because it really gave us the ability to say we're going to apply analytics and quantitative analysis alongside judgment and qualitative discussion.
ID14	13	We seek to be transparent to prove that creating impact is also essential for us.	
Report	ID4	13	Next, Communicate and report impact to stakeholders.
	ID4	27	So we don't really use the IMP for reporting to our broad investor base. We'll use it to write to specific and more sophisticated investors.
	ID5	14	e assess and also communicate somehow impact.
	ID6	9	Second, communicating and reporting impact to stakeholders.
	ID7	9	Impact management project was the one that we chose. We use it every time we have to review a stock or issue or that we want to maybe include in our report.
	ID8	13	seeking to communicate and report impact to our stakeholders is second.
	ID10	12	Communicating and reporting impact to stakeholders comes up to the very top.
	ID10	15	Quarterly, we need to report that impact to our stakeholders to the investors of their fund. So that's the main reason that we started looking for a framework was to enable us to consistently and relatively and consistently report that effect
	ID11	9	communicate and report to our investors or stakeholders in general.
	ID12	16	we seek to communicate and report impact to our stakeholders.
	ID14	13	Then we want to communicate our results to our stakeholders in a report.
Standard-ization	ID1	23	you might think you've created the best impact reporting framework. But if it doesn't include the things that everyone finds to be relevant, we talk about impact. You start to lose those like arguments and you lose the audience. And it's just better to build on what's already there and then make it appropriate for your context.
	ID1	23	compare your performance to someone else's if there's a totally different reporting standard?
	ID1	23	IMP about aligning corporate performance standards.
	ID1	36	No one tries not to change the dimensions. Basically, this is a social construct. So if we all change them, then we haven't constructed anything.
	ID2	7	you should agree on common things to measure and then compete on the performance itself.
	ID2	7	In the world of financial accounting, we've agreed on these common constructs that we call financial accounts. They are agreed and iterated upon over the years to get to the point that we now kind of agree on what, broadly speaking, should and shouldn't go in a set of financial accounts. We've agreed on measuring and then you compete on the performance itself. And so the idea was getting to in social-environmental impact is like having an agreement on those things.
	ID2	9	the IMP was never set up to do be a standard setter. So a standard-setter invests in a governance process around setting the standard.
	ID2	38	The intended benefit is that it's a common language across the investment value chain.
	ID3	15	Because standards are there to show to help understand performance that is material to investors to material to a to a company's ability to make mone
	ID4	12	It helps align with other investors. We often lend alongside other investors. We're never the only lender in the fund. It helps us all align on metrics.
	ID4	13	contribute to a possible standardization for impact management.
	ID4	13	support to align with other investors.
	ID4	86	We wouldn't be using the IMP if it wasn't such a widely accepted norm.
ID5	14	Contribute to a possible standardization for impact management is a good reason for us.	

ID6	9	Next, we want to contribute to a possible standardization for impact management.
ID7	14	Further, We are seeking to contribute to possible standardization.
ID7	15	It's not about aiming to use standards, like standardization, but not contribute to it. So this would be the least important motivation for us to use it.
ID7	17	hey are potentially aligned with the UN SDGs.
ID8	13	I think contributing to a possible standardization for impact management is probably the first one.
ID8	15	We see them as part of the standardization, as the leader in standardized impact frameworks recognized by our stakeholders and other players in the industry.
ID9	14	But then we realized that there was no way that we could do any benchmark with the other companies that do the same that we do. There was no standardization of the metrics on measuring impact and how we were measuring it. The main reason why we started using IMP was that we were looking to contribute to a possible standardization for impact management.
ID10	11	Contributing to a possible standardization for impact management is good, but the other points are more important.
ID11	9	o contribute to a possible standardization of impact management.
ID12	16	Fourth would be possible standardization. Next, we are seeking a way to standardize impact within our portfolio.
ID12	17	We wanted to create that standardization within the same port for our portfolio.
ID13	10	We're seeking to contribute to a possible standardization framework management. That's the first one.
ID14	13	Moreover, we seek to contribute to a possible standardization for impact management.

Category: Challenges IMP

Code	ID#	Position	Segment
Complexity	ID2	34	s providing the guidance and the content in a way that is easily accessible.
IMP	ID2	34	Organizations always tell us that we missed the material on the IMP website. We have done our best to try and make it accessible. But there's a lot there, right.
	ID2	36	I am aware of examples of people does not find it intuitive like the material is there.
	ID3	34	It's challenging to marry up to the norms of what we're doing now. And I guess now the focus is structured network, because that's the most likely thing that will get regulated.
	ID3	40	The five dimensions are not perfect. But it was the best thing at the time.
	ID4	31	It's not so much the guidance. That's complex because once you find it, it's actually beneficial. And they have valuable kind of how-to guides. It is seeing is like locating it on their website is the more significant challenge.
	ID4	33	Initially implementing it, I'd say we probably struggled with the complexity of the IMP itself. But not the five dimensions because the five dimensions are actually quite simple. The overall ABC framework, and then the other investor contribution strategies is complex. That was a lot to wrap our heads around at first.
	ID4	35	with the classification matrix, there are some issues.
	ID4	38	nitially, the complexity of the IMP itself was probably the biggest challenge.
	ID4	41	First, the difference and the ABC framework is still, just like, still really confusing to investors.
	ID4	78	If it's going to be too complex, and our investors won't understand it, then we're not going to do it. We're not going to waste page space. So if our investors wanted it, even if it was a handful of investors, we absolutely would.
	ID5	20	We're okay with the complexity
	ID7	25	It's more like an adult find that it's too complex either.
	ID7	29	I think the guidance on the website goes relatively quickly,
	ID7	29	remember there was a template online.
	ID7	29	o those formulas and, and translated that into our own tools somehow. So it was not that complex. It was just like a matter of finding the file that was the best for us.
	ID8	19	The IMP fits well within our framework, but we don't have challenges.
	ID8	19	Dealing with complex guidance, I have not experienced this challenge.
	ID8	21	I think it's straightforward.
	ID9	21	actually had a little bit struggling with the complexity of the IMP. The whole methodology because it was something new for me, but I know that in the team, people who were more related to the impact against them won't say that.
	ID9	23	The implementation for me was complex. It was hard because sometimes the guidance talks about some specific projects. And then even when you want to translate it to what you do, or the companies you work with, it wasn't like something easy to understand how to, to move to that. To what do you want it even in the part of the contribution? According to the IMP, it was hard to understand how the matrix had to be defined. And I think that was the most challenging part because the metrics are still defined by the company at the end. So there is some part that will be hard on the benchmarking with other companies.
	ID10	19	Impact management is very complex. I think the IMP has done a perfect job at making it very simple, consistent, comparable, and usable. I don't think IMP is complex. I guess the complexity is around. Just the various different situations that it needs to apply to. So that the various different forms of impact and things.
	ID10	23	o some of the challenges that could be faced through a more complex approach we just haven't even seen.
	ID12	23	We struggled with the complexity initially, but now we fully understand it. Still, it was something that needed some time. Before, we were struggling with the complexity of our own portfolio. The IMP was actually the thing that let us simplify the process. I would say the opposite.
	ID14	18	We were struggling with the complexity. We had a lot of calls with their team to clarify doubts.

