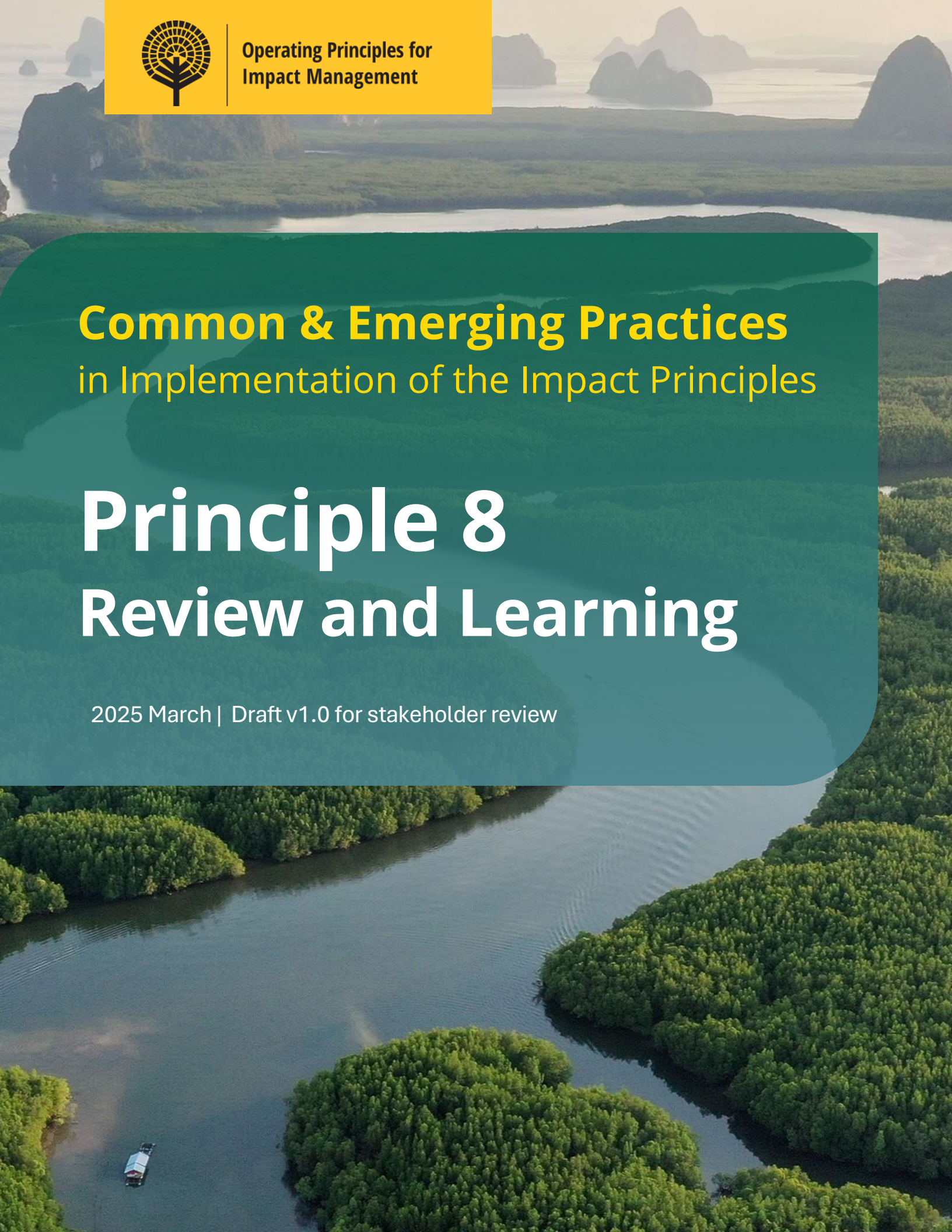


Operating Principles for Impact Management

Common & Emerging Practices
in Implementation of the Impact Principles

Principle 8
Review and Learning

2025 March | Draft v1.0 for stakeholder review

Introduction

The **Operating Principles for Impact Management** (the "**Impact Principles"** or **"OPIM"**) are the global standard for integrating impact throughout the investment lifecycle. Composed of a set of nine principles, they provide an end-to-end framework to define industry best practices and promote transparency, discipline and credibility for impact management practice in capital markets.

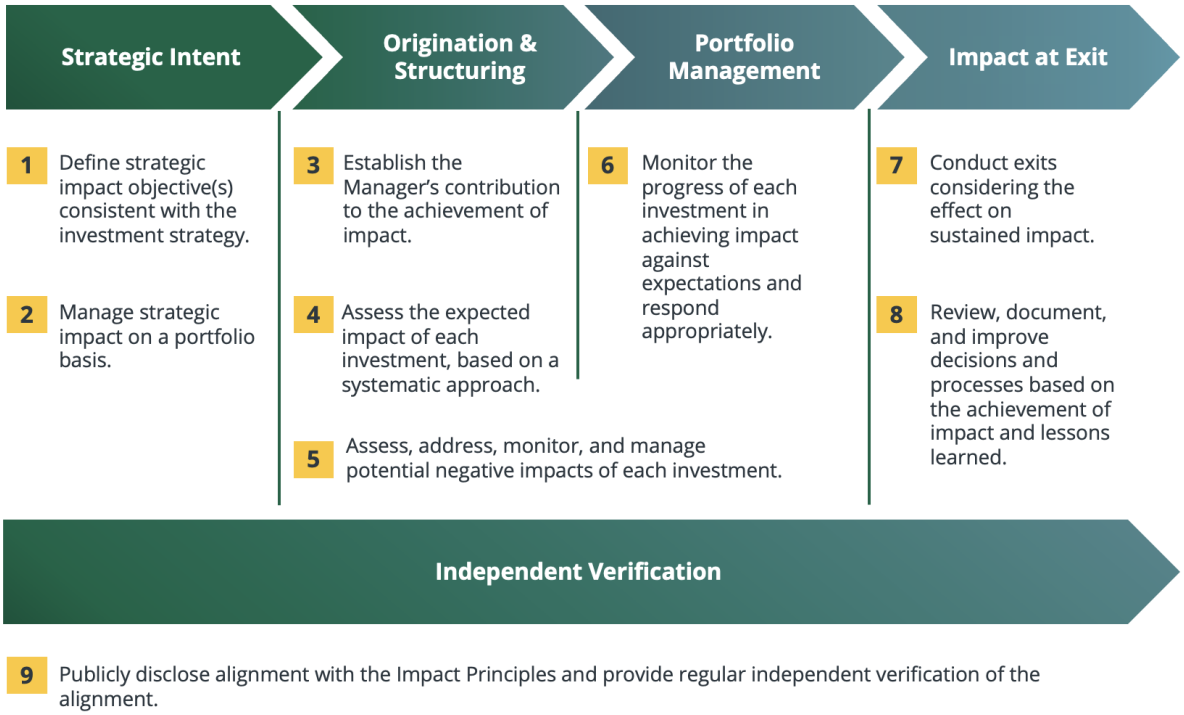
Signatories to the Impact Principles commit to aligning their impact systems, processes and policies with each of the nine principles. Principle 9 requires all Signatories to publish **annual disclosure statements** describing their alignment and to have that alignment **independently verified** on a regular basis. These disclosure statements and verification summaries are made publicly available on both the Signatories' and Impact Principles' websites, promoting transparency and enabling peer benchmarking information on how different investors manage for impact.

