



Operating Principles for  
Impact Management

**Common & Emerging Practices**  
in Implementation of the Impact Principles

# Principle 4

## Ex-Ante Impact Assessment

2026 March | Draft v1.0 for stakeholder review

# Introduction

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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.

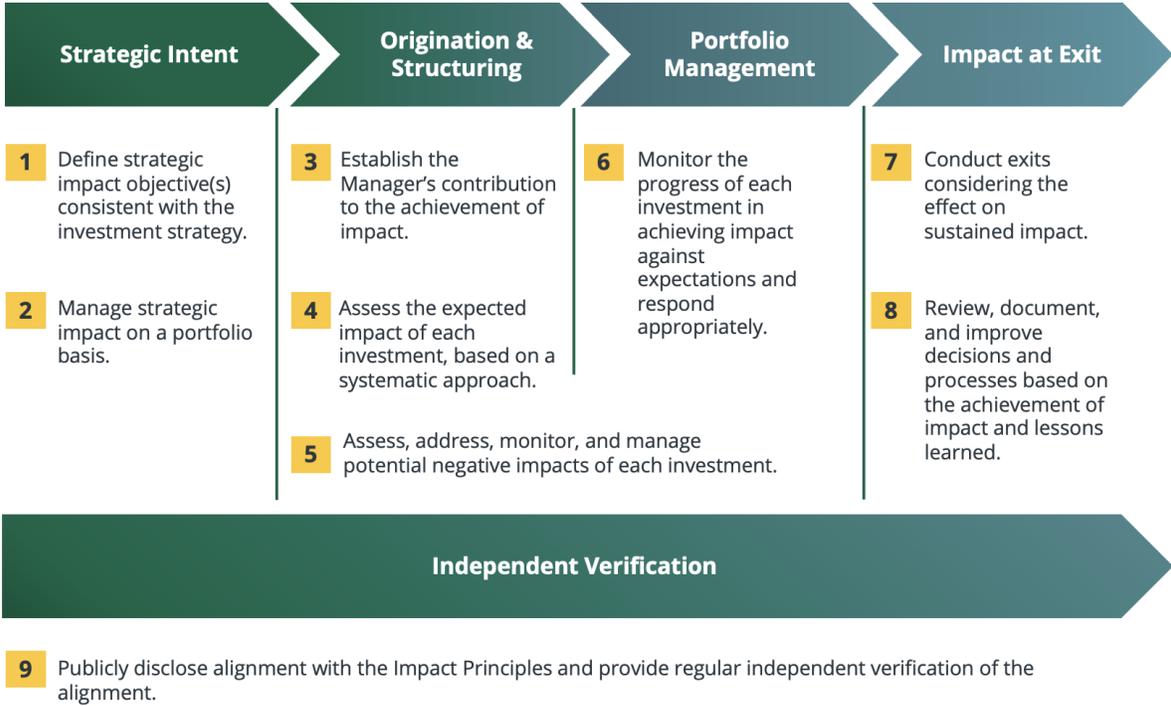
Signatories to the Impact Principles commit to aligning their impact systems, processes and policies with each of the nine principles. Principle 9 requires all Signatories to publish **annual disclosure statements** describing their alignment and to have that alignment **independently verified** on a 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](http://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**



# PRINCIPLE 4:

## Assess the expected impact of each investment based on a systematic approach.

For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

### THE COMPONENTS OF PRINCIPLE 4

- Assess and quantify potential positive impact from each investment
- Use a results framework answering the intended impact, who experiences it, how significant it is and the likelihood of achieving it
- Assess the likelihood of achieving the investment's expected impact
- Identify significant risk factors to the expected impact and seek evidence on the relative size of the challenge addressed in the targeted geographic context
- Consider opportunities to increase impact, and where possible and relevant, indirect and systemic impacts
- Align indicators to industry standards and follow best practices.