	ID14	26	he idea of a baseline for defining underserved and well served versus availability of options was also tricky. I don't think that's very well thought out, even though it's essential to have that as part of the who component. I don't think it's golden. The whole baseline concept is not very important.
Data	ID1	23	If you don't have the information from companies in your portfolio, you can't really aggregate it
	ID2	32	It is just the information, right is the quality of data available to make the decisions? Is it an investor that wants to fully incorporate the logic and norms of the IMP interesting processes. They have to run into the reality of working with businesses struggling with their own resources, trying to come up trying to understand their own impact? The data problem is a big thing. Across the industry, for sure
	ID3	14	because the actual performance of the IMPact is really is always done at the corporate level. Right? We have a comprehensive corporate reporting solution
	ID4	29	Getting data is a challenge. It is not a challenge with the IMP. That is just an impact management challenge
	ID4	38	Now, the biggest challenge is getting data and just the inefficiencies. But that's not an IMP. That's an impact metric challenge.
	ID4	68	Getting data it's definitely a challenge.
	ID5	20	You could check on getting data as a challenge as well.
	ID5	32	and getting valuable data.
	ID6	10	One challenge is getting the data from the companies in terms of what I do.
	ID7	23	Getting the data from the companies, that's for sure.
	ID7	43	, getting valuable data is tough, too.
	ID8	19	Getting data from the companies is one of the most challenging pieces.
	ID8	35	getting valuable data.
	ID9	31	The biggest challenge is getting valuable data.
	ID9	33	One other challenge is more internal, a system or a technology to process all these data. Because sometimes, it has to be manual with a file or excel sheet to process it. And it takes a lot. And I guess, if there was a process program to process all this matrix A, that would be easier to understand.
	ID11	27	getting valuable data it's always a challenge.
	ID11	27	But it's always a challenge, and we guide our portfolio companies where needed. But I would say it remains a challenge that we have to do so.
	ID12	21	Data is always valuable in coming up with your determination. Further, depending on the industry and the business, there's some availability, and some quality supersedes others. So getting the data can be a challenge. But currently, it is not a challenge. One area that we would benefit from in the future would be
	ID13	17	nd depending on the type of investor you are, you have different data in quite a different type of quality of data. That's the biggest challenge for us.
	ID14	15	Getting data from the companies is a real challenge.
ID14	40	I think we discussed a lot that getting valuable data is a challenge for you so far.	
Impact Goals	ID1	29	The most impact goal setting is actually not done very well so far.
	ID4	21	Was setting the impact goals a challenge for you? ID4: Not for us.
	ID5	18	We don't really use it for our impact goals necessarily.
	ID12	71	You're always going to have greenwashing. Always going to have managers that are actually having a positive impact but aren't measuring their impact. Therefore you don't know that there would be manager even though they are.
	ID14	16	The biggest problem we have right now influences finding our impact goals.
Implementation in practice	ID1	37	How to place, and that's how you take it into your decision-making. It makes the variables. I've seen a million different ways of doing this. Like you create spider diagrams, you do like scoring; you do scoring on each dimension, each sub-dimension scorecard
	ID3	14	because the actual performance of the IMPact is really is always done at the corporate level. Right? We have a comprehensive corporate reporting solution
	ID4	26	We need to make our communications accessible to all of those groups. Individuals do not know what IMP is. And, and most of our investors are like my mom. They don't understand what IMP is.
	ID7	25	I have to explain that to a client, they get it right away.
	ID10	17	an be challenging to figure out and make it objectively comparable because of that.
	ID10	25	nd then once you've done that, and how do you then compete, do the same with a different organization and be able to compare them
	ID10	26	You can broadly with kind of a gut feel determine whether one should be higher or lower on that spectrum. But ultimately, we go to investors who expect a lot of robustness here, they quite rightly challenge it and see it and say why have you put that business at that spot? And our responses? It kind of feels right, which isn't a robust enough response in those situations. So I think that's the piece to work on.
	ID10	59	IMP is a widespread basis for that framework. But again, they are applying it in their ways.
	ID14	25	It is not designed for environmental startups. At least, it was a difficulty. And the distinction between social and environmental impacts.
	Language	ID2	8
ID2		36	people within their own organization speak a common language. Further, organizations up and down the investment value chain speak the same language (like IMP).
ID4		26	five dimensions and the framework is just so rigid as it's not very accessible to all of our investors.
ID4		36	I still do not understand the difference in some cases.
ID5		20	But it's not always easy to get it for the managers to sort of translate
ID7		45	It was love at first sight as the IMP makes sense and is relatively simple. We're gonna be able to use it. Everybody understands the questions I get.

