



#impact_assessment

#impact_assessment



To find the resources shown in this Toolkit, you can either

- *Click on the link next to a pin*
- *Click on a picture to get directed to the source*
- *Visit the SBCM Alumni pinboard, select #impact_assessment and choose related tags to find #tools, #cases, #reports etc. (See how to search by related tags here)*

Toolkit Structure

WHAT

WHAT is impact assessment?

- knowledge to build your understanding of the topic

WHY

WHY does impact assessment matter ?

- input for building your business case

HOW

HOW can companies assess their social and environmental impacts?

– resources for planning your efforts

Toolkit Structure



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WHAT

What are impact assessments?

An umbrella term for a wide variety of practices, tools and approaches aimed at evaluating the societal impacts - direct or indirect, positive or adverse, now or in the future - of a targeted intervention on its ultimate beneficiaries

Source: SBCM Alumni Webinar on Impact Assessment, Mette Olsen Partner and Senior Advisor at QBIS.

Pinboard: [#impact_assessment](#) [#definition](#)

WHAT

'Impact'

Any environmental or social change, positive or negative, tangible or intangible, caused by an organization through their activities

Impacts can be either *direct* (e.g. carbon emissions from operations, people employed etc.), *indirect* (e.g. people employed by suppliers, carbon emissions in supply chain) or *induced* (e.g. impacts from end-use of products on e.g. waste generation, employment, consumption, emissions)

'Attribution'

The ascription of a causal link between observed (or expected to be observed) impacts and a specific intervention

Attribution is often referred to as the **central problem** in impact evaluation. The central question is to what extent changes in outcomes and impacts can be attributed to a particular intervention, given that impacts take a long-time to materialize and are often influenced by several factors.

'Externality'

An impact, positive or negative, that affects those external to the organization for which the company does not pay (or gets paid for)

A **negative externality** is for instance the cost to society of pollution for which an organisation does not pay. It can also be **positive**, e.g. the benefits gained by society from the up-skilling of employees through an organisation's training programmes or induced emissions savings from a more efficient product or service

'Ex-post' vs. 'Ex-ante'

Impacts can generally be studied in two ways depending on the timing of the investment cycle: Ex-post and/or Ex-ante

Ex-ante impacts involve a prospective analysis of what the impact of an intervention *might* be with a view to inform decision making. Ex-post impact assessments aim to understand to what extent and how a specific intervention has effected the targeted problem and/or beneficiaries.

Glossary and References**Glossary:**

Economic: Having to do with the impacts of a financial nature beyond those related directly to the operation of the business or organization (e.g. profit/losses). An example is economic wealth creation through offering more jobs.

Environmental: Having to do with the natural environment, meaning living organisms and natural resources.

Financial: Having to do with the monetary transactions directly involved in the running of the business or organization. These include the traditional performance measurements such as revenue, profits, earnings per share, etc.


Impact: Refers to the portion of the total outcome that happened as a result of the activity of the venture, above and beyond what would have happened anyway. In social science, one needs what is called a "counterfactual" to compare the experimental state with the current state in order to discern the effect of the dependent variable from all other factors that could be causing a change. Impacts may be negative, undesirable or unintended, as well as the converse.

Impact Value Chain: The Impact Value Chain is a tool that illustrates *how* the venture's activities lead to the venture's ultimate desired outcome and impact. The Impact Value Chain builds on your Theory of Change by articulating the relationship between the ventures activities, outputs, outcomes, and impact.

Inputs: The resources used to operate the organization or activity, such as money, people, facilities, and equipment.