Taken together, the disclosure statements serve as a valuable public resource for understanding the state of impact practice today. In the five years since the first disclosure statements were published, the impact investing market has matured. Likewise, the ways that Signatories align with the Impact Principles and design and report on their impact systems have evolved.

There are now notable **common practices**, where the market has approached consensus about which practices are expected across robust impact systems. Meanwhile, **emerging practices** have appeared, which are increasingly common but not yet widespread. These practices may be context-specific for certain types of investors or represent efforts to raise the bar for impact practice, potentially becoming more standard in the coming years. Finally, there are **nascent practices**, which are beginning to appear in a few disclosure statements and represent the potential frontier of rigorous impact practice or a gap in current practice.

The purpose of this new series of resources, **Common and Emerging Practices in Implementation of the Impact Principles,** is to provide an overview of these common, emerging, and nascent practices in the implementation of the Impact Principles. The resources draw on an analysis of nearly 170 recent disclosure statements conducted by the Impact Principles Secretariat. They include **Signatory practice spotlights**, featuring concrete examples of approaches taken by different Signatories across investor types, asset classes and geographies. Complemented by targeted insights and observations across each of the nine principles, these publications aim to provide a wide-ranging illustration of the state of impact practice today, its likely evolution and practical tools for improving impact management practices. Elevating impact practice, both as individual investors and as a field, is critical to ensuring that the capital markets are mobilized at scale and with integrity to drive meaningful impact outcomes.

OVERVIEW OF THE NINE PRINCIPLES



IMPORTANT NOTE

This is a draft document for stakeholder review and input. Please visit the website www.impactprinciples.org/commonpractices to access the ongoing updates and new releases for this series of resources, learn more about the publication plan and methodology, including limitations and disclaimer, and provide any feedback and input.

Operating Principles for Impact Management

Operating Principles for Impact Management

PRINCIPLE 8:

Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

THE COMPONENTS OF PRINCIPLE 8

- Review and document the impact performance of each investment
- Compare expected and actual impact
- Review and document other positive and negative impacts
- Use findings to improve operational and strategic investment decisions and management processes

Overview

Principle 8 underscores the importance for impact investors to systematically review, document and improve their impact strategies, decisions and processes based on actual results and lessons learned. An intentional and structured approach to learning helps investors and the broader impact investing field optimize capital allocation to scale high-impact solutions and mitigate unintended negative impacts.

Without continuous learning and improvement based on what drives impact — and what does not — investors risk perpetuating ineffective models and over-emphasizing isolated successes without the potential to drive outcomes at scale. By valuing and promoting shared learning to fill knowledge gaps, the impact investing field as a whole can better address systemic challenges.

CHALLENGES IN THE IMPLEMENTATION OF PRINCIPLE 8

Leading impact investors systematically integrate lessons learned into decision-making as a core business practice that is essential to driving impact performance. However, several challenges remain in the implementation of Principle 8 at both the organizational and field levels.

- **Lack of formal feedback loops:** Many investors still lack formal structures to ensure the consistent integration of lessons learned from impact assessments into future decision-making and improved processes. For others, conducting formal impact assessments may be a work-in-progress to begin with, limiting the foundation upon which learning and improvement can be built. Effective feedback loops also require disciplined documentation of expected results as well as assumptions and gaps in evidence related to the theory of change, which can inform an intentional learning agenda post-investment and during reviews.

- **Challenges with data quality and standardization of metrics:** There remains significant variability in the definition, quality, collection methodologies and disaggregation of data, making it difficult to compare or aggregate impact findings in a way that meaningfully informs learning and improvement. While progress has been made in standardizing indicators including IRIS+, HIPSO and Joint Impact Indicators, further harmonization and the broad adoption of standard metrics are critical to accelerating and sustaining this progress.

- **Difficulty in comparing performance:** Unlike financial benchmarks, impact benchmarks are still evolving. A lack of data consistency and reporting standards, as well as the limited availability of industry-wide benchmarks across sectors and impact themes, make comparing impact performance a persistent challenge for the field. In addition, there is a risk of over-simplifying or overlooking the nuances

of different impact and investment strategies, contexts and target beneficiaries, especially when addressing complex and deeply rooted social challenges. Without access to comparable data, investors may struggle to assess relative effectiveness, set realistic targets or identify leading practices and strategies that could be scaled or adapted.

- **Measuring outcomes versus outputs:** Many investors find it challenging to measure the long-term outcomes of their interventions beyond tracking short-term outputs. Measuring outcomes often requires deeper engagement with investees and beneficiaries, longer timeframes of review and more complex methodologies, which may not be embedded in current business processes. As a result, investors may miss critical insights into whether their interventions are truly effective in driving real world results in people's lives and for the planet. Similarly, identifying and measuring indirect and systemic impact can be difficult, making comprehensive outcome measurement a more aspirational goal for investors.

- **Understanding and learning from investor contribution:** Impact investments operate in complex, real-world contexts where multiple factors and stakeholders influence results. It is difficult to assess, quantify, and isolate what changed due to investors' influence compared to other external influences or investees' own initiatives independent of the investments. Moreover, terms like "attribution" and "counterfactuals" can be conceptually confusing and inconsistently applied. Taking a learning-oriented approach to assessing what happened as a result of an investors' actions and, where feasible and appropriate, considering what might not have happened without their investments, creates space for pragmatic, transparent reflection on contribution while supporting continuous improvement in impact strategy and execution.

- **Sharing negative impacts and lessons learned:** Fear of reputational risk, a lack of incentives and the absence of established industry norms discourage investors from publicly sharing instances of impact underperformance or unintended negative consequences. This limits collective learning and prevents the broader field from understanding what doesn't work, slowing progress toward more effective impact solutions. Establishing a culture of humility and norms that value transparency and shared learning is essential to advancing the field and enhancing impact.

KEY OBSERVATIONS IN THE IMPLEMENTATION OF PRINCIPLE 8

Principle 8 serves as a critical driver of continuous improvement in impact management as investors seek to enhance the effectiveness of their strategies and optimize the delivery of impact. Effective implementation of Principle 8 is not just about reviewing performance against expectations, but also creating a culture of learning and developing governance structures, processes and tools that ensure that regular review and deliberate insights lead to better decisions and outcomes. Importantly, how organizations learn and share lessons also shapes the broader market, helping to close knowledge gaps, scale strategies that deliver high impact and avoid the repeating of mistakes in a field that strives to address complex and systemic challenges.