	ID12	43	We do so that our clients can better understand it because I the first time we introduced it at our annual meeting a year ago. It took some time, and the first client we worked with on it, and I will say that you know you do the first introduction.
	ID14	24	But it was a struggle to simplify the results we had to make them communicate. Also, the language used by the IMP is a problem. I don't think it's amicable.
	ID14	26	he idea of a baseline for defining underserved and well served versus availability of options was also tricky. I don't think that's very well thought out, even though it's essential to have that as part of the who component. I don't think it's golden. The whole baseline concept is not very important.
	ID14	28	Starting with the most simple question, distinguish between positive and negative impacts. For example, we struggled with whether reducing carbon dioxide emissions is positive or negative. That wasn't really well explained. The baseline was not very well thought out.
	ID14	46	The problem is that framework deals with these trade-offs. Even as we were studying it, I thought it was way too complex in language and hard to understand. But at the same time, you need to navigate through that to have something relevant. The problem is language and how to make language simple and capture these. This level of detail you want to convey without making it way too simple. Hence less relevant for whoever is reading it.
Reporting impact	ID1	7	We weren't publishing because we were a bit scared of what you just described. Right. If we share our own examples, just good ones that we work closely with. But we couldn't handle it, everyone.
	ID1	15	There is a weird balance between wanting more transparent reporting and showing what's possible in reporting. We learn from each other and do things differently. Impact investors are running after the reporting. They might be very good at that side but lack in improving their internal processes.
	ID3	40	If you ask the challenges, I'm sure that reporting will come up
	ID4	23	communicate and report the results of the IMP ID4: I think there is a pretty big issue.
	ID4	27	It's probably a challenge to the reporting.
	ID5	20	There are always challenges, and communicating impact is not an easy thing to do.
	ID7	25	In general, I don't have that much trouble communicating why we're using it and why it makes sense.
	ID7	48	Creating the final report, it's not that easy and far from perfect.
	ID7	75	IMP is a great starting point to have been around this, but I'm not surprised that people use it in a really different manner every time. I feel it's nice. In fact, the diversity makes it easier to differentiate and accurate. You can kind of see who does it kind of better? Or do things a little bit better than you can maybe borrow at some point. It's nice in different ways.
	ID8	25	We report on our own impact framework. So that's, that's easy.
	ID9	23	I didn't have any much trouble in the communication.
	ID12	50	Our biggest issue is that we manage multi-asset class, multi-manager portfolios which makes is hard to communicate.
	ID14	17	We don't have a big problem communicating and reporting the results.
Reporting impact / Missing reporting guidelines	ID1	15	There are the webinars, and then they're sort of like templates and references online, but not for reporting.
	ID1	16	We have not set sort of reporting guidelines on the IMP. It's probably a big gap.
	ID3	11	he reason you don't have all organizations reporting in the same way is because there is nothing that's mandated.
	ID3	14	here needs to be some sort of guidance for investors to report their impacts
	ID4	55	e did not really miss clear guidelines, because we created the guidelines.
	ID5	30	it's hard. There are no benchmarks at the moment.
	ID5	30	And secondly, doesn't there's also a kind of consensus as to whether you should think for different asset classes into the how much in for venture capital investments is probably quite different from what constitutes our big,
	ID5	30	So it's not clear whether you should be moderating within each of your asset classes internally or just look at all asset classes in the same way.
	ID5	30	maybe having a kind of more standardization might be helpful.
	ID5	32	Missing clear guidelines and the content of the poor. As we came up with our own methodology, it's not really a problem. It is more a problem for the sector to give things context.
	ID7	43	I would say Missing clear guidelines on the report's content
	ID12	46	Missing clear guidelines is an interesting one. We had a project to check all of the different reports written by our peers to pick what we liked and didn't like and how we wanted to model ours. No guide says you need to answer these questions or address these issues. We appreciate that flexibility because there isn't a strict set of guidelines. But there are no clear guidelines that I have seen that say what you need to include.
	ID13	32	Hence, I don't think there's a lot of guidelines.
	ID14	45	The problem is the framework itself. It's not that we don't have clear guidelines.
Reporting impact / Multiple frame-works	ID2	6	Many different frameworks are cropping up measuring a company's social, environmental performance and, therefore, an investment.
	ID4	65	All the frameworks have their purposes. So there are multiple frameworks, but they serve multiple functions. So it's not it's never really a matter of choosing between different options. It's how do you bring all the frameworks together? And that's probably the biggest challenge put in, in creating and putting together an impact report is.
	ID5	30	We have our own methodology.
	ID7	43	choosing between multiple frameworks for impact management.

	ID7	45	It was a long discussion, but not around the environmental project. It was a long, long discussion before we got there. But once we got there, we stumbled upon IMP. We were pretty sure that that one could be used. It was love at first sight as the IMP makes sense and is relatively simple. We're gonna be able to use it. Everybody understands the questions I get. Multiple frameworks were kind of a challenge, for sure.
	ID7	77	There are a lot of frameworks out there specializing in many different things.
	ID8	37	No, we've always used the Quonas framework, and it has always been the primary framework we use. And it was developed with industry leaders. We never really looked towards external frameworks that we did look to the industry, other industry players for guidance, like the GIIIN and IRIS metrics. And then when the impact management project came along, they helped them shape it. So we are not ever really in that
	ID10	35	So because of that breadth, the way they went about it, and just the framework's content, it was relatively straightforward that the IMP was best for us.
	ID14	40	And the multiple frameworks as well, you read too much.
	ID14	42	The challenge is which tools or which frameworks we should use.
Reporting impact /	ID2	8	So impact investors, yes, and more traditional investors that are thinking about sustainability. Also, policymakers, governments, and social scientists have been grappling with these questions in some ways.
Multiple Stakeholder	ID4	26	We have 5500 investors, anyone from my mom to Prudential financial. We need to make our communications accessible to all of those groups. Individuals don't know what IMP is.
	ID4	63	It's always a challenge dealing with multiple stakeholders.
	ID4	88	and there's kind of everything for everyone. There's people just want to see the marketing, they can go to that if they want to see a little bit more detail, then they can go to the directory, and then if they really want to get under the hood, then they can go to this really deep disclosure.
	ID5	20	And it depends on different audiences, different ways. Basically, dealing with multiple stakeholders.
	ID5	32	We are more relevant to dealing with multiple stakeholders of different interests
	ID7	43	urther, dealing with multiple stakeholders
	ID8	35	Stakeholders are a challenge
	ID10	33	is inherent teaching the is the trade-off, or the differing interest, levels of interest between impact and financial returns. So some investors want to know about the financial side, and the impact of the nice to have. Others are primarily focused on the impact side, and the financial is nice to have.
	ID12	36	We have some clients who are invested in traditional meaning not meeting our minimum threshold for impact.
	ID12	45	Certainly dealing with multiple stakeholders with different interests. We have investors in our fund that not only want impact. Some don't want any traditional investments. And so when you write an annual report that's speaking to all of them, it's a bit challenging.
Reporting impact /	ID4	70	Design and cost are definitely a challenge.
Other	ID10	37	Probably the biggest challenge for me is helping people understand the value and value impact, mainly when dealing with financially focused financially.
Reporting impact /	ID1	18	So there's a balance to strike on priorities.
Prioritization	ID1	20	e never got to like a good enough consensus and actually decided to leave it open so that some people could go into a lot of depth and maybe release their full spreadsheets, and others might go really high level, but still at least include the five dimensions of impact and the classification in whatever they do.
	ID7	48	So the challenge is a split between SDGs.
	ID10	33	o we need to kind of balance those competing interests and make sure we communicate in a simple way for all of them.
	ID12	48	Balancing the complexity with the message. Very complex numbers and ideas and qualitative rationale go into our evaluations. The challenge is to summarize it for your clients, and you don't need them to read 27 pages, right? So you need to find a way to take the most important of this information and put it into a package that's appealing and exciting, and engaging?
	ID12	48	complexity, and nuance of what we're doing while giving you the big picture and the high-level impact you're having in your portfolio.
	ID14	41	In the beginning, we were very like, should we include the theory of change? Should we not? is that relevant? Should we include SDGs on a pillar level? Maybe not. That was the start of this work and not now that we are writing the impact report.
	ID14	43	the trade-off between providing granularity enough that makes it relevant honestly to read versus leaving out details that might make it too complex and too hard to read. That is the ultimate challenge that we're going to face. If we lose too many details to have something straightforward to read, it will not be relevant.
	ID14	67	the trade-off between granularity and simplicity in language.
Subjectivity	ID1	29	o it's one thing to report on what's happening. But that might not look like success to your investors or your teammates.
	ID1	29	People can interpret that in very different ways. The other problem is judgment. So while you're reporting on standardized, like not standardized, like more can a consensus on what matters. And then you have your dimensions and you have your ABC classification, you are developing judgment for your impact interpretation.
	ID2	26	how funds are actually collecting the information and understanding the impact of their portfolios.
	ID4	35	classification matrix, there are some issues. There's a lot of room for judgment.
	ID4	41	And you really need to have a deep understanding of, like, what the different strategies mean, both in the ABC as well as in the investor contribution strategies. And that the terminology, the names of their the terms of the ABC, and then the names of the investor contribution strategies, I don't think accurately capture what the meaning behind those strategies are.