WHAT

Two common paradigms for assessing societal impacts of business activities and investments and how they differ

IA paradigm	Raison d'être	Typical applications	Time of use	Methodology	Evaluation techniques	Example of guidelines and tools
Social and environmental performance management	Manage and mitigate project risks	Mostly used in large-scale infrastructure projects in high-risk countries (e.g. when legal requirement and/or required by donors, investors etc.)	Often ex-ante (due diligence requirement) with follow-up ex-post, e.g. via SEMP	Principle-based, based on int'l standards and/or national legal requirements	Qualitative – building on environmental, anthropological and social science disciplines	<ul style="list-style-type: none"> • OECD guidelines for impact assessments • IAlA guidelines for impact assessments (EIA, SIA, biodiversity etc.) • Human Rights Impact Assessments (HRIA) • IFC Performance Standards • Sector and country specific guidelines (e.g. IA guidelines for hydropower in Myanmar by IFC)
 Socio-economic benefit delivery	Strengthen company license to operate and competitiveness	Various, from site-level assessments (e.g. production sites), program evaluations (e.g. training) to product and service evaluations	Often ex-post (evaluation) but can be ex-ante (feasibility)	Agnostic, based on project context and stakeholder concerns	Quantitative – building on economic impact assessments and valuation techniques (EIAs)	<ul style="list-style-type: none"> • Measuring Impact Framework and Social Capital Protocol (World Business Council for Sustainable Development) • SEAT guidelines and tool-box (Anglo-American) • SROI guidelines (e.g. Social Value UK) • EU Commission guidelines for Cost benefit assessment • Natural and Social Capital Accounting (A4S)

(See next slide for various valuation tools)

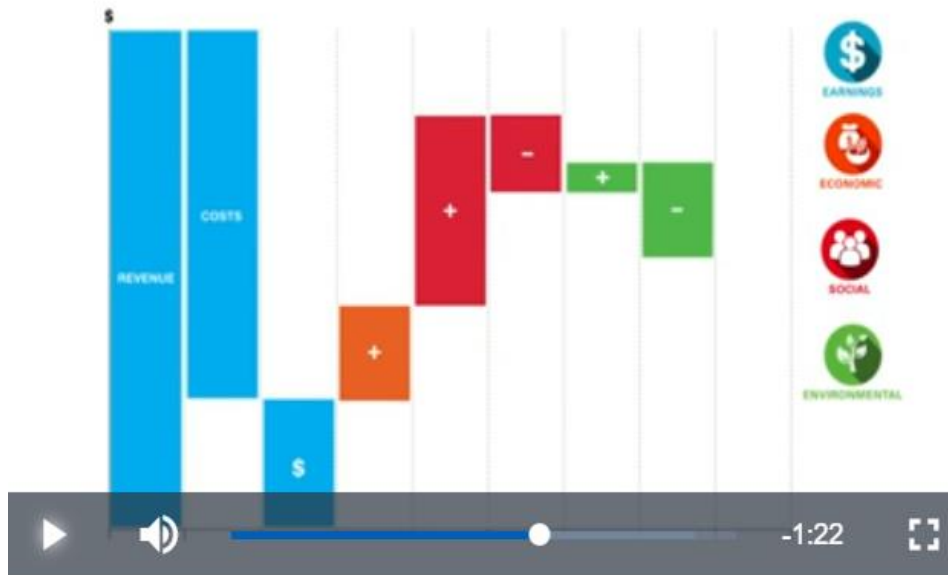
Source: SBCM Alumni Webinar on Impact Assessment, Mette Olsen Partner and Senior Advisor at QBIS.

Pinboard: [#impact](#) [assessment](#) [#definition](#)

WHAT

A New Vision of Value: Connecting corporate and societal value creation (KPMG)

New approach to assess the value created by products or services that goes beyond the value created for the company (i.e. **financial earnings & profit**) to also include the value generated for society and the environment.



- **Economic value** generated by creating jobs and paying taxes that support the economy
- **Social value** incl. factors that
 - Increase social value (e.g. the benefit of consuming the product or service, providing factory workers with health care services)
 - Decrease social value (e.g. low wages & health and safety incidents)
- **Environmental value** incl. factors that both
 - Increase environmental value of a product and service (e.g. using renewable materials and recycling waste)
 - Decrease the value (e.g. using scarce resources and generating CO2 emissions)

Toolkit Structure

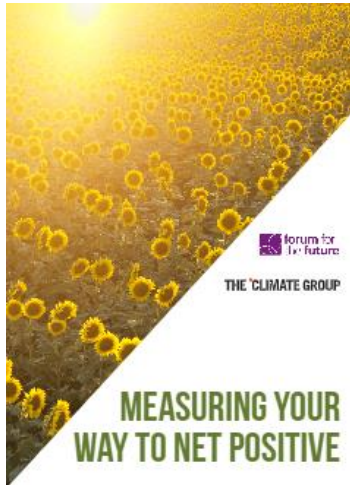
WHAT

WHY

WHY does impact assessment matter ?
- input for building your business case

HOW

WHY



But more companies must take up the Net Positive mantle and grasp the opportunity to improve their products and services – or risk getting left behind as a fairer, low carbon future unfolds. A future based on a strong economy, an abundant natural environment and a happy society.