Notable observations include:

1. **Culture of learning, supported by leadership, capacity, and incentives**: Organizations that demonstrate strong impact transparency and learning cultures are driven by the commitment of leadership, which in turn supports resourcing and capacity to enable robust impact management. This support may take various forms, including impact champions, cross-functional impact working groups or dedicated impact or sustainability teams, any of which may be tasked with monitoring and evaluating impact performance across portfolios, generating insights, facilitating shared learning and continuous improvement, and providing training. Along with dedicated capacity, integrating impact and learning throughout business processes and incentive structures beyond the impact team ensures that impact is prioritized across the organization and not siloed in specialized roles.
2. **Formalized governance and process for learning:** Some organizations establish formal governance bodies, such as impact steering committees or advisory committees, to review results and lessons learned and provide guidance and accountability for continuous improvement. These bodies typically meet quarterly or annually to review impact performance and lessons, complemented by ongoing informal mechanisms such as portfolio review discussions, learning sessions, check-ins and site visits that maintain a continuous learning loop.
3. **Types of review and documentation:** Investors adopt multiple methods to review and document impact performance and lessons learned, each serving different purposes for understanding and communicating impact. Key tools and approaches used by organizations to assess impact performance include impact reports, surveys or interviews, case studies, in-depth evaluations or impact studies and benchmarking. **[See Exhibit 8a]**

EXHIBIT 8a

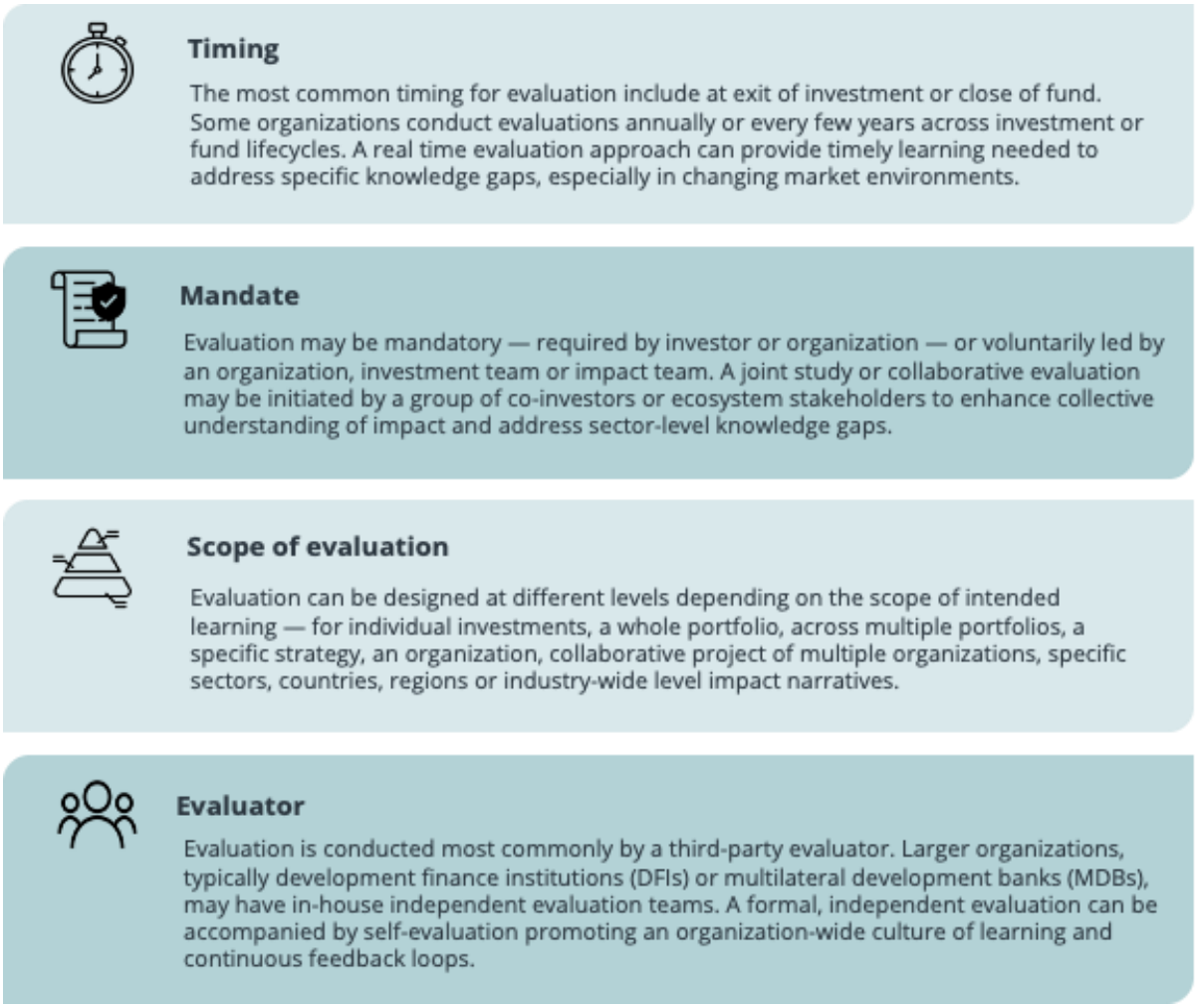
Types of Impact Performance Review and Documentation

Impact Reports	Regular (annual, semi-annual or quarterly) formal documentation of impact performance for the entire organization or the performance of individual investments, portfolios or funds for review and reporting purposes.
Stakeholder feedback	Surveys or interviews with internal or external stakeholders (e.g., employees, investees, customers, beneficiaries, ecosystem partners).
Case studies	An in-depth analysis of a particular investment to assess and distill learning, providing a real-world example for specific insights.
Evaluation or impact study	Retrospective assessment of investments, a portfolio or strategy for in-depth insights on impact performance and contributions, including unintended and negative impacts.
Benchmarking	Comparison of impact performance - of investments, a portfolio or a fund — against peer groups, industry standards or thresholds. Examples include GIIN Benchmarks, 60 Decibels Microfinance Index, B-Impact Assessment Benchmarks, Cerise's SP15-ALINUS, CGAP and 2X Criteria.

4. **Audience and channels for reports and learning:** Reports and other documentation of achievements of impact and lessons learned may be shared with internal or external audiences, such as boards and committees, or investors, investees and the public. Disseminating results, findings and lessons learned with the broad ecosystem can contribute to the advancement of best practices in the field, and it is a strategy often adopted by investors with theories of change pursuing systems change impact objectives. Studies, findings and lessons learned may be shared in impact reports, standalone publications, dedicated external databases or websites, or industry forums.
5. **Points of reference for performance comparison**: Impact performance is compared against various points of reference including baselines, targets or expectations, thresholds, previous years or trends over lifecycle, and peer or industry benchmarks.
6. **Aligning with industry standards, frameworks and norms:** Investors are seeking alignment with industry standards, frameworks and norms to improve the credibility of their impact measurement, management and reporting and ground their practices in widely accepted and evolving best practices. For example, the Impact Performance Reporting Norms, an initiative led by Impact Frontiers, establish shared expectations for the content and structure of impact reporting. They provide a consensus-based framework for reporting positive and negative impacts as well as quantitative and qualitative results, thereby promoting greater transparency, rigor and consistency of impact reporting.