ID4	43	nd the investor because there's this framework that I'm thinking of, that's basically ABC across the top, and then the investor contribution strategies down the bottom. And so it's both of those, the meaning behind the names for both of those classifications.
ID5	16	The ABC can get content has been a bit confusing with having room for judgment. It can be difficult sometimes to classify between them. Moreover, once you classify it, you still don't know its impact is? Because you need still need to discuss it when you click it on one. Impact classification. That was the biggest challenge.
ID5	38	I think clarity on contribution because there's a lot of confusion around the assistance.
ID5	38	What might be considered high for depth?
ID7	27	I would having room for judgement is an issue. Of course, even before we conclude, let's say, A, B or C, there's a lot of subjectivity and a lot of debate.
ID7	31	Yeah, I would say it's a lot of debate. It's the framework itself, for sure. It's not a difficulty related to the framework itself. It is more challenging that the framework does not eliminate all subjectivity. It does not help eliminate all the subjectivity. Subjectivity is still there. There's a lot of room for interpretation and debate every time.
ID7	47	One challenge when it's not related to IMP is that you have multiple potential alignments most of the time. So let's say they derive whatever percentage of revenue. That's as big as 7.2. And I don't know like is 7.4. And then 13.1. It is just like throwing numbers.
ID7	48	At the end of the day, it's all about making rules of thumb
ID7	74	Even ESG integration, every investment team or our investment platform does it differently depending on the asset class. I'm arriving. Then biases of the manager, the whole investment process that they built the past to select actual holdings. So we're dealing with something even more subjective, like quantifying
ID8	23	I see with the classification matrix a lot of room for judgment or subjectivity.
ID8	52	One of the challenges, I guess, is just getting a little bit more clarity and trying to make the ABC less subjective.
ID8	52	I think it's just there's a lot of room for subjectivity there, and the way people interpret what contributes to solutions is okay.
ID8	56	What factors determined that distinction between a, b, and c within our own portfolio? So I thought it was helpful, a helpful exercise for us internally. I wanted to benefit or publish it to show how we were thinking about this. And that there is variation within it.
ID9	23	it was hard to understand how the matrix had to be defined. And I think that was the most challenging part because the metrics are still defined by the company at the end. So there is some part that will be hard on the benchmarking with other companies.
ID10	17	having room for judgment of impact classification. So what we found is this subjectivity which is inherent in impacts measurement to an extent and that your perspective of the depth of the impact may be different to mine.
ID11	12	First, it's still a challenge for everyone to be consistent about that classification. There's always room for judgment with the ABC categories and their communication. I think, that is the main challenge.
ID12	24	With the classification matrix, there is room for judgment.
ID12	24	Even, one investment look like a B, we think it's a C. Or an A because of this character.
ID13	19	Not for us. We have developed a scoring system that helps, which is based on the five dimensions helping us. Further, it gives clear guidance on where we think it's just an indication of the categorization. But it's evident in saying, D and A, B or C investment. So we don't have this problem.
ID14	19	I felt room for judgment for the impact classification was also a problem.
ID14	29	There's no answer to the question of depth versus scale. This might be intentional, leaving huge room for judgment when defining B's and C's.
ID14	31	But then the contribution part also leaves a big judgment room. To be super rigorous on what the counterfactual should be versus practical. I think that was also struggling in the beginning, we thought, being super rigid like we don't have control groups. So that might be an issue.

Role IMP

Code	ID#	Position	Segment
Theory	ID7	53	some explanations about the theory,
IMP	ID8	46	we were explaining the theory,
	ID9	41	explanations about the theory.
	ID10	43	explaining the theory as well.
	ID11	34	ou're explaining the theory.
	ID12	56	explanations about the theory.
	ID13	37	The theory,
Five dimensions	ID5	46	The five dimensions is helpful because you can score them,
	ID6	12	and five dimensions)
	ID7	53	the five dimensions,
	ID8	46	The five dimensions,
	ID9	41	the five dimensions,
	ID10	43	We use the five dimensions
	ID11	34	five.
	ID12	56	we are showing are the five dimensions
	ID13	37	five dimensions
	ID14	50	So the five dimensions,

Impact classification matrix	ID4	87	Second, you've got to report to a classification system, directory, or database like the impact classification system. Third, you've got your really deep disclosures.
	ID6	14	cturing how our portfolio looks like in terms of avoiding harm benefits, stakeholders, etc.
	ID7	54	We do not use it. It's just that we like to focus on initiatives our A, C and B.
	ID4	79	Moreover, suppose the recommendation is to take the ABC classification matrix. In that case, our investors will look at that, and their eyes will glaze over.
	ID4	90	Because it could provide a huge value to investors who, who want to go a little bit deeper than the marketing reports,
	ID5	34	a little bit to talk about investor contribution.
	ID5	40	I don't find the classification matrix so helpful, personally. Mainly people stuff going in, as well as sort of self-certification. It does not have a tremendous amount of credibility in there.
	ID5	46	that articulated ABC. It's just a self-classification thing that no one necessarily even understands that word or classifies right, so it certainly doesn't feel so important.
	ID6	12	I think they are reporting both (classification matrix
	ID7	56	guess that we don't report using ABC das just for us. Yeah, it's true. Sorry. And the long-run logo is part of our marketing decks. Let's see when we discuss the fun.
	ID8	33	No, we don't really produce a public-facing impact report containing all of the details about our impact framework to companies because those metrics are often confidential.
	ID8	46	the classification matrix was included
	ID9	43	When we decided that we would use IMP, we didn't find out how the classification matrix would fit in our portfolio. So we decided to keep it at our aside.
	ID10	43	alk about the classification matrix.
ID11	34	The Matrix	
ID12	58	We do include the classification matrix. But we use ours a little bit differently. We'd like our own classification. We don't use the same matrix that they use. Instead, we use the A pie chart.	
ID13	37	nd the classification matrix	
ID14	50	also the classification matrix, but in our own way.	
Logo	ID4	76	We indeed mentioned it in the impact report with the Logo.
	ID9	41	IMP logo
	ID10	43	we've used the IMP logo
	ID12	59	Further, we use the IMP logo where they have given us permission to do so in a few of our reports.
	ID14	50	the logo,
Role IMP general	ID4	76	We don't use the IMP framework in the impact report.
	ID7	41	At the end of the day, what we report on is the, I guess, allocation by SDG. Somehow, this is kind of our scope of impact management project, but we use IMP to get there.
	ID4	76	Which means the role in the report is pretty low.
	ID5	34	he role was extremely high because it was just about the IMP rights. As it was co-published with IMP, it is a 10.
	ID6	12	It is like a nine or 10. Because the whole impact report is around the IMP project, they are doing.
	ID7	52	It's in the middle. It's a tool, router, and reporting. I could show you with more like logos and how it's, and that's how we get there. We mentioned that IMP was there to help us identify all of those.
	ID8	44	pecifically, it was really high. I don't know what it will be like in the future. But in this one specifically.
	ID9	39	The role is very, very high. So I'll say it's a nine because we still keep Reporting is the sum of the parts, there is the no harm part. We are reporting it as a Carmax methodology that we keep. So I won't be higher, but all the impact goes on. It's exceptionally high.
	ID10	41	Yeah, it certainly is a kind of a foundation. So I'd probably go seven.
	ID11	33	I would say it's a full report based on the IMP, which we complemented with other stories and examples and testimonials, but the core is our impact statement, which is entirely based.
	ID12	55	I would say probably eight. We go a little bit of information on what it actually is. And then, for every investment case study, we provide the impact rating. Still, we also show SDGs and some of our internal qualitative understanding of the investment.
	ID13	35	I would give it an eight. Of course, it's not only the IMP, but it's really the basis of our reporting process.
	ID14	49	I would say eight. We also include the SDG. We include the strategy in general, like our high-level strategy, So not entirely focused, but primarily focused.
	Scoring	ID5	29
ID7		36	So based on a percentage of revenue associated with that activity. Kind of a final score on a stock. If the final score, in this case, 63 is up is above 50, then we deem it to be impactful.
ID7		53	I saw the scoring model,
ID8		48	No, I mean, not beyond the kind of classification of ABC.
ID9		41	communicate the score on the risk according to our methodology,
ID10		43	And we have no further scoring system.
ID11		34	doing the scoring,
ID12		57	We do not put our scoring model in the report. We are transparent with people who ask, but it is too complex for most people to get through.
ID13		37	scoring
ID14		51	Scoring was also something that we felt with a portfolio reaching what 70% a 30% B's? We had us. It's going to be relevant in the future for us, and we have a heatmap. So we need to kind of you to see where we're working, but we didn't do any terms of scoring.
ID13		19	We have developed a scoring system that helps, which is based on the five dimensions helping us