A. Risk management

IA can help companies identify negative impacts: where companies are reducing value for society & the risks they might face. Quantifies potential risks to earnings through reduced revenues, increased costs or increasing investment requirements.

B. Tap into new opportunities as Societal value = Corporate value

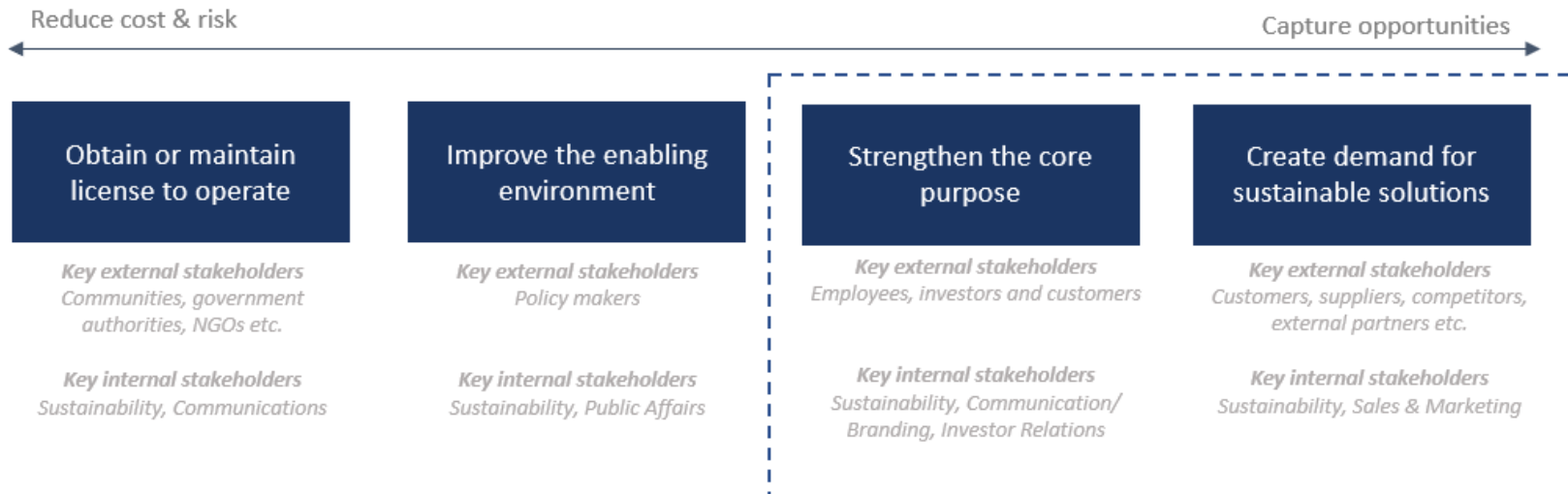
IA helps companies identify how they can create more value for society and the bottom line.

- A company's creation (or reduction) of societal value increasingly has a direct impact on the drivers of its corporate value, namely revenues, costs and risk.
- To do well in today's business environment, you increasingly have to measure, understand and proactively manage the value you create, or reduce, for society and the environment as well as for shareholders.

Source: Measuring your way to net positive, The Net Positive Group

WHY

The business case of knowing (and showing) your impacts



Growing interest from companies to leverage impact assessments to explore the societal value proposition of their core products and/or services

Q B I S

Quantifying Business Impact on Society

Source: SBCM Alumni Webinar on Impact Assessment, Mette Olsen Partner and Senior Advisor at QBIS.