# Overview

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Principle 4 focuses on the ex-ante assessment of impact at the individual investment level. It operationalizes an investor's impact strategy (Principle 1) at the point of investment decision-making and enables robust portfolio-level impact management (Principle 2) with consistent, disciplined investment-level assessment of impact potential. While Principle 4 sets clear expectations for assessing expected impact, it intentionally allows for flexibility so investors can calibrate their approaches based on what is suitable, feasible and relevant, recognizing the varying contexts in data availability, investment strategy and the nature of the underlying problem and solutions.

Under Principle 4, investors are expected to systematically assess and, where possible, quantify the intended impact: who experiences it, how significant it is and how likely it is to be achieved. This includes identifying significant impact risks, grounding assessments in a suitable results framework and using evidence to assess the relative scale of the challenge addressed. Where relevant and possible, investors are also expected to consider opportunities to increase impact, consider indirect and systemic impacts, and align indicators to industry standards and best practices.

Ultimately, Principle 4 ensures impact is not implicitly assumed or retrospectively assessed but instead investigated up front to establish a clear impact rationale before capital is committed. This discipline strengthens decision making, safeguards impact integrity, and enables more effective monitoring, learning and course correction throughout the investment lifecycle.

## CHALLENGES IN THE IMPLEMENTATION OF PRINCIPLE 4

Despite the broad adoption of ex-ante impact assessment, the depth, formalization and consistency of practices vary widely across Signatories. Key challenges include:

- **Balancing standardization and contextualization.** Investors face a tension between the benefits of using standardized frameworks and metrics for consistency and comparability, and the need to tailor assessments to reflect sector, geography or other specific investment contexts and realities. Over-standardization risks diluting relevance, while overly bespoke approaches limit comparability and portfolio-level aggregation. As noted in [Principle 2](#), many investors address this dilemma by combining standardized impact metrics with tailored investment-specific indicators, as well as by blending quantitative metrics with qualitative narratives.<sup>1</sup>

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<sup>1</sup> Also read on challenges related to data quality and standardization of metrics in the [Principle 8 Common and Emerging Practices](#).

- **Distinguishing outcomes from outputs in ex-ante assessment.** Ex-ante assessments often rely heavily on projected outputs and activities, such as customers reached or services provided. These assessments sometimes provide limited insights, however, into how activities and outputs will translate into meaningful outcome-level changes in people’s lives and environmental conditions, grounded in a credible theory of change. Outcome assessment during screening and due diligence remains challenging due to data limitations, uncertainty and complexity in linking activities to real-world results with sufficient evidence.<sup>2</sup> Where outcome data or evidence is constrained, carefully selected proxies may help ground the ex-ante assessment in clearer impact pathways, while remaining transparent about assumptions and uncertainties.
- **Challenges considering indirect or systemic effects.** Most Signatories focus their ex-ante assessments on direct impact for primary beneficiaries. Explicit assessment of indirect or system-level effects, such as those relating to value chains, capital market dynamics or broader social or environmental systems, remains a nascent practice. These effects are complex, depend on multiple external factors and contexts, and unfold over long time horizons, making systematic ex-ante assessment and quantification difficult. When included, they are typically addressed through qualitative narratives rather than quantified estimates. This gap highlights a potential area for future methodological development and guidance for the field.<sup>3</sup>
- **Inconsistent assessment of impact risks and likelihood.** Few Signatories systematically evaluate the likelihood of achieving expected impact or link it to specific impact risks, mitigation strategies or decision thresholds. This can lead to overstating expected impact when ambition is not calibrated to feasibility, especially for early-stage, innovative or system-level strategies with limited historical evidence. When impact risks are identified, practices vary in depth and structure, with few explicitly using formalized tools such as the ten types of impact risks identified in the Five Dimensions of Impact.<sup>4</sup> Strengthening practice in this area would improve the credibility of expected impact estimates, clarify underlying assumptions and create a stronger feedback loop for monitoring, learning and improvement under Principles 6 and 8.
- **Limited articulation of significance relative to the size of the challenge.** While most investors articulate the problem an investment seeks to address and who stands to benefit, few systematically assess how the expected impact compares to the scale of the problem by using market-specific data, evidence or analysis of

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<sup>2</sup> Also read on challenges related to measuring outcomes versus outputs in the [Principle 8 Common and Emerging Practices](#).