ID13 42 I think it's not the IMP providing a scoring. You do not need to score at this point. That's really investor-specific. We found it helpful at Bridges because it provides a number that helps the investment team. I think everybody who uses the information should use the ABC categorization as part of the time. Otherwise, it's not just sharing half of the story.

Category: Reporting process

Code	ID#	Position	Segment
Structure	ID4	79	My recommendation would be to be highly visual, low text, and straightforward
	ID4	51	We basically take all of that information.
	ID4	53	the report is so big, because it's, it's got something for everyone... The investors care about lots of different things and some of them care about certain issues over other issues... So we want our back report kind of needs to be everything for everyone.
	ID7	41	the person that wants to propose it documents it, and then the whole template is up for debate.
	ID9	27	we review the previous impact report, and we define what we are going to change, what and how, how are we going to to work the new one? Basically, are we going to keep the same methodology? Are we going to keep the same structure of the report? And then last year, when we said no, we need to find somehow a new way to report impact, and that's how it came out.
	ID14	37	nd then you made the third point: managing the impact, which means working directly with impact management for the startups here. Maze x is developing workshops to work on this with the fund. You also have the onboarding on impact. And with the social impact bonds, it's constant ongoing work. And then on evaluating the impact, which is like a third point, like the fourth point of the impact, process, and creation of our report, we try to understand if we are in each of the pillars doing the best we can on evaluation.
	Timing	ID4	45
ID4		72	So it takes about three months to from what I first start putting pen to paper, to when we publish.
ID8		31	produces an annual report as a public facing.
ID8		39	This is the first time we mentioned IMP, specifically. Our 2019 report was published in 2020.
ID9		27	At the end of the year,
ID9		27	nd it takes like six months.
ID9		29	We started at the end of the year and published it in the middle of the year.
ID9		37	Yes. since this year.
ID10		28	we report on the impact quarterly.
ID10		31	The organization one, maybe about six months ago,
ID10		39	Yeah, so since two, probably 2018. Actually, when we did our first report, so yes, it's 2018.
ID11		21	Reporting, is something that we do in a day-to-day manner. So we manage to impact reporting by gathering or arranging the data at the end of the period.
ID11		23	But the full impact report is on an annual basis, sometimes semiannual, but across the board, definitely annually and or at least annually.
ID11		31	Our first report was actually twenty nineteen where we publicly published our panelists before.
ID12		33	We do an annual impact report
ID12		33	We do our reports to our clients, which we provide quarterly, customized basis.
ID12		53	We did begin reporting on it in 2019. This year is the first year we're doing a holistic report to our clients. But last year, we did do customized reports to most of our clients, so we did the meeting, so I would say 2019.
ID13	26	what we do is on an annual basis.	
Content rep	ID4	49	what we want to report out this year, and then we start crafting a message around that's steeped in our strategy.
	ID4	49	We have a three-year strategic plan. And obviously, this year, we really had to pivot our strategy to respond to COVID.
	ID4	51	hat are investors asking about? What are they curious about? What do they want to hear? You know, what do they want it? What do they want to see, essentially? We basically take all of that information. Then we craft it into our impact report. And that's a very, very simple outline of how it's done.
	ID4	61	First, glossy pictures. All the lovely photos of all the fantastic things that people have done with your money.
	ID4	61	Second, all the robustness underneath as a friendly accessible format.
	ID4	87	First, you have your glossy marketing report. Second, you've got to report to a classification system, directory, or database like the impact classification system. Third, you've got your really deep disclosures.
	ID5	27	We've done a report, but it's more about building on the conversation, thinking about the methodology behind people using it, and not reporting on the impact.
	ID5	27	That's not the kind of traditional impact report in the way that you're really talking about it. Which was co-authored with IMP. I
	ID7	36	It was for, let's say, marketing
	ID8	31	Generally, that contains both impact information, as well as kind of an exploration of our investment themes. So it's not necessarily impact-focused. We produced that, as we usually do in April this year.
	ID8	32	So that kind of kept elements of that same report of the annual report. And then, I added in the impact management project classification. So this is the first time we've ever done that.
	ID8	42	Instead of publishing a separate case study, we decided to work on the implementation of the classifications in the impact report.