EXHIBIT 8b

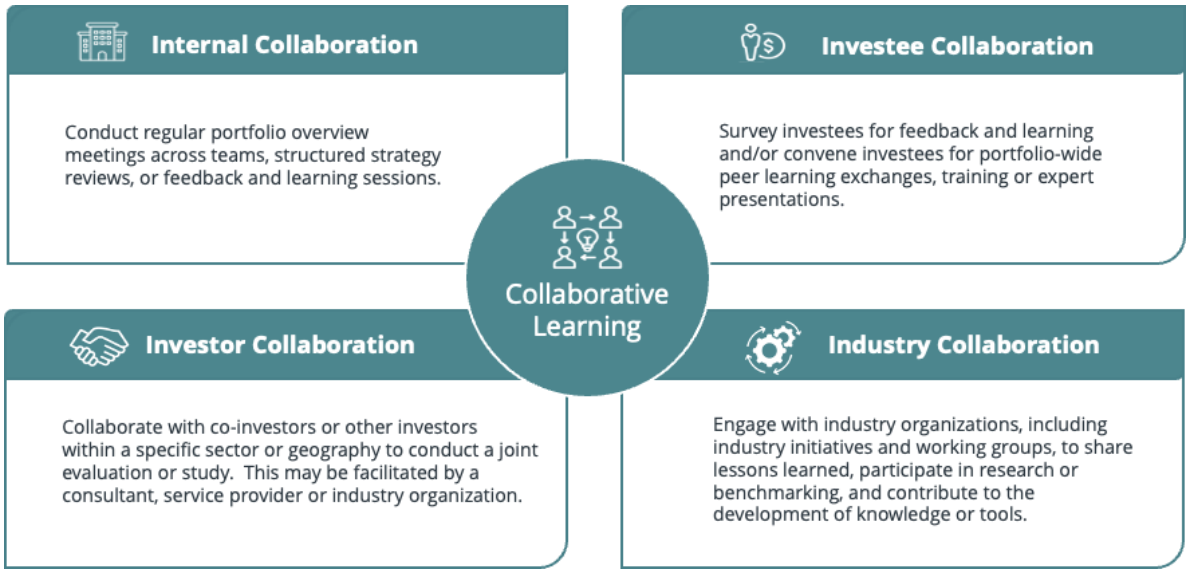
Key Considerations in Impact Evaluations



7. **Evaluation for in-depth insights:** Ongoing impact measurement and monitoring processes and findings can be complemented by evaluations or impact studies for deeper insights and address particular knowledge gaps within organization strategies or at the sector level. Evaluations can be conducted internally or through third-parties and at varying levels or scope and different times across investment or fund lifecycles. **[See Exhibit 8b]**
8. **Enhancing learning through collaboration:** Learning can be enhanced through collaboration both within the organization as well as externally — for example, with investees, co-investors, ecosystem partners, or the broader sector or field. **[See Exhibit 8c]**

EXHIBIT 8c

Collaborative Learning Approaches in Impact Management



9. **Data and tech-enabled learning:** The activities of reviewing, learning and improving can be made more efficient and effective with systematic data collection and technology-based data management platforms that enable centralized management, monitoring and reporting of impact. These technology platforms may streamline data collection processes with investees and also produce individual investment and aggregated portfolio-level virtual scorecards, trends and dashboards to enhance analysis, insights and decision-making. There is also emerging interest in the potential for leveraging artificial intelligence in impact measurement and management.
10. **Verification as a tool for learning and improvement:** Independent verifications, as required by Principle 9 of the Impact Principles, can provide useful assessments on the strength of impact management systems and processes, as well as recommendations for improvement. Similarly, re-verification or periodic verifications help to track the progress of enhancement in systems and processes over time.

Common, Emerging and Nascent Practices in Implementation of Principle 8

Note: The findings and observations are primarily based on an analysis of the most recently published 166 Signatory disclosure statements at the time of the review in early- to mid-2024.

An analysis of Signatory disclosures reveals that while Signatories have operationalized Principle 8, the depth and sophistication of practices vary. Most Signatories disclose conducting regular reviews and using impact review findings to inform and improve investment strategies and management processes. A majority of Signatories are also producing impact reports that are shared with their investors or publicly. However, less than half disclose comparing actual to expected impact results. Other more structured and advanced practices are still nascent — including reviewing unintended impacts, conducting independent evaluations, developing stakeholder feedback loops and case studies, measuring outcomes and benchmarking. These emerging and nascent practices signal opportunities for the field to advance more transparent, rigorous and inclusive learning mechanisms to drive long-term outcomes at scale.

Common Practices (50-100% of Disclosures)

a. **Incorporating findings into investment processes and frameworks.** 93% disclosed using findings and lessons learned from periodic review process to refine their impact strategies and theses, make strategic decisions for portfolio or individual investments and improve impact management frameworks, policies and processes.

b. **Regular review and documentation of impact performance.** 89% disclosed reviewing impact performance of investments on at least an annual basis, with 32% disclosing quarterly reviews. Many conducted portfolio or fund-level reviews in addition to reviews of individual investments.

c. **Developing impact reports**. 60% disclosed producing impact reports, which are usually either only shared with investors or limited partners or published on website to be shared publicly. 17% provided links to their public impact reports in their OPIM disclosure statements.

Emerging Practices (25 to <50% of Disclosures)

d. **Comparing expected versus actual impact.** 41% disclosed comparing expected versus actual impacts, with a focus on current portfolio companies or funds or exited investments. Comparisons were typically based on annual performance or over the lifecycle of the investment.

Nascent Practices (<25% of Disclosures)

e. **Reviewing industry standards.** 17% disclosed reviewing and adjusting impact practices based on new and evolving industry standards and frameworks, best practices and learning.

f. **Reviewing unintended impacts**. 14% disclosed monitoring and reviewing unintended consequences, which may be positive or negative, or evidence of impact drifts for their underlying investments.

g. **Independent evaluations.** 15% disclosed having a third party or internal independent department conduct an evaluation or study on the impact of their investments and investment processes, distinct from independent verification.

h. **Customer and stakeholder surveys**. 11% disclosed collecting feedback from customers, beneficiaries or other external and internal stakeholders, such as investees, ecosystem partners and employees, as part of the review process.

i. **Case studies.** 11% disclosed developing and publishing case studies on investments and findings from the review process.

j. **Review of exited investments.** 8% disclosed conducting post-exit reviews of investments to assess their impact and how impact is sustained.

k. Other nascent practices disclosed by a limited number of Signatories (<5%), but representing a potential next frontier for the field and focus areas of recent initiatives, include:

   - **Review of outcome-level data.** Some Signatories explicitly note going beyond output-level data to review outcomes on beneficiaries or at a systems-level.
   - **Integrated performance.** A few Signatories disclosed reviewing or reporting on integrated financial and impact performances.
   - **Benchmarking performance.** A few Signatories disclosed conducting comparison of their impact performances against industry or peer-groups by participating in benchmarking surveys or studies, or conducting portfolio-level benchmarking of investees against their peers.

Note that given the variance in comprehensiveness of Signatories' disclosure statements, many of the nascent practices in particular, may be under-reported compared to actual practices.