Pinboard: [#impact_assessment](#) [#business_case](#)

Toolkit Structure

WHAT

WHY

HOW

HOW can companies assess their social and environmental impacts?
– *resources for planning your efforts*

HOW

#reports#cases#tools#knowledge partners#webinars#brushup#impact_assessment

HOW



Find these and more reports at: [Pinboard: #impact assessment #reports](#)

HOW



Reducing food waste with nature's own resources

How bioprotection can reduce yogurt waste by extending shelf life

CHR. HANSEN
Improving food & health



Maersk in Brazil



Brazil is a key growth market for Maersk. We share a common interest with Brazil in promoting economic development, national competitiveness and prosperity for Brazil's population. Since 1977 we have been building up our presence investing USD 5 billion in shipping, port operations and offshore oil activities.

MAERSK



B Impact Assessment Learn More Case Studies About Log In

Case Studies

15,000+ businesses are using this tool to improve their business. Here's what they're saying about their experience.

Case Studies

Ellen Leightman
Polagovis
Ventura, CA, United States

"The Assessment provided a mechanism for Polagovis to conduct a comprehensive assessment of our current social and environmental programs."

[View Case Study](#)

107 BUSINESSES

Rob Michalak
Ben & Jerry's
Burlington, VT, United States

"The B Impact Assessment added a new twist to our initiative - it helped us understand where we are in comparison to other companies."

[View Case Study](#)

89 BUSINESSES

15k
Businesses are measuring what matters.

13,118	1,349
North America	South America
852	417
Europe	Asia
397	298
Australia & NZ	Africa

Michelle Reid
Miflo Books
Vancouver, Canada

"The Assessment gave us a sense of what practices to prioritize over others. It helped our money go much further by just asking us the tough questions."

[View Case Study](#)

83 BUSINESSES

Ruth Nairn
Winesap
Tloka, Kenya

"We realized we have a lot more to do on environment - especially collecting statistics from our suppliers that help us understand their impact."

[View Case Study](#)

51 BUSINESSES

5,000
Companies have completed the B Impact Assessment, providing your company a robust data set to benchmark against.

Luis Fernando Laranjeira de Figueiredo
Cabot Chocolate
Montpelier, VT, United States

"The B Impact Assessment, beyond having a practical, useful tool, was like a CAT scan of our organization's effect on society."

Jodi Davis
Cabot Chocolate
Montpelier, VT, United States

900
Have earned B Corp Certification

Find these and more cases at: [Pinboard: #impact assessment #cases](#)

HOW

Large number of 'valuation tools' to help quantify and/or monetize societal costs and benefits (with more coming)

Example of valuation tools and guidelines	Developers, issuers or references	Type of impacts	Description
Cost-benefit assessment (CBA)	EU Commission guidelines for CBA	Socio-economic	A tool used to estimate strengths and weaknesses of investment alternatives in monetary and/or net welfare gain terms
Social Return on Investment (SROI)	Originally Roberts Enterprise Development Fund (REDF), since various adaptations	Socio-economic	Similar to CBA, but informed by sustainability and financial accounting principles (materiality, assurance)
Natural and Social Capital Accounting (E(S)P&L)	Motivated in Brundtland report (1992) and Rio+ (1992) with various adaptations since	Mainly environmental (some social)	Tools to monetize and integrate environmental and social externalities into financial valuations and reporting
Poverty footprint	Oxfam International	Socio-economic	Collection of detailed metrics and indicators aimed at assessing corporate impacts on poverty
Impact Reporting and Investment Standards (IRIS)	Global Impact Investing Network (GIIN)	Environmental, social, financial	Collection of metrics to assess and monitor the social, environmental and financial "impacts" of investments (at activity & output level)
Input-output modeling	Wassily Leontief (Nobel Prize) in 1973. Many refinements since then.	Economic (macro)	Most common economic impact analysis method used to estimate the effect of economic changes on the economy
Measuring Impact Framework	World Business Council for Sustainable Development (WBCSD)	Environmental, social, economic	A four-step methodology for measuring business impacts, including sample indicators and metrics
'Net Positive' Impact Assessment tools	The Net Positive Group, Forum for the Future, Gregory Norris (Harvard) etc.	Environmental, social, economic	Frameworks and tools to assess net benefits of business (handprint) against net environmental/social costs (footprint)
Varying 'sustainability valuation' tools and frameworks	Total Impact Measurement and Management (PwC), True Value (KPMG) etc.	Socio-economic	Most commonly a combination of SROI/CBA approaches, input-output modelling and externality pricing

SDG impact assessment and reporting tools – the next wave ...

