

Annex A. Principles on social impact measurement and management for social economy aligned with existing standards

Guiding principles on social impact measurement and management for the social economy	Alignment with existing standards
<p>Translate your social mission into a narrative of change</p>	<p>“Providing a clear framework to demonstrate change” is echoed in many principles and guidance, including:</p> <ul style="list-style-type: none"> • “Standard 1 – Impact Strategy”, from the OECD UNDP Impact Standards for Financing Sustainable Development (OECD/UNDP, 2021^[11]) • “Understanding what changes”, from the Principles of Social Value by Social Value International (Social Value International, n.d.^[2]) • “Define strategic impact objective(s), consistent with the investment strategy” and “Establish the Manager’s contribution to the achievement of impact” from the Operating Principles for Impact Management (Operating Principles for Impact Management^[3]) • “Understand the sustainability context and map current and future potential material impacts”, “Set goals in line with now integrated purpose and strategy”, and “Develop impact measurement and management (IMM) framework” from the UNDP SDG Impact Standards for Enterprises (UNDP, n.d.^[4]) • “Principle 2 – Impact and Target Setting”, from UNEP FI’s Principles for Responsible Banking (UNEP FI, n.d.^[5]) • “Environmental and Social Assessment”, from the Equator Principles (Equator Principles, 2020^[6]) • “Support sustainable development goals and desired change” and “Develop a results system that is manageable and reliable”, from the OECD’s Managing for Sustainable Development Results (OECD/DAC, 2019^[7]) • “Many of the social impacts of planned interventions can be predicted”, from the International Principles for Social Impact Assessment by IAIA (International Association for Impact Assessment, 2003^[8]).
<p>Take a holistic understanding of impact</p>	<p>“Clarifying what is meant by impact and opting for a comprehensive understanding of impact” is reflect in many principles, such as:</p> <ul style="list-style-type: none"> • “Standard 1 – Impact Strategy” and “Standard 2 – Impact management approach”, from the OECD UNDP Impact Standards for Financing Sustainable Development (OECD/UNDP, 2021^[11]) • “Assess the expected impact of each investment, based on a systematic approach” and “Assess, address, monitor, and manage potential negative impacts of each

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	<p>investment”, from the Operating Principles for Impact Management (Operating Principles for Impact Management^[31])</p> <ul style="list-style-type: none"> • “Understanding what changes”, from the Principles of Social Value by Social Value International (Social Value International, n.d.^[21]) • “Understand the sustainability context and map current and future potential material impacts”, from the UNDP SDG Impact Standards for Enterprises (UNDP, n.d.^[41]) • “Principle 1 – Alignment”, from UNEP FI’s Principles for Responsible Banking (UNEP FI, n.d.^[51]) • “Review and Categorisation”, from the Equator Principles (Equator Principles, 2020^[61]) • “Full consideration should be given to the potential mitigation measures of social and environmental impacts, even where impacted”, from the International Principles for Social Impact Assessment by IAIA (International Association for Impact Assessment, 2003^[81])
Put stakeholders at the centre	<p>“Engaging stakeholders throughout the social impact measurement and management process” is highlighted in:</p> <ul style="list-style-type: none"> • “Involve stakeholders”, from the Principles of Social Value by Social Value International (Social Value International, n.d.^[21]) • “Standard 3 – Transparency and accountability” and “Standard 4 – Governance”, from the OECD UNDP Impact Standards for Financing Sustainable Development (OECD/UNDP, 2021^[11]) • “Principle 3 – Clients and Customers”, “Principle 4 – Stakeholders” and “Principle 6 – Transparency and Accountability”, from the UNEP FI’s Principles for Responsible Banking (UNEP FI, n.d.^[51]) • “Stakeholder Engagement” from the Equator Principles (Equator Principles, 2020^[61]) • “In all planned interventions, but especially where there are unavoidable impacts, ways to turn impacted peoples into beneficiaries” and “Local knowledge and experience and acknowledgement of different local cultural values should be incorporated in any assessment”, from the International Principles for Social Impact Assessment by IAIA (International Association for Impact Assessment, 2003^[81])
Mind proportionality	<p>“Letting the benefits from social impact measurement and management not exceed their cost mentioned in many principles, including:</p> <ul style="list-style-type: none"> • “Value the things that matter”, “Only include what is material”, from the Principles of Social Value by Social Value International (Social Value International, n.d.^[21]) • “There should be a focus on socially sustainable development, with SIA contributing to the determination of best development alternative(s) – SIA (and EIA) have more to offer than just being an arbiter between economic benefit and social cost”, from the International Principles for Social Impact Assessment by IAIA (International Association for Impact Assessment, 2003^[81]) • “Manage strategic impact on a portfolio basis” and “Conduct exits considering the effect on sustainable impact”, from the Operating Principles for Impact Management (Operating Principles for Impact Management^[31])
Uphold transparency	<p>“Clearly demonstrating what is and what is not being measured” is echoed in available guidance, such as:</p>

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	<ul style="list-style-type: none"> • “Standard 3 – Transparency and Accountability”, from the OECD UNDP Impact Standards for Financing Sustainable Development (OECD/UNDP, 2021^[11]) • “Be transparent”, “Do not overclaim”, and “Verify the result”, from the Principles of Social Value by Social Value International (Social Value International, n.d.^[2]) • “Disclose how sustainability and the SDGs are integrated into decision-making, and report on performance”, from the UNDP SDG Impact Standards for Enterprises (UNDP, n.d.^[4]) • “Monitor the progress of each investment in achieving impact against expectations and respond appropriately” and “Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment”, from the Operating Principles for Impact Management (Operating Principles for Impact Management^[3]) • “Principle 6 – Transparency and Accountability”, from UNEP FI’s Principles for Responsible Banking (UNEP FI, n.d.^[5]) • “Independent Review”, “Independent Monitoring and Reporting” and “Reporting and Transparency”, from the Equator Principles (Equator Principles, 2020^[6]) • “Enhance country ownership, mutual accountability and transparency”, from the OECD’s Managing for Sustainable Development Results (OECD/DAC, 2019^[7])
<p>Strive for continuous improvement</p>	<p>“Integrating social impact measurement and management within organisational decision-making and building an impact culture” is highlighted in:</p> <ul style="list-style-type: none"> • “Standard 2 – Impact Management Approach” and “Standard 4 – Governance”, from the OECD UNDP Impact Standards for Financing Sustainable Development (OECD/UNDP, 2021^[11]) • “Review, document, and improve decisions and processes based on the achievement of impact and lessons learned”, from the Operating Principles for Impact Management (Operating Principles for Impact Management^[3]) • “Be responsive”, from the Principles of Social Value by Social Value International (Social Value International, n.d.^[2]) • “Adjust strategy and goals as needed to optimise impact”, “Align culture, structure, and skills with purpose and strategy”, “Integrate IMM framework into management systems and decision-making”, “Embed continuous improvement”, “Integrate sustainability, the SDGs and managing for impact into governance framework” and “Ensure governing body leads by example”, from the UNDP SDG Impact Standards for Enterprises (UNDP, n.d.^[4]) • “Principle 5 – Governance and Culture”, from UNEP FI’s Principles for Responsible Banking (UNEP FI, n.d.^[5]) • “Environmental and Social Management System and Equator Principles Action Plan”, from the Equator Principles (Equator Principles, 2020^[6]) • “Maximise the use of results information for learning and decision-making” and “Foster a culture of results and learning”, from the OECD’s Managing for Sustainable Development Results (OECD/DAC, 2019^[7])

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