Principle 8

Signatory Practice Spotlights

Better Society Capital

Blue Like an Orange

Closed Loop Partners

Developing World Markets

IDB Invest

IFC

Trill Impact

Vinci Compass

Operating Principles for Impact Management

Signatory Practice Spotlight

Better Society Capital

Creating a culture of learning with a commitment to market building

Asset Class: Multiple

As a wholesale social impact investor investing in fund managers, social banks and other intermediaries to increase investments that tackle social issues and inequalities in the U.K., Better Society Capital (BSC) is committed to organizational learning, transparent decision-making and field-wide knowledge sharing.

- **Open decision-making**: BSC encourages a culture of learning and improvement at the organizational level by involving all staff in its decision-making. Staff members are invited to attend investment committee meetings, complete "Decisionator" surveys beforehand to share their views, and attend Challenge Forums afterwards to discuss and debate the decisions made.

- **Multi-year and annual formal review processes**: BSC conducts a comprehensive review of its strategy every 3-5 years including its external market-building efforts. Annually, it conducts impact performance reviews and identifies learnings at the investment and asset class level through Annual Impact Conversations and Performance Committee meetings. Annual Market System Progress and Learning workshops review performance of their broader market building strategies and identify key lessons learned and their implications for future investment and decision making.

- **Continuous learning and improvement**: Beyond formal reviews, BSC captures ongoing insights through quarterly Learning Reports and its internal Learning Hub database. For new investments, key lessons are embedded in IC memos to inform decision-making, and third-party evaluations are commissioned for high-priority investments with broader market implications. Staff access ongoing learning through a comprehensive training program, on-demand resources, informal peer-led sessions, and a biannual Foundations of Social Investment program.

- **Supporting best-practice development and field-building**: BSC takes a systems-level approach by actively publishing research, annual impact reports, and other resources, and by engaging with policymakers, investors, and social sector partners to share learnings and advance the field of impact investing.

BETTER SOCIETY CAPITAL

Signatory to: Operating Principles for Impact Management

Signatory Practice Spotlight

Blue Like an Orange

Structured internal feedback loops supported by external input

Asset Class: Private Debt

Blue Like an Orange provides predominantly mezzanine debt to deliver both risk-adjusted returns and social and environmental impact in Latin America, the Caribbean and other emerging markets. The firm uses a systematic feedback loop, leveraging internal reflections, independent external reviews, and consistent investor feedback to continuously improve impact processes and strategies. Documentation at each stage is crucial to its improvement efforts.

- **Structured internal feedback loop for portfolio review and learning:** A formal committee actively reviews impact performance across the portfolio using an impact performance dashboard, and by comparing actual outcomes against expected targets, as well as unintended impacts. Annual lessons learned sessions generate action plans for improvement, ensuring ongoing improvement and internal learning.
- **Independent committee:** An independent committee provides recommendations for adjustments in strategy and policies and acts as an advisory body for investment process and portfolio management, helping align the organization's impact approaches with broader sustainability trends.
- **Sharing impact performance data:** The annual Impact and Sustainability Report includes detailed portfolio impact performance dashboards, areas of underperformance along with corrective actions, and case studies of the best and worst impact scores for the year, used as learning tools to provide insights into what works and where improvements are needed.
- **Continuous improvement:** Blue Like an Orange refines its Investment Committee memo annually, incorporating lessons learned from previous investments to improve the Committee's decision-making. An internal survey on past investments also helped to refine future investment strategies.

BLUE LIKE AN ORANGE Sustainable Capital

Signatory to: Operating Principles for Impact Management

Signatory Practice Spotlight

Closed Loop Partners

Formalized impact governance for continuous learning

Asset Class: Private Equity, Private Debt

As a firm at the forefront of investing, innovating and building the circular economy, Closed Loop Partners has formalized and embedded its impact governance into its core operations, reinforcing its commitment to impact transparency and continuous improvement. Its impact framework, shaped by industry standards and frameworks, is structured around four steps – 'Set Strategy', 'Integrate', 'Optimize' and 'Reinforce'. **[See Practice Example 8.1]** The firm also actively contributes to industry alignment on impact measurement and management practices.

- **Formal impact governance:** Closed Loop Partners has formalized its impact governance framework through the establishment of a firm-wide **Impact Steering Committee**. The Committee:
    - Meets **at least twice annually.**
    - Is **comprised of senior leadership**, including Closed Loop Partners' Founder & CEO and Chief Strategy Officer, Closed Loop Capital Management's CEO and Chief Legal & Administrative Officer / Chief Compliance Officer, the firm's Head of Corporate Partnerships, Managing Director(s) leading the firm's investment strategies, as well as team members leading impact data management and impact engagement.
    - Provides **strategic oversight**, approving the next year's impact deliverables and advising on all aspects of the firm's strategic impact decision including updates to frameworks, incentive structures, impact audits, and third-party service provider engagements; and
    - Monitors evolving **regulatory requirements** related to impact disclosure and provides insights on **market trends**, which help guide Closed Loop Partners' impact strategy.

- **Industry alignment:** Closed Loop Partners collaborates with impact industry leaders to advance integrated reporting, align with common impact language and contribute to evolving measurement practices.

CLOSED LOOP partners

Signatory to: Operating Principles for Impact Management

Practice Example 8.1

Closed Loop Partners' Impact Framework in Practice

Four universal steps developed by UN Development Programme (UNDP) and Duke University.

Signatory Practice Spotlight

Developing World Markets

Impact reports with benchmarking and verification guidance

Asset Class: Private Debt, Private Equity

As a private debt and private equity investment manager with over two decades of experience investing in emerging and frontier markets, Developing World Markets (DWM) analyzes trends over time within its own portfolio and industry comparisons to refine its impact strategy.

- **Annual impact report:** Each year, DWM gathers impact data from each portfolio company and analyzes patterns and trends at both the investee and portfolio level. This process results in a published annual report as well as internal discussion on findings to inform impact criteria applied to investments in the future and its broader strategy to maximize impact. The data collection tool is updated to reflect DWM learnings, such as the usefulness of various indicators in achieving the firm's impact goals.

- **Benchmark comparison:** Impact results are compared to industry benchmarks such as the IRIS+ financial services impact performance benchmark and 60 Decibels Microfinance Index. This benchmarking to industry standards helps put DWM's portfolio-level results in context, thereby improving the credibility of DWM's impact measurement practices.

- **Verification learnings:** Independent verifications, conducted in 2021 and 2024, are used by DWM to refine impact strategies and management practices. Recommendations implemented over the past five years include codifying detailed impact goals, creating investment-level theories of change for each portfolio company, using the IMP Five Dimensions of Impact for each investment, and codifying responsible exit considerations.

dwm IMPACT INVESTING

Signatory to: Operating Principles for Impact Management

Signatory Practice Spotlight

IDB Invest

Institutionalizing impact accountability through data-driven learning

Asset Class: Multiple

As the private sector arm of the Inter-American Development Bank, IDB Invest puts data-driven learning at the core of its end-to-end Impact Management Framework. IDB Invest captures and applies learning from active operations and final evaluations to determine key drivers of impact performance, continually improve, and inform strategic decision-making.