<sup>3</sup> The Systems Thinking for Impact Investing [Primer](#) and [Playbook](#) published by the Rockefeller Philanthropy Advisors and Shift Systems Initiative offer practical frameworks and toolkits for applying systems thinking to impact investing practice, including how it can be integrated with the Impact Principles.

<sup>4</sup> <https://impactfrontiers.org/norms/five-dimensions-of-impact/impact-risk/>

geographic, sectoral or population contexts. Without this grounding, it is difficult to distinguish incremental from transformational impact potential.<sup>5</sup>

- **Resource and data constraints.** Many investors — especially those operating in emerging markets, early-stage investments, or nascent thematic areas — face limitations in the availability, reliability and granularity of data needed for robust ex-ante impact assessment. Baseline data are often incomplete, sector-level benchmarks or thresholds may not exist and investees lack the dedicated staff capacity or systems to provide consistent information during due diligence. Even when data is provided, inconsistencies in metric selection and definitions, as well as differences in underlying methodologies and assumptions, can limit comparability across potential investments.
- **Difficulty setting realistic impact targets at entry.** Even when intended outcomes and KPIs are clearly defined, limited baseline and benchmark data and uncertain operating conditions make it difficult to set credible, time-bound impact targets at the point of investment. As a result, some investors defer target-setting until after investment, when more information can be collected, validated and discussed with investees. Without clear assumptions or a strong linkage to impact risks and investor contribution, impact targets may also become either overly aspirational or insufficiently grounded, undermining their utility for performance management and learning over time. Revising targets over the course of the investment as new and more information becomes available can help targets to be more realistic.

## KEY OBSERVATIONS IN THE IMPLEMENTATION OF PRINCIPLE 4

Across disclosure statements, Signatories demonstrate increasing maturity in ex-ante impact assessment practices under Principle 4. While levels of rigor vary, most are moving toward structured and consistent approaches to assessing impact potential to inform investment decisions. Notable observations include:

1. **Increasing institutionalization of ex-ante impact assessment.** Signatories increasingly utilize formalized tools and frameworks to assess impact potential during screening, due diligence and decision-making stages. These tools work together to ensure impact is systematically assessed, documented and integrated into investment decisions, supporting disciplined capital allocation and effective portfolio-level aggregation and management. Common components include:

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<sup>5</sup> The GIIN's [COMPASS methodology](#) introduces a structured approach for interpreting the significance of expected results by comparing impact results relative to peers and magnitude of the corresponding social or environmental challenge.

- **Initial screening:** Using impact screening checklists or criteria to establish minimum impact alignment and filter out opportunities that do not meet baseline impact requirements before committing full due diligence resources.
- **Full due diligence:** Assessing expected impact in depth, using a combination of internal and external tools such as impact due diligence checklists or questionnaires, investment-level theories of change and dedicated impact narratives in investment memos.
- **Decision-making:** Using consistent impact frameworks — such as impact rating, scoring, targets, monetization or quantification — to make impact considerations explicit, systematic and comparable, and to anchor future monitoring and reporting. [See Exhibit 4a.]

EXHIBIT 4a.