	ID10	28	We provide an update on each of the businesses we've invested in. It starts with a brief overview of the business, a financial update, and an impact update. And within the impact update, we provide broadly, usually about three impact investment measures, the outcomes of the business in across that quarter. The measurement of that, to demonstrate the impact they've had, and more importantly, for us the growth of the impact they've had.
	ID10	29	s an organization, we do also look at doing an organizational impact report. And we're just in the process of doing that at the moment.
	ID12	63	We do not include this in your quantitative results interior report because it's too complex. I would leave ot for fund managers.
	ID12	64	One thing that could be helpful is just maybe the opposite. Data demonstrating impact on stakeholders. Maybe it's data and qualitative because it's not just data. Information that demonstrates how investments impact stakeholders.
	ID13	26	If you look at last year on a report, there is clearly stated how apply within our different strategies?
	ID13	27	We write our portfolio reports that we share with our investors. They are not public. In each of these reports, you have an update from a commercial and input perspective of all of our portfolio companies and all our assets. And there's one specific page, which is, you know, its analysis of the asset using the five dimensions of.
	ID13	29	Last year, we implemented the input into our own framework and really embraced it, and developed the scoring within that design. That's when we want to make it public.
	ID13	30	We're now working on a report where we share our learnings.
	ID13	34	On the same side, we will have one page analyzing the five dimensions' impact on other essential outcomes. One page with the overall impact performance of specific IMP. So we track investment and then just general updates. It is the structure of our reporting from any perspective.
	ID14	37	For the impact report, we defined our approach in three ways understanding impact.
	ID14	37	We talked about the IMP mostly, but we also used the SDGs
	ID14	37	Further, it gives us standardization or common practice.
Data handling	ID4	45	We start with putting out a data request in the spring of every year,
	ID4	45	if there's a standard template, they send us their report in a standard template. If not, we create a template for them.
	ID4	46	We pull in the data that they've reported us two years. Then we send it back out to them. We follow up after a few weeks because it takes a long time to gather all this data. Organizations also have their audits going on, that sort of thing. So it takes a few weeks. They do pull the data all together on their end and then report it back to us.
	ID7	36	fundamental tool is more like an Excel template in which we can actually document everything we see for specific stalkerish work. And then, based on what we detail on that template, we choose a week. We've put like the different questions that we have to ask ourselves. So that technically everything that has to do with opcom and pourrions. And those are the questions that we have to answer. We document the work. And then we would play around with those like, with those filters.
	ID9	27	The stage that takes the most is the collection of the information. So we start by asking companies to feel all day exhale. We have another question: the matrix and all the information for the previous year. Then once we collect all the information, it's the most difficult part of the job. And we start reviewing every information of every company to see if the information matches pretty much what they were supposed to once we have all the data, define the metrics that we were going to show, and we start building text, and it takes like six months.
	ID9	27	
	ID10	31	in terms of kind of figuring out the data and gathering it in the structure and that sort of thing.
	ID11	22	First is to collect the metrics from our clients. This is based on predefined KPIs that we've established together with the team. Second, we score each impact I mentioned based on our predefined scoring letter developed internally. The scoring is basically a tool for us to be able to be more transparent and also to compare our different indices. Third, we classify each investment based on the impact statement, the A, B, and C class of impact classes.
	ID11	23	We collect data and engage with portfolio companies during the year.
	ID11	23	Still, I think it will take two months or so to collect, analyze, and report on the data.
	ID12	34	Il start with what we do weekly because that's what builds up to our impact report. Every single investment in our portfolio is evaluated according to the IMP model. And we get that through our IC, and we maintain those records. And so, all of our investments are categorized. Our portfolio investment is categorized by asset classes, geography, and impact rating. And, and so we have a complete record of how our investments are rated at any time.
	ID12	36	After, we use the information to report customized or generalized to our clients. In the case of our annual report, we pull together that information to update our clients. We often do it to look at it as a holistic portfolio. We have some clients who are invested in traditional meaning not meeting our minimum threshold for impact. And then we have the A, B, and C. So we'll give our client a pie chart of here's where you fall across A, B, and C. Then we pull out some examples from each of the investment classifications.
	ID12	64	Maybe it's data and qualitative because it's not just data.
	ID14	33	I think the data from the projects are quite diverse. We have three different areas. And each one of those areas exposed a different methodology of collecting data.
	ID14	34	The procedure is basically to classify every project using IMP that you have across the three areas of our firm and then aggregate them in a mapping. It's important how we get the data. For instance, music asks companies to fill out the Excel file that the IMP has available, and they send it to us, and then we work on the data. Obviously, they don't understand all of the questions very well because the language is not very simple once again.

	ID14	35	With the fund, they report on certain metrics with the frequency established when the investment is made. And then, from there onwards, that's the impact metric you use to fill out the IMP. And because you have access to more privileged information, you get to fill out the Excel yourself more efficiently as an investor. The Performance Team works with social impact bonds, and we collect a lot of data, so we can do it by ourselves very quickly. So we start off by doing the Excel from the IMP, and then from then onwards, we end when I say we wish to MAZE.
Participants	ID4	47	There's a series of follow-ups with each of our borrowers asking about changes in the numbers.
	ID4	51	fter, we sit with our Investor Relations team,
	ID4	73	How many people work with a report? ID4: It's mostly one other colleague and me. It's about what I have done full time for almost two months. And then we've got nearly every VP of our company looks at it for varying degrees. So there's maybe three others, our CEO, and then two of our VPS. And then, one of our directors is fairly heavily involved in providing feedback on different pieces. Our entire Investor Relations team is involved in providing input on other elements. Many internal people were really busy this year when we couldn't get all in a room together, especially with COVID this year.
	ID7	40	: We formed an impact committee.
	ID7	40	within the impact committee were eight people. We have the debate around the detail checking if there are enough.
	ID7	40	After, it becomes the job of the portrait manager to do the actual fundamental analysis and valuation and see if it is worth including it or not.
	ID14	35	The Performance Team works with social impact bonds, and we collect a lot of data, s
	ID14	67	We've been working with three people on this for the past year.

Category: Suggestions

Code	ID#	Position	Segment
Colla- boration	ID2	10	they engage in multi-stakeholder consultation through a very systematic process so that the standards know and have legitimacy.
	ID2	11	here are lots of standard setters that are doing good work, that was nice, more coherence between their standards. And so that's what the IMP is focused on.
	ID2	12	The IMP structure network works with standard setters, focusing on finding opportunities within existing standards.
	ID2	14	a consultation process to refine a piece of guidance for one specific audience, and that's recognizing and called out. Therefore, the focus is on working with standards setters as a tandem. They can present themselves as a system of standards here.
	ID2	15	Investor or enterprises engaging with standards have questions First, Should I be signing up for the ICS operating principles? Second, should I be signing up for the PRI? Third, does that matter which one I choose? Forth, Should if I'm a company should I be doing? Last, Should I sign up to be lab, or should I be dry? We're trying to work to a point where that's clearer for companies. Still, we're doing it with the standard setters, because they're sort of invested in the governance processes.
	ID2	15	our role as a facilitation team.
	ID2	35	Our focus is on working with the standard setters and identifying connections between their content. So we're not necessarily pushing people to adopt the IMP. The IMP is there for those finding it useful, intuitive, and want to use it. We are absolutely not a standard setter. However, we are trying to push the adoption of a standard.
	ID3	5	he five structure network members involved in the corporate disclosure bit, which are the GRI, IRC, and SASB. Like working a lot with them and their comms people to send out the message of their collaborative work plan.
	ID3	11	we can clarify this entire system of standards
	ID3	12	Yes, that's corporate-level disclosure, but the metrics themselves can be helpful to investors. The same goes for SASB. The same goes for the GIIN.
	ID3	14	CDP says the GRI IRC and SASB work together because that's all about corporate-level disclosure.
	ID3	15	You have the practice standards SDG IMPact is developing for bonds and private equity. Um, I think that's it. I think that's those are the kind of principles. Still, you have, a lot of investors will use the SASB
	ID3	16	Even though we have other metrics and frameworks and principles and standards. We think that we believe that there is an opportunity to work together here. And now we're working, so this paper is all about this is the vision that we have. This is why we should work together, with global organizations such as the IFRS. Now, me and my team are currently working on a paper that will take this in a more tangible level and actually give guidance about how you would apply the conceptual frameworks, the standards the principles of these organizations to report against climate, so actually, this guidance is coming that's not specifically for investors could obviously use it because it's all about understanding their the what's occurring in their portfolios. Y
	ID7	77	There's already some alliance between other framework providers or standards that say there are clear winners right now. It seems to be standards that could become the clear winners of the future. So impact measurement is one of them. But at some point, there is one or two that will be primarily used instead of a lot of them at the same time.