- **Evaluating and learning from impact performance**: Each investment undergoes a mandatory final self-evaluation upon reaching early operating maturity, comparing expected versus actual impact across key dimensions such as efficiency, effectiveness, relevance, and long-term sustainability, and generating actionable lessons learned. These evaluations are validated by the independent Office of Evaluation and Oversight (OVE) and aggregate results are disclosed publicly to reinforce accountability and transparency.

- **Generating and sharing actionable knowledge**: IDB Invest conducts more in-depth studies and impact evaluations for certain projects for learning and accountability purposes. Impact evaluations fill knowledge gaps, inform clients and IDB Invest of how to improve operational work, and provide important insights for operational and strategic investment decisions.
  [See Practice Example 8.2]

- **Data-driven decision-making:** IDB Invest's Development Effectiveness Analytics platform centralizes impact data, enabling real-time visualization of investment performance. Dashboards track scores from the DELTA Impact Rating System both at investment approval and during supervision as scores are updated annually based on results achieved, allowing for continuous impact monitoring. Automated feedback loops ensure that past lessons directly inform the structuring and execution of new investments.

IDB | Invest

Signatory to: Operating Principles for Impact Management

Practice Example 8.2

IDB Invest's Impact Management Framework

Signatory Practice Spotlight

International Finance Corporation (IFC)

Rigorous evaluations, smarter strategies

Asset Class: Multiple

IFC's evaluation framework includes both independent and self-evaluations to inform operational strategy and policy. Evaluations are conducted both systematically — through mandatory self-evaluations validated by the Independent Evaluation Group (IEG) and on an ad hoc, demand-driven basis to fill knowledge gaps and provide strategic insights for management and external stakeholders.

- **An end-to-end results measurement system:** IFC's Anticipated Impact Measurement and Monitoring (AIMM) system serves as an end-to-end results measurement system for IFC's investment operations. AIMM supports the articulation of key project- and market-level outcomes of each IFC investment and informs investment decisions through a rating tool. These outcomes are monitored over the duration of the investment to support accountability and learning. **[See Practice Example 8.3]**

- **Evaluating impact and ensuring accountability:** IFC conducts mandatory self-evaluations on a representative sample of investment and advisory operations drawn by IEG. These self-evaluations are subsequently validated by IEG, and their results are reported to the IFC board annually and disclosed publicly via IEG's Results and Performance Report.

- **Independent evaluations for development impact:** IEG undertakes independent evaluations of World Bank Group operations, policies and strategies around broad development themes, providing recommendations for which management develops action plans monitored annually.

- **Knowledge generation:** IFC conducts demand-driven evaluations to fill knowledge gaps, provide strategic insights and meet external stakeholder demands. These evaluations are conducted according to principles ensuring independence, particularly for external stakeholders such as donors.

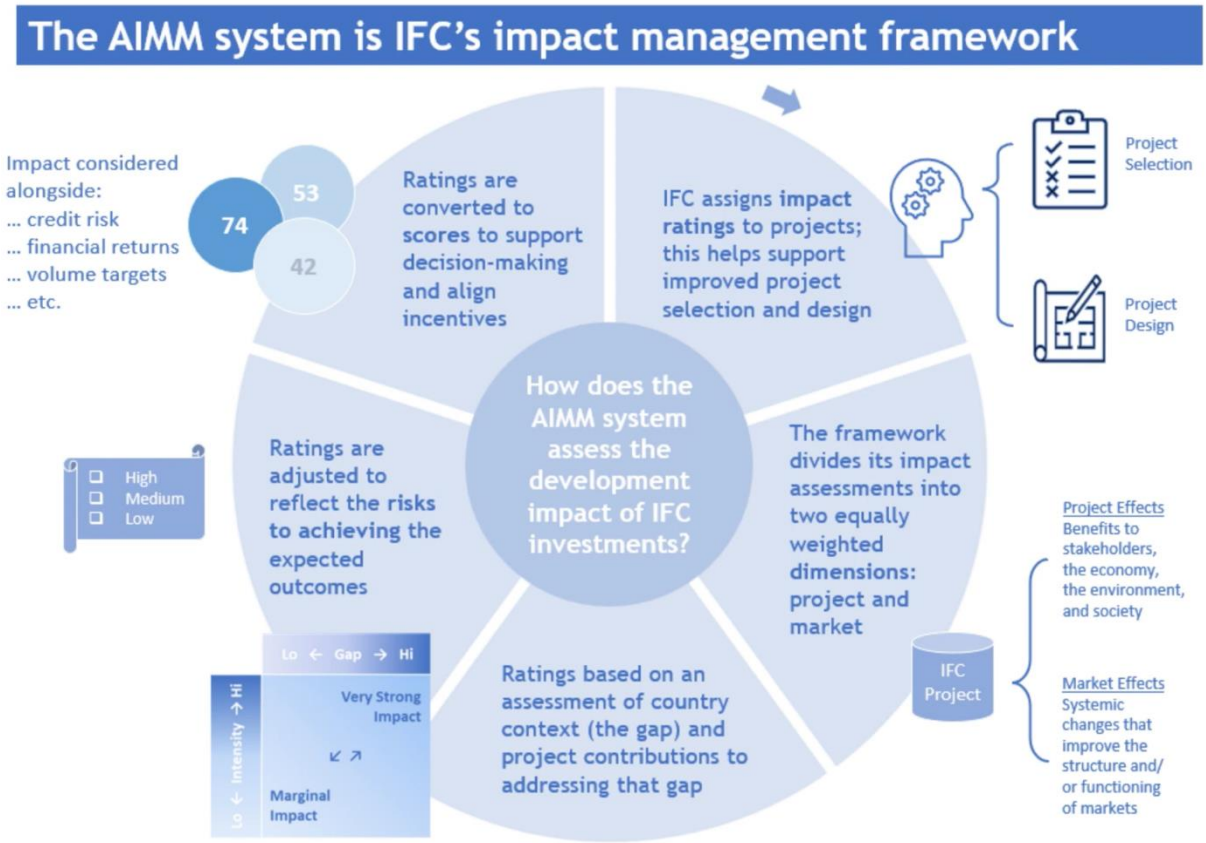
IFC International Finance Corporation WORLD BANK GROUP

Signatory to: Operating Principles for Impact Management

Practice Example 8.3

Enhancing Impact Assessment with IFC's Anticipated Impact Measurement and Monitoring (AIMM) System

In 2017, IFC developed the AIMM system to strengthen impact measurement in investment decisions. AIMM guides the selection, design and management of investments to maximize impact.



Signatory Practice Spotlight

Trill Impact

Advancing impact through continuous learning and benchmarking

Asset Class: Private Equity (Buyout and Ventures)

Trill Impact integrates learning, benchmarking and stakeholder feedback into its investment strategy to continuously refine its impact management practices. By conducting annual peer benchmarking exercises, external impact diagnostics and ongoing stakeholder engagement, Trill Impact ensures that lessons learned translate into meaningful improvements at both the strategy and transaction level. Its commitment to impact post-exit is embedded in its due diligence process, impact measurement and reporting at exit.