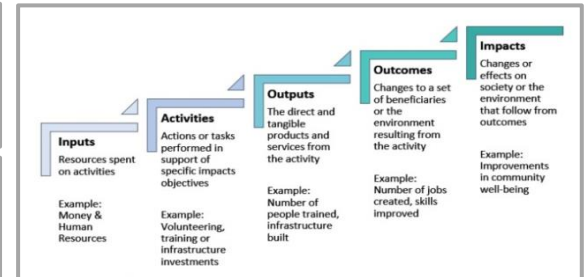
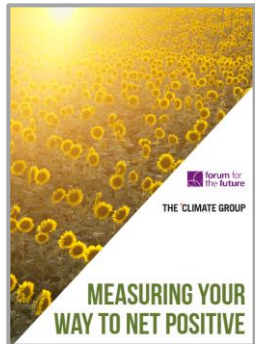
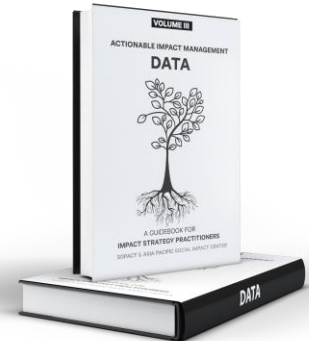
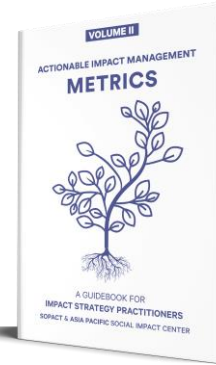
In addition there is a wide number of environmental assessment tools such as LCAs, LCIs, LCIA, water footprint tools, biodiversity footprint tools etc. which are not included above

Source: SBCM Alumni Webinar on Impact Assessment, Mette Olsen Partner and Senior Advisor at QBIS.

Find these and more tools at: [Pinboard: #impact assessment #tools](#)

HOW

Impact Assessment Tools

Find these and more tools at: [Pinboard: #impact assessment #tools](#)

HOW

SDG Impact Assessment Tools



Future-Fit Business Benchmark

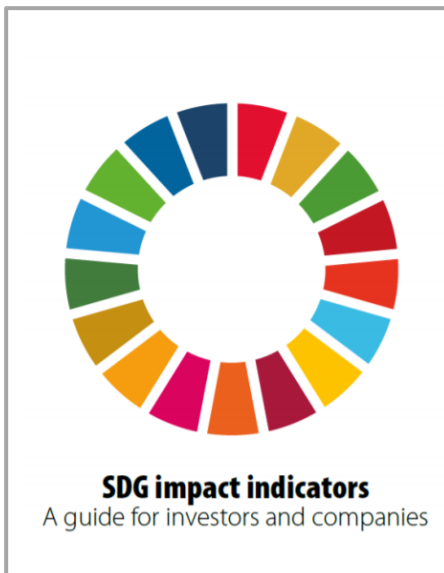
Methodology Guide

What the benchmark is
its scientific foundations
how it was developed

Release 2.0
Developed by BIA

FFBB-related free, open-source tools

- **FFBB Assessment Toolkit:** This toolkit uses the formulas to generate scores for company performance on each FFBB, then uses those scores to assess company performance on (SDGs) and the integrated reporting capitals.
- **FFBB mapped to B Corp BIA:** This two-page flyer provides goal and positive pursuits and shows how they align with optional Impact Business Models (IBMs) in the B Corp BIA.
- **FFBB mapped to SDGs:** This two-page flyer provides an overview of positive pursuits and shows how they align with the 17 SDG Assessment Toolkit to use FFBB scores to assess progress.



The SDG Impact Assessment Tool

—

This is a free online tool for learning and strategic decision support that visualizes the results from a self-assessment of how an activity, organisation or innovation affects the SDGs. It aims to stimulate the user to get a better understanding of the complexity of sustainable development and the different aspects of the SDGs. In the end you will be better equipped to prioritize actions ahead.