	ID12	22	Moreover, we partnered with the team that developed the IMP at bridges. We certainly needed a lot of support, but they could get it. And they were so helpful and really clarified it for us. Our first portfolio evaluation took nine months in partnership with them. We worked nine months to meet with them once a month to review our analysis and get support.
	ID12	23	The IMP actually helped to lead us. Simplify some of the challenges we met within our portfolio.
	ID14	18	e had a lot of calls with their team to clarify doubts.
Defining impact	ID2	27	they want broadly to understand is this asset reducing harm? Is it benefiting stakeholders and is generating positive outcomes for people, or is the asset really generating new positive results, meaning taking people from experience who are under an acceptable level for the product to experiencing a positive outcome
	ID7	60	A little more details on what questions really matter at the end to drive.
	ID10	47	a bit more guidance around the best way to translate an organization's impact to the damage.
	ID10	55	Let jump to a framework like this to enable them to better understand those risks and act accordingly going forward.
	ID12	31	We're engaging actively in ongoing markets are providing flexible capital. They're sort of one step below. They are simply underwriting companies for ESG characteristics and selecting them for their portfolios. In the end still driving positive impact, even if at a lower level than the IMP levels. And so I think maybe recognizing there are other ways for the investor to drive impact that might be less impactful than the four that the IMP puts out.
	ID14	37	we defined our approach in three ways understanding impact.
	ID14	37	MP mostly, but we also used the SDGs.
Publish best practice	ID1	7	If you're trying to contain or see someone else has done an excellent job, it helps other investors do it.
	ID1	16	review of what best practice reporting using the IMP looks like is just something that would be incredibly valuable
	ID2	20	sort of highlights the a perspective on best practices,
	ID9	25	hey could involve more examples of where they are? And what are they, like explaining? Because sometimes like, you can you think you understand the explanation of any of the categories?
	ID9	25	great if they have access to other companies using IMP and take the best examples of what they are expecting that people can use the methodology.
	ID10	48	I don't have an answer for what the best practice should be. But I definitely think that that would be one of the most valuable things is to clear clutter. It gives some consistent framework good consistent guidance around how those dimensions could and should be applied.
	ID11	18	publishing as many case studies as possible endorsed by the IMP. Then, people can see how other practitioners are using them.
	ID12	39	did a one-hour session on this model and how we apply it. We also wrote the one paper one-pager and the white paper that you read that we send out to all of our clients. We also do one-on-one meetings with our clients to introduce that model.
	ID12	40	New clients interested in learning about IMP will attend their quarterly meeting and provide full training on applying this model. We've done webinars for different organizations that we also send to our clients to let them watch us walk through the model again.
	ID12	43	We have had to incorporate pieces of this into everything. We do so that our clients can better understand it because I the first time we introduced it at our annual meeting a year ago. It took some time, and the first client we worked with on it, and I will say that you know you do the first introduction.
	ID12	43	They're always sort of learning.
	ID12	61	So it would be great for me to send them the examples from the IMP.
	ID13	17	t lacks real-life examples. For example, if we're talking about an environmental outcome versus a social outcome, we hear the differences.
	ID13	20	We will struggle with real-life examples, so I would work on some real-life examples. The team knows already. I told them several times.
	ID13	30	We're now working on a report where we share our learnings. The paper that has been published on the Stanford Social Innovation Review, we have participated to write it. Further, the handbook that we have written with other investors. They are examples of how we think about impact management and how we have applied it for our portfolio companies. In that handbook, there was an example that is anonymized. Still, you can clearly see how we think about the five dimensions. How we rate each dimension and which is this and how then we have brought it from another level to the level and how that helps our thinking.
	ID13	39	I think just having real-life examples from different fund managers. On how they have or they're thinking about incorporating the IMP into it in that framework. That will be very beneficial for it.
	ID13	40	For starters in the sector: What we did with the handbook of the crucial issues was a good start. My suggestion is to take that handbook and develop it a little bit more.
	ID14	31	It has to be adjusted for real-life practicalities.
	ID14	58	My view is that we should start by focusing on specific use cases.
	ID14	61	guidelines on specific use case.
Guidance	ID1	15	hey're sort of like templates and references onlin
	ID1	16	develop approaches to standardize impact reporting, the team would love to hear and maybe even publish
	ID1	21	closest we've gotten on like guidelines or guidance and sort of a user-friendly process to map your map,
	ID2	9	the IMP was never set up to do was be a standard setter. So a standard-setter invests in a governance process around setting the standard.
	ID3	11	we can clarify this entire system of standards
	ID3	11	o we're going to publish a paper that says like, this is the system of standards, that, you can kind of make decisions about where you go to depending on what type of organization you are involved, sort of like what stage along the journey of management you are on, and then it kind of points you to different places to go.