- **Best practices benchmarking:** Trill Impact regularly assesses and benchmarks against industry best practices, incorporating identified gaps and lessons learned into its investment strategies, processes and decisions. Since 2022, those learnings are manifested in an annual internal peer benchmarking exercise. A fund Impact Diagnostics project by Bluemark also reviewed Trill Impact's impact strategy, governance, management and reporting practices in comparison to industry standards and best practices, with learnings integrated into its impact practices.

- **Stakeholder engagement and feedback:** Periodic feedback loops from investors, portfolio companies and other stakeholders are established with ongoing dialogues, meetings, assessments and surveys to review impact strategy and performance and prioritize the most important sustainability topics. Trill Impact also engages with partners and peers and participates in industry bodies and initiatives to seek advice and engage in emerging best practices on impact management and related investment decision-making **[See Practice Example 8.4].** Lessons learned and process improvements are continuously integrated into Trill Impact's IMPACT model at both the strategy and transaction level.

- **Impact beyond exit:** Trill Impact considers exit due diligence, timing and risks related to sustaining impact after exit, measuring and reporting impact outcomes with contextual data at exit.

TRILL IMPACT

Signatory to: Operating Principles for Impact Management

Practice Example 8.4

Trill Impact's Stakeholder Engagement Approach

(Excerpt from 2023 Annual Impact Report)

Stakeholder groups	Investors	Investment financing	Portfolio companies	Advisory employees	External advisors	Industry associations
Active engagement channels	• Investor meetings and ongoing dialogues • Annual investor meeting • LPAC • Periodic reporting • Ad hoc information requests	• Financing meetings • Sustainability KPI reporting	• Onboarding • Board meetings • Management meetings • Triad meetings with company management • Town hall meetings • Impact Value Creation and ESG meetings • Impact Champion Program	• Annual employee engagement survey • Annual 360° performance evaluation • Professional development dialogues • Regular feedback within teams • Conferences and team days	• Investment bank meetings • Industrial advisor meetings • Impact & ESG advisor meetings	• Swedish and German National Advisory Boards for Impact Investing • Nordic PE forum • Global Impact Investing Advisory Board for Impact Investing • Operating Principles for Impact Management (OPIM) • ESG Data Convergence Initiative (EDCI) • PRI • Net Zero Assed Manager Alliance
Sustainability topics discussed	• Impact and value creation potential • Impact Frontier[1] assessment of portfolio companies • Portfolio companies' impact & ESG performance and development • EU Taxonomy assessments • SFDR disclosures	• Sustainability-linked financing KPIs • KPI definitions • KPI baselines and targets • KPI performance reporting	• Impact and value creation strategic roadmaps • Impact & ESG KPIs – baselines and targets • Implementation of Science-Based Targets initiative (SBTi) • Gender diversity (SHE index) tracking • Employee engagement (eNPS) • EU Taxonomy assessment • SFDR disclosures • Guidance on CSRD reporting process	• Employee engagement initiatives, diversity and inclusion • Values and business ethics • Climate actions • Impactful sub-sectors and targets	• Impactful sub-sectors and targets • Impact performance and measurement • Sustainability trends • SFDR and reporting • Tool for 3rd party (client) screening • CSRD platform for portfolio companies • Employee engagement measurement • GHG emission measurement	• Sustainability risks and opportunities • Climate action and decarbonisation • Circular economy • Human- and labour rights • Anti-bribery and corruption • Data access and reporting

Signatory Practice Spotlight

Vinci Compass

Driving impact learning and accountability through review and action plans

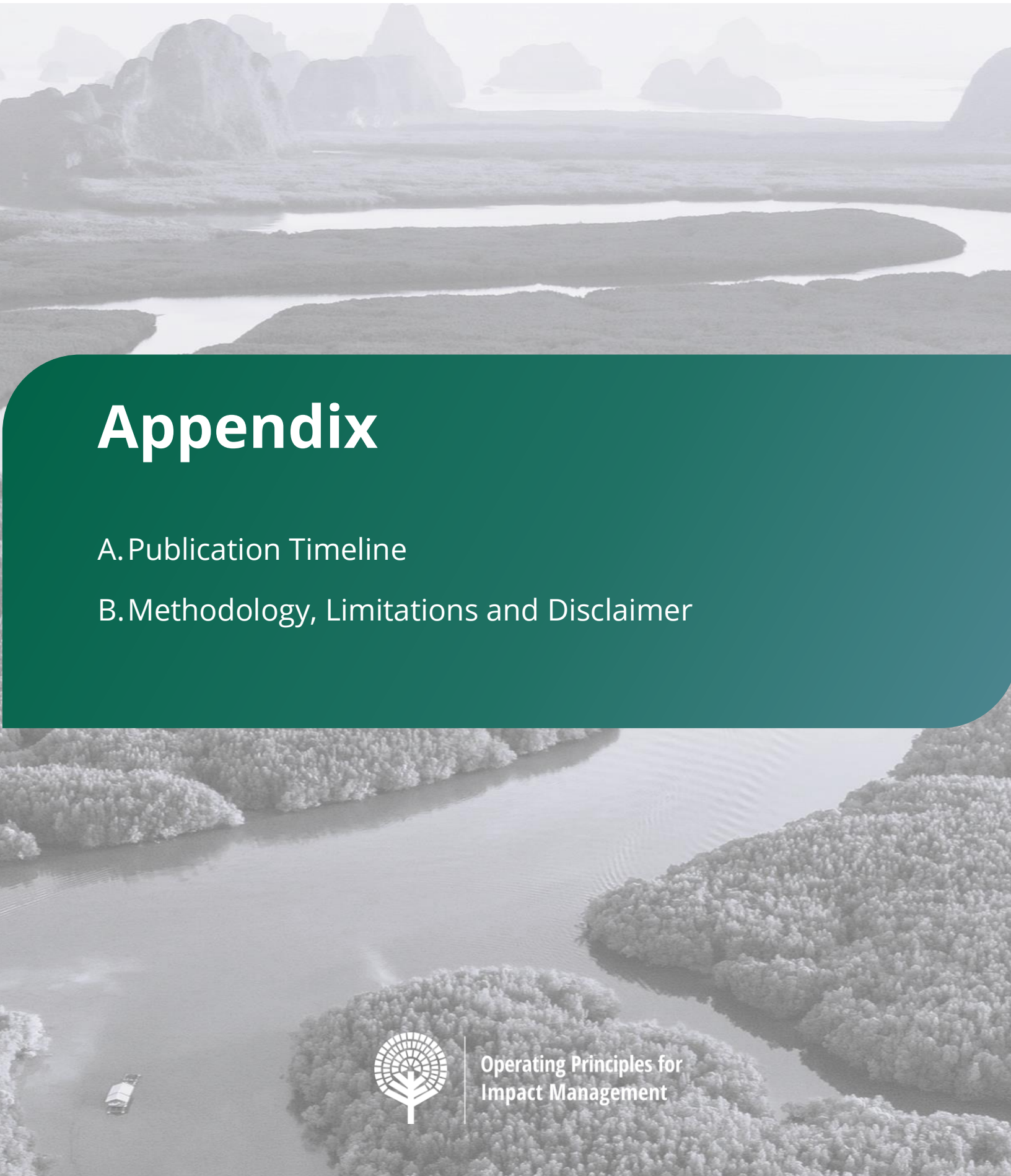
Asset Class: Private Equity

With offices across Latin America and the United States, Vinci Compass (the "Firm") is a leading alternative asset manager offering a diversified set of investment strategies. Among these is Vinci Impact and Return ("VIR"), a strategy that invests in SMEs in Brazil, including less developed regions, across healthcare, business services, and specialized retail. The Firm actively measures impact performance and works closely with portfolio companies to design and implement impact action plans. VIR also publishes annual impact reports and post-exit case studies to capture key learnings and continuously refine its strategy and execution.