[GO TO THE SDG IMPACT ASSESSMENT TOOL](#)

SDG Compass

Home The Goals Business Tools Business Indicators

Inventory of Business Tools

IRIS+

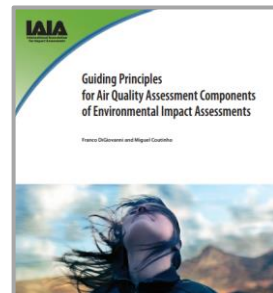
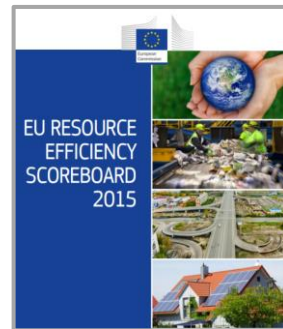
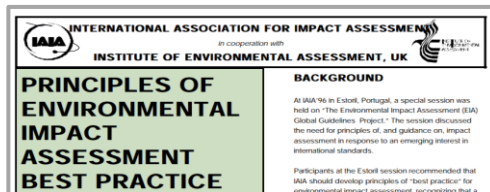
YOUR IMPACT TOOLKIT

Discovering fit-for-purpose impact measurement & management resources

Find these and more tools at: [Pinboard: #impact_assessment #sdg #tools](#)

HOW

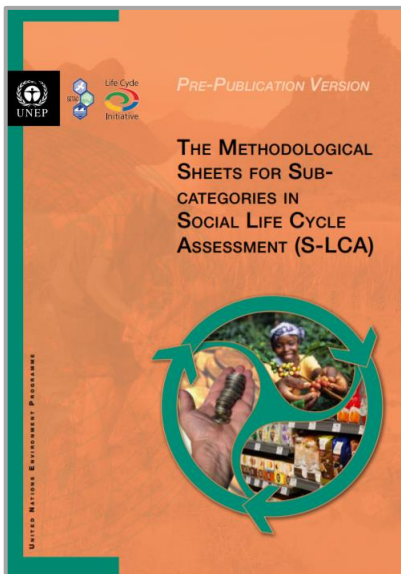
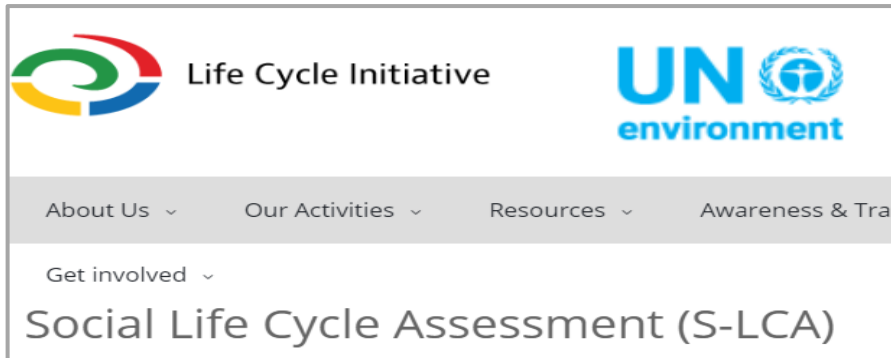
Environmental Impact Assessment



Find these and more tools at: [#impact](#) [assessment](#) [#tools](#) [#environment](#)

HOW

Social Impact Assessment



SIA principles

International Principles For Social Impact Assessment

A Guide to Measuring Social Impact

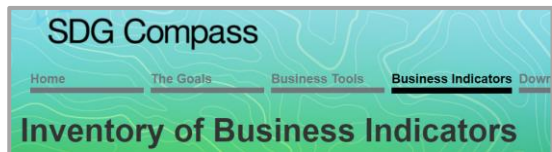
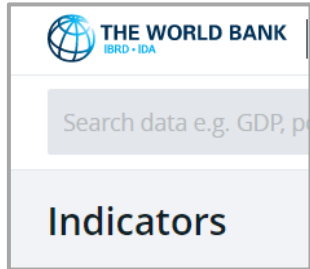
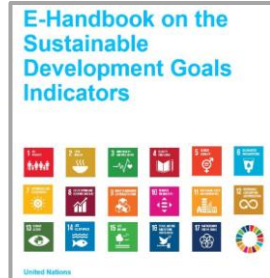
By