### Formalized Tools Used in Ex-Ante Impact Assessment

	 <b>Initial Screening</b>	 <b>Full Due Diligence</b>	 <b>Decision-making Framework</b>
<b>Goal</b>	<ul style="list-style-type: none"> <li>• Quickly determine whether the opportunity meets minimum impact criteria and merits advancing to full due diligence.</li> </ul>	<ul style="list-style-type: none"> <li>• Evaluate impact potential in depth, validating the theory of change, intended results, contribution and risks with evidence.</li> </ul>	<ul style="list-style-type: none"> <li>• Apply a consistent impact framework to compare opportunities, inform investment decisions and support ongoing portfolio management.</li> </ul>
<b>Example tools</b>	<ul style="list-style-type: none"> <li>• Impact screening checklist or criteria</li> </ul>	<ul style="list-style-type: none"> <li>• Impact due diligence checklist or questionnaire</li> <li>• Investment-level theory of change or impact thesis</li> <li>• Impact narrative in investment memo</li> </ul>	<ul style="list-style-type: none"> <li>• Impact rating/scoring</li> <li>• Impact targets</li> <li>• Impact monetization</li> </ul>

**2. Broad adoption of IRIS+ and the Five Dimensions of Impact.** The GIIN's IRIS+ and the Impact Frontiers' Five Dimensions of Impact are widely used to define and assess expected impact, with many Signatories drawing on IRIS+ for standardized core metric sets and the Five Dimensions of Impact to systematically structure impact analysis across the *what, who, how much, contribution and risk* dimensions. However, depth and consistency in application vary. Even when investors cite the same IRIS+ indicators, underlying methodologies and assumptions may vary,

limiting comparability and aggregation across portfolios. Similarly, there are vast differences in how investors operationalize the various dimensions, such as contribution and risk. Continued convergence in definitions and methodologies — along with shared understanding of where further contextualization is necessary — will help unlock the full benefits of shared frameworks while enabling more meaningful cross-portfolio comparison.

- 3. Growing use of impact scoring, rating systems and dashboards.** An increasing number of Signatories are formalizing ex-ante impact assessment and decision making through structured impact rating or scoring systems. Often integrating the Five Dimensions of Impact and IRIS+, these tools synthesize multiple components of impact considerations into a comparable assessment that can be applied consistently across investments. They help translate qualitative judgements into structured and replicable assessments, reinforcing discipline and consistent decision-making across investments.

In parallel, more investors are using impact dashboards to visualize expected impact across investments and portfolios. Dashboards consolidate ratings, key indicators and thematic or risk exposure in a format that supports portfolio-level analysis, insights and ongoing monitoring and reporting. While methodologies vary, the growing use of ratings and dashboards together reflect a broader market trend toward prioritizing comparability, aggregation and decision-usefulness of impact assessment.

- 4. Role of theories of change in ex-ante impact assessment.** For many Signatories, the theory of change is central in assessing ex-ante impact potential. At the level of a fund, theme, asset class or strategy, theories of change form the foundation of impact frameworks used during due diligence to assess whether prospective investments align with and can credibly contribute to intended impact pathways. Signatories also review or develop investment-level theories of change, which help define appropriate impact metrics and strengthen the robustness of the due diligence process. These may be created by the investee, developed by the investor, or co-created collaboratively. This process brings analytical discipline to understanding how investment activities lead to expected outcomes, articulating evidence-based assumptions, dependencies and impact risks, and evaluating whether an investee's impact pathway is plausible, measurable and aligned before capital is committed.

- 5. Quantifying impact potential using KPIs, baselines, thresholds and targets.** Many Signatories have moved beyond narrative descriptions to quantify expected impact ex-ante. Notable practices include:

- Selecting key performance indicators (KPIs), often combining standardized metrics (e.g., from IRIS+) with bespoke indicators tailored to the investee's business model

- Quantifying impact at multiple levels, including the investment, thematic/sector and portfolio levels
- Establishing baselines and setting indicative target trajectories to anchor expectations and support future performance monitoring
- Using thresholds or external benchmarks, which draw on public or sector-specific data, to contextualize both baseline and expected results
- Formalizing impact targets through agreements, side letters or incentive structures that link targets to management compensation.

Given many challenges related to data availability, consistency and quality, Signatories are adopting adaptive approaches. Some set data requirements at entry and establish or refine baselines within a defined post-investment window (e.g., six to twelve months). KPIs and targets established ex-ante during due diligence may evolve over time post-investment as data systems and collection improve, allowing for flexibility and iterative refinement.