	ID3	12	consolidated set of guidance that then regulators can get behind and say, right, everybody should use this system or, you work with these 16 organizations to be able to report your IMPacts.
	ID3	14	here needs to be some sort of guidance for investors to report their IMPacts
	ID3	22	whatever guidance we can get these people to help them is excellent.
	ID5	36	Yes, because some reports are much better than others. So soften guidelines would make sense for others that are not so clear.
	ID5	38	Instead of everyone doing self-scoring, have some more accepted guidelines.
	ID7	58	But it would rub you better to understand how we could use it better. So maybe an eight, I think, guidelines would be nice.
	ID8	50	I don't need to have some, but for others might be helpful.
	ID9	45	Very helpful. I'm going to go for the 10.
	ID10	45	I would use them in like to see them.
	ID10	52	I think it will be helpful for the market, and particularly for some of the more prominent investors. Again, we were relatively small and had a pretty simple process.
	ID11	19	Still challenging is understanding thresholds for positive and negative. It will be great for the IMP to lead or guide Threshold.
	ID11	29	For us specifically, again, it's clear, but. We told you the background, so perhaps that's the reason.
	ID11	35	Let's put it a five or something because I think it can always be helpful.
	ID12	61	I would always say a five. It's probably less helpful for us because what we do is. Hence, it's very different from most people who use the IMP or fund managers, not total managers. So I'm still not confident that it would answer the precise questions we had. But I think from talking to other fund managers, they all come to me and say, how do we do an impact report?
	ID14	53	It's complex, difficult to imagine. what would be guidelines or best practices? We need to put it's just a matter of arranging that with our own company design meaningful?
	ID14	57	I think the IMP. The point is, for me, if you make IMP guidelines on how to use the IMP really strict going through step 1234. You're going to lose a lot of the people using IMP because it's a very burden. But still, some parts are more important to communicate.
IMP as a Standard	ID2	9	IMP was never set up to do was be a standard setter.
	ID2	11	But there's a trade-off there, because obviously, if you make it freely available, and you and you and you commit to not being a standard setter, so not. Not, I suppose. not moving to that phase of being a standard setter yourself, you have to accept that the norms and ideas you will surface will be used by different people in different ways.
	ID2	12	The IMP structure network works with standard setters, focusing on finding opportunities within existing standards. The goals are to move towards a system of standards and more coherence within the standards.
	ID2	14	a consultation process to refine a piece of guidance for one specific audience, and that's recognizing and called out. Therefore, the focus is on working with standards setters as a tandem. They can present themselves as a system of standards here.
	ID2	20	Still, because the financial industry is so regulated, there needs to be also impact reporting regulations. Voluntary standards for investment products are absolutely required.
	ID2	20	As long as it's not positioned as a standard, obviously, because that's one thing that we've come very familiar with is just how hard it is to set a standard? And how much thought and how much, as I said, governance and process need to go around it so that it's, so it does include all those required perspectives.
	ID2	35	We are absolutely not a standard setter. However, we are trying to push the adoption of a standard.
	ID3	11	we can clarify this entire system of standards
	ID3	12	consolidated set of guidance that then regulators can get behind and say, right, everybody should use this system or, you work with these 16 organizations to be able to report your IMPacts.
	ID3	12	But, we're not going to have it until there is a comprehensive solution. You're not going to have everybody using it because nobody's telling you that you must know Yes, that help answer,
	ID3	15	ecause standards are there to show to help understand performance that is material to investors to material to a to a company's ability to make mone
	ID3	30	we never wanted to provide guidelines for how a report should be done, just because we are not under setter, we were only to establish this common logic,
	ID5	30	maybe having a kind of more standardization might be helpful.
	ID5	42	eah, I think it can, but it needs a level of moderation or certification. I think if everyone is self-certifying, scoring their own scoring themselves, then there is not much integrity. But, that will come in time. The more that funds, managers are cutting their funds, and then the funds are compared against in a time that will create a sort of almost automatic moderation. To conclude, there is a way.
	ID5	44	but have some level of certification of motivation.
	ID6	18	think that for that to happen, some kind of regulation will have to be put in place because I believe that it's like, I feel a lot of companies that really care about impact are companies that really want to report needs to stakeholders. But if you don't have that incentive, you need to have an either regulatory wise or you want to do it.
	ID6	19	I think it will take some time if it's not regulated and not like a mandatory report that you have to publish.
	ID7	74	why and if there are similarities and how they differ. I feel like that's probably normal at this point.
	ID7	75	IMP is a great starting point to have been around this, but I'm not surprised that people use it in a really different manner every time. I feel it's nice. In fact, the diversity makes it easier to differentiate and accurate. You can kind of see who does it kind of better? Or do things a little bit better than you can maybe borrow at some point. It's nice in different ways.
	ID7	77	It is undoubtedly lovely because it promotes responsible investment a little bit better. There's going to be a consolidation at some point, you know, there's already some consolidation at the data provider levels

ID8	60	I kind of think it's already there. The standards, for my understanding, are what are the things that everyone thinks our industry best are the different layers. The operating principles for impact management are like an overall kind of transparency check on impact systems and then the impact management project as a framework applicable across all types of impact investing, regardless of theme and then the IRIS metrics as something that fits into that framework.
ID8	60	And I think it just is a matter of getting everyone on board for all of these. The more leading investors in the impact space that use it, the more ubiquitous it becomes. So I think, you know, just scale
ID9	49	They have to set a standard classification of the businesses to create standard metrics because either. Even though in the five dimensions for me. It's still a little bit that depends on the analyst analysis and something that you can become standard. So it will be great to have a standard classification of the businesses that can create impact. And so a suggested metrics on those businesses. So like you can pick which metrics to use in those a business, and then you have standard metrics for the industry.
ID10	55	For IMP and understanding, impact generally become standard to investors, as investors accept that risk relates to more than just financial outcomes.
ID10	59	IMP is a really common basis for that framework. But again, as you've said, they're applying it in their own ways.
ID11	43	I would say we need more standardization of tools. One way would be what is done with the impact weighted accounts and or tools. Translate this mindset and tangible measurement tools and be integrated with standard financial reporting and so forth.
ID12	70	Do you see in Europe, do you see in your world that in the future, everyone is using the IMP for impact management and impact reporting? I would hope that more people are. I think it's not. I think it is applicable to okay. It is constructive for people to use the IMP to explain their approach to impact and their impact. I don't know where we can count on everybody to classify themselves accurately.
ID12	72	The practices of IMP can become a standard for an investor. That will be helpful when more managers utilize this tool to measure, integrate and communicate impact. It will be hard to have a global standardization of all investments.
ID13	48	nd I guess as a consequence, people will start using the five dimensions.
ID13	49	I'm not sure that all the investment managers will start using the five dimensions. I'm not a hundred percent sure of it from a language perspective. It really depends on the investment manager.
ID14	56	Standardizing it too much and not really relevant. Because you're always going to have companies that are either going to do it very thoroughly or companies that will do it superficially. Because I don't think I feel like it's very relevant.
ID14	57	It is relevant if you want to study impact based on the IMP. And in that case, this is valuable, but I don't think companies would have a more challenging time adapting IMP.
ID14	64	It's difficult to compare. As we've discussed on the call, it's too broad, too flexible. If we want standardization, then we should have, as I said before, specific use cases where it's comparable, and then the one, specifically for impact investors.
ID14	65	I don't think IMP will ever use ESG criteria. Because if something does penetrate, like the mainstream investor, guidelines for investing rights. No, I'm not even sure that for an impact investor to be the standard. Even though it's the best framework that I've seen so far, rather than like, social return on investment, or the SDGs, or theory of change.
ID14	67	I see so many problems that I don't see a clear path to becoming a standard for any investor.
ID2	27	o this kind of simple categories of ABC, then provides that connection point between the asset allocator, the multi-asset Portfolio Manager, and the fund manager, the Envision function of the classification statement is just that, that initial understanding of the broad types of impact the fund is having, recognizing course, any investment would require further digging, and looking into precisely what types of information fonthaus