- **Impact action plans to address underperformance**: The Firm's management team regularly reviews impact performance against expectations at investment committee and/or board meetings. When investment-level deviations arise, they collaborate with portfolio company management to develop impact action plans that address gaps and prevent future underperformance.
- **Dedicated monthly meetings**: In addition to investment committee and/or board meetings, the management team convenes monthly to share impact insights, challenges, and lessons learned to inform its strategy and decision-making.
- **Impact reports:** Vinci Compass consolidates and discloses impact performance across the portfolio through its annual impact report, which provides a structured overview of each investment's progress toward their goals as well as serving as a tool to refine management approaches and inform strategic decisions.
- **Impact case studies**: Following an exit, the management team develops a structured impact case study that captures achievements, challenges, and lessons learned to inform internal process improvements and future strategy.

VINCI COMPASS

Signatory to: Operating Principles for Impact Management



Appendix

A. Publication Timeline

B. Methodology, Limitations and Disclaimer

Operating Principles for Impact Management

A. Publication Timeline

The series of resources related to **Common and Emerging Practices in Implementation of the Impact Principles** will be released in three phases:

- ~ 2025 May: Website publication of initial drafts for each of the nine principles in series, including Signatory Practice Spotlights
- ~ 2025 June: Target soft release of consolidated report draft
- ~ 2025 August: Final publication reflecting stakeholder feedback

Publication Target Timeline

B. Methodology, Limitations and Disclaimer

Common, Emerging and Nascent Practices based on Analysis of Signatory Disclosure Statements

The findings and observations are primarily based on a manual in-depth review by the Impact Principles Secretariat of 166 disclosure statements published or newly submitted by Signatories for review in early to mid-2024. All Signatories to Impact Principles are required to submit an annual disclosure statement describing how each principle is incorporated into its investment system and process. Therefore, founding Signatories have completed their fourth disclosure statement at the time of the analysis while others have submitted their first, second or third. New Signatories must submit the first disclosure within one calendar year of signing the Signatory Letter.

Disclosure statements were analyzed for investor alignment with key components of each of the nine principles or specific practices to identify the areas of common, emerging and nascent practices by Signatories in applying the Impact Principles.

- **Common practices**: At least half (50-100%) of Signatories disclose the same or similar practices indicating convergence in the implementation of the Impact Principles.
- **Emerging practices**: 25 to <50% of Signatories disclose the same or similar practices indicating emerging practices that are gaining traction.
- **Nascent practices**: <25% of Signatories disclose the same or similar practices indicating advanced or specialized practices or gaps.

The Impact Principles are applicable to all types of investors including different asset classes, sizes, sectors and geographies. Therefore, specific practices in how the Impact Principles are implemented may vary across investor types. The analysis took into consideration these varying ranges of similar practices.

Additional Observation in Practices

Additional observations on notable developments in specific practices are based on a limited number of disclosures or the Secretariat's ongoing engagements with Signatories and ecosystem partners, which are captured to provide further reference points.

Signatory Practice Spotlights

To bring insights to life and provide concrete examples, Signatory disclosures with notable practices corresponding to the common and emerging practices are listed as references

with brief descriptions. Based on Signatory feedback requesting a broad range of specific and practical examples, the report chose to provide a larger number of short, concrete practice spotlights including visual exhibits where available, rather than a small number of long, in-depth case studies. Special attention was paid to curate examples across a diverse mix of investor types, asset classes, sectors and geographies. A limited number of Signatory examples may be selected for deeper-dive case studies in the future.

Additional Observations in Disclosures and Related Guidance

Additional observations on Signatories' disclosures, including type, pattern, levels of detail and placement of specific information, are captured with suggested general guidance and recommendations. These recommendations are provided with the intent to enhance the consistency, comparability and usefulness of the information provided in disclosure statements by Signatories to further support transparency and advancement of best practices in the field. (In Planning)

Limitations and Disclaimer

The analysis was conducted for the purposes of capturing trends in common and emerging practices and notable observations based primarily on manual review of the disclosure statements by the Secretariat. Given the self-reported nature and the wide diversity of investors and asset classes, there is a varying degree of detail of information that Signatories provide in the disclosure statements. There may be additional details on the actual implementation by Signatories that will be included in subsequent disclosure statements as these common practices become more widely adopted and are expected of investors in their disclosures. Therefore, it is possible that the current report underestimates the adoption and implementation of certain practices.

Further, human error in the Secretariat's review and recording of information, inconsistencies in how and where Signatories disclose certain information, and how specific practices are categorized for counting may also affect the preciseness and conclusion of the analysis.

The information provided in this **Common and Emerging Practices** publication is intended to be a high-level curation of trends and notable practices as of mid-2024* to help inform further inquiries and actions to enhance impact practices. It should not be taken as precise data, prescriptive direction, recommendation or a substitute for the Operating Principles for Impact Management document (which you can download at the Impact Principles website).

*The Impact Principles Secretariat intends to update the information in this document on a regular basis via new versions or publications.

Important note:
This is a draft document for stakeholder review and input.
Visit http://www.impactprinciples.org/commonpractices to access the on-going updates and new release for this series of resources, learn more on the publication plan and methodology (including limitations and disclaimer), and provide any feedback and input.

Operating Principles for Impact Management

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*The Operating Principles for Impact Management (the "Impact Principles" or "OPIM") are a global standard for integrating impact throughout the investment lifecycle. The Impact Principes are hosted by the Global Impact Investing Network, Inc. ("**GIIN**") is a nonpartisan, nonprofit 501c(3) organization dedicated to increasing the scale and effectiveness of impact investing through research, education and other activities.*

This report and all materials and information presented in the report are for informational purposes only and should not be relied on in any manner as and do not constitute legal, financial, investment, or other advice, nor do they constitute an offer, solicitation, or recommendation for the purchase, investment or sale of any financial instrument or security. Any reliance you place on such information is strictly at your own risk and we disclaim all liability and responsibility arising from any reliance placed on such materials and information by anyone. You should consult with your own investment, accounting, legal and tax advisers to evaluate independently the risks, consequences, and suitability of any purchase, investment or sale you make. The GIIN is committed to adhering strictly to the letter and spirit of the antitrust laws and this report is being published to provide a means for education and the expression of various points of view. Readers should not use anything in or in the report to coordinate or reach any understanding or agreements, express or implied, which would tend to prevent, restrict or distort competition or, in any way, impair the ability of readers to exercise independent judgment regarding matters discussed in the report. For more information, see www.thegiin.org.