- 6. Identifying impact improvement opportunities.** Some Signatories explicitly identify opportunities to improve impact performance during ex-ante assessment. These may include improving investees' impact measurement and management systems or enhancing governance, strategy or operational practices to support stronger impact outcomes. Such opportunities may be discussed with investees during due diligence, reinforcing the link between Principle 4 and Principle 3 (investor contribution), and incorporated into post-investment, impact-driven value creation plans. However, fewer Signatories systematically track whether and how these opportunities are implemented and realized over time.<sup>6</sup>

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<sup>6</sup> Read more on investor contribution in [Principle 3 Common and Emerging Practices](#).  
[www.impactprinciples.org](http://www.impactprinciples.org) Common and Emerging Practices | Principle 4 - Draft V1.0

# Common, Emerging and Nascent Practices in Implementation of Principle 4

Note: The findings and observations are primarily based on an analysis of the most recent 166 Signatory disclosure statements at the time of the review, published in 2024 and 2025.

An analysis of disclosure statements shows that most Signatories have established systematic approaches to assessing expected impact prior to each investment, reflecting the maturity of ex-ante impact discipline under Principle 4. Common Practices demonstrate how Signatories ground investment decisions in structured frameworks aligned with their impact strategies and theories of change, identify appropriate metrics to quantify and monitor investment-level impact potential, and commonly use IRIS+ and the Five Dimensions of Impact as widely adopted standards and frameworks in impact assessment.

At the same time, disclosures reveal emerging practices that seek to deepen rigor, including impact scoring, impact-related risk assessment and target setting. Nascent practices include the consideration of systemic or indirect impact and the likelihood of achieving expected impact, informed by assessments of impact-related risk factors. Together, these practices illustrate both the significant progress made and the remaining opportunities to strengthen how investors assess investment-level impact potential in a consistent, evidence-informed and decision-useful way across portfolios.

## Common Practices (50-100% of Disclosures)

- a. **Using an impact framework.** 93% of Signatories describe applying a consistent impact framework to assess expected impact at the investment level prior to commitment. About 28% of Signatories include a visual representation of their framework in the disclosure statement, illustrating how impact considerations are systematically applied across investment opportunities.
- b. **Identifying impact metrics or KPIs.** 74% of Signatories disclose using impact metrics or KPIs identified through ex-ante impact assessment, with **62%** of Signatories citing examples of specific metrics in their disclosures. These metrics, often a mix of standardized metrics and investment-specific indicators, are linked to the theory of change and translate portfolio-level impact goals into measurable indicators at the investment level, forming a basis for post-investment monitoring.
- c. **Aligning indicators to IRIS+.** 67% disclose using the GIIN's IRIS+ to align their impact indicators with a widely adopted industry standard. Around **30%**

reference using HIPSO or Joint Impact Indicators, particularly among Signatories with development finance organizational mandates or sources of funding.

- d. **Applying the Five Dimensions of Impact.** 64% disclose applying the Impact Frontiers' Five Dimensions of Impact as part of their ex-ante assessment. Some Signatories apply the Five Dimensions directly, while others use adapted or integrated versions embedded within proprietary impact frameworks or standards.
- e. **Quantifying impact potential.** 63% disclose efforts to quantify expected impact ex-ante, typically using impact metrics or KPIs to establish baselines and expected trajectories, which are tracked post-investment as part of ongoing monitoring.

### Emerging Practices (25 to <50% of Disclosures)

- f. **Impact scoring or rating.** 44% disclose using a formalized impact scoring or rating approach within their impact frameworks to support consistent assessment and comparison across potential investments during screening or due diligence processes.
- g. **Identifying impact risk factors.** 35% disclose identifying and considering impact-related risks that cause actual impact to vary from expectations.
- h. **Considering the relative size of the challenge.** 28% disclose considering or assessing the relative scale of the problem being addressed, often through discussions of local, country-level, regional or global contexts.
- i. **Setting impact targets.** 27% disclose establishing explicit impact performance targets at the investment level, which are monitored and may be reassessed over the course of the investment period.
- j. **Potential to increase impact.** 26% disclose assessing opportunities to increase impact post-investment through active management and as part of value creation plans.