Bev Meldrum, Pete Read and Colin Harrison

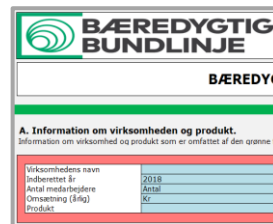
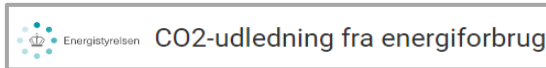


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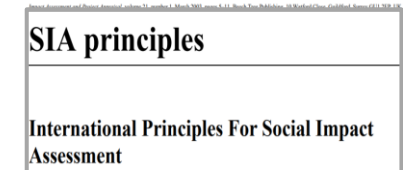
Environmental & Social Impact Indicators



Environmental Indicators



Social Impact Indicators



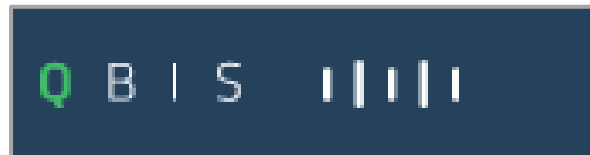
HOW



INTERNATIONAL ASSOCIATION FOR IMPACT
ASSESSMENT

IAIA

The leading global network on impact assessment



HOW

Webinars on Impact Assessment



Mette Olsen
Partner & Senior Advisor, QBIS

Related webinars



Helle Obo
Director



SDG Invest



SDG LEAD



Anne-Louise Thon Schur
Co-founder and Partner

HOW

Module 1

Nys vandigebster

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A New Vision of Value
Connecting customer and societal value creation

CORPORATE VALUE	Shareholder value is a market capitalization and/or enterprise value (i.e. total business value)
SOCIETAL VALUE	Economic, social or environmental value created or reduced for society in the course of doing business
POSITIVE EXTERNALITY	An economic, social or environmental benefit that a company creates for society for which it is not directly or fully rewarded in the price of the goods and services
NEGATIVE EXTERNALITY	An economic, social or environmental cost that a company inflicts on society for which it does not directly pay a price
INTERNALIZATION	Processes through which a company's externalities become internalized (i.e. through which a company is more fully rewarded for the societal benefits it creates and/or pays for most of the costs it inflicts on society). Negativeities such as pricing, a true driver of internalization, with direct effects on corporate value creation. However, other instrumental factors, including stakeholder action and market dynamics, are also at work (see page 15).

ROIs of CSR (1)

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THE POTENTIAL ROIs OF CSR

Improved image	Stronger employer brand	Reinforced values
Ahead of legislation	Operational efficiency	Competitive prices
Product innovation	Customer loyalty	Stronger value proposition
		Improved bottom line

See more about ROI and SROI in Module 3. Scan QR

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THE POTENTIAL SOCIAL RETURNS

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SIS Social Investment Scotland
enabling impact with confidence

Social Impact Report 2015

Employment, Training & Education	Community & Community	Arts, Heritage, Sport & Youth	Mental Health & Wellbeing
Physical Health	Housing & Local Facilities	Conservation of the Natural Environment	Family, Friends & Relationships

Source: Social Impact Report 2015, Social Investment Scotland

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Module 2

#4 – Measure results (KPIs)



Types of KPIs

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Types of KPIs	What do they measure?
Input KPI	Reflects assets and resources invested in or used to generate business results.
Process KPI	Refers to the efficiency or productivity of a business process.
Output KPI	Measures the financial and nonfinancial results of business activities.
Qualitative KPI	A descriptive characteristic, an opinion, a property or a trait. The most common ones gauge customer or employee satisfaction through surveys.
Quantitative KPI	Quantitative data is most common in measurement and therefore forms the backbone of most KPIs. Operational systems that manage inventory, supply chain, purchasing, orders, accounting, financial systems, all gather quantitative data by means of KPIs.



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