### Nascent Practices (<25% of Disclosures)

- k. **Indirect and systemic impact.** 19% disclose considering indirect and systemic impact, extending beyond direct outcomes experienced by immediate beneficiaries to include broader market, sectoral, value chain or ecosystem-level effects associated with an investment. When mentioned, these considerations are typically narrative-based rather than quantified as indicators.
- l. **Use of third-party advisors.** 19% disclose using external advisors or specialists to support impact assessment, particularly where internal capacity or sector expertise is limited. Advisors may contribute to impact framework design, due

diligence or in-depth sector-level or technical expertise during the assessment process.

- m. **Assessing likelihood of achieving expected impact.** 16% disclose assessing the likelihood of achieving expected impact, going beyond identifying risks to explicitly consider feasibility or probability. Assessments are typically qualitative rather than quantitative.
- n. **Use of third-party data.** 15% disclose using external data for assessing expected impact, including public data sources from international, government or academic agencies, as well as sector benchmarks or other specialist research data. These data are typically used to contextualize impact assessments and assumptions.
- o. **Impact dashboard.** 14% disclose using an impact dashboard to consolidate and compare, analyze and communicate impact data across their investments.
- p. **Impact monetization or valuation.** Only 2% of Signatories disclose using impact monetization or valuation approaches, translating impact outputs or outcomes into a monetary value to allow comparison across investments.

# Principle 4

## Signatory Practice Spotlights

Actis

BlueOrchard Finance Ltd

elea Foundation for Ethics in Globalization

INOKS Capital SA

Lightrock

Mediterrania Capital Partners

Scottish National Investment Bank

The Rise Fund

Zurich Insurance Group



Operating Principles for  
Impact Management

# Actis

## Embedding ex-ante impact scoring into investment decision-making

Asset Class: Infrastructure

Actis is a leading growth-market investor in sustainable infrastructure. It invests in structural themes that aim to support long-term, equitable growth in defensive, critical infrastructure across energy transition, digitalization transition and supply chain transformation. Actis integrates ex-ante impact assessment directly into investment decision-making through its proprietary Actis Impact Score (AIS), a tool used to measure and monitor impact performance on a portfolio basis.

- **The Actis Impact Score (AIS) – impact scoring embedded in deal approval:** The AIS estimates the projected impact outcomes of a prospective investment and reflects a transaction-specific impact thesis. These forecast scores are jointly developed by the investment and sustainability teams ahead of Final Investment Committee approval to define the intended impact of the proposed investment, the beneficiaries and the magnitude of impact targeted. Prior to deal completion, investments receive a forecast AIS score, translating an investment’s impact thesis into quantified projections and visually mapping expected outcomes through an Impact Value Bridge. [See Practice Examples 4.1 and 4.2.]
- **Needs-based impact assessment:** Actis evaluates impact potential using the Five Dimensions of Impact and integrates country- and market-level data from credible global sources (e.g., ILO, World Bank, WHO) to assess the extent to which targeted beneficiaries are underserved and to contextualize the anticipated contribution of the investment.
- **Linking risk-adjusted projections to monitoring and value creation:** AIS incorporates a baseline assessment of the likelihood of achieving intended impact. These insights guide portfolio monitoring and engagement, helping Actis target risk mitigation actions and strengthen delivery of both direct and indirect impacts.
- **Standardized impact performance tracking using common indicators:** Indicators draw on industry standards such as the SDGs, IRIS+ and Joint Impact Indicators where possible, to quantify and track investment-level impact potential and outcomes consistently across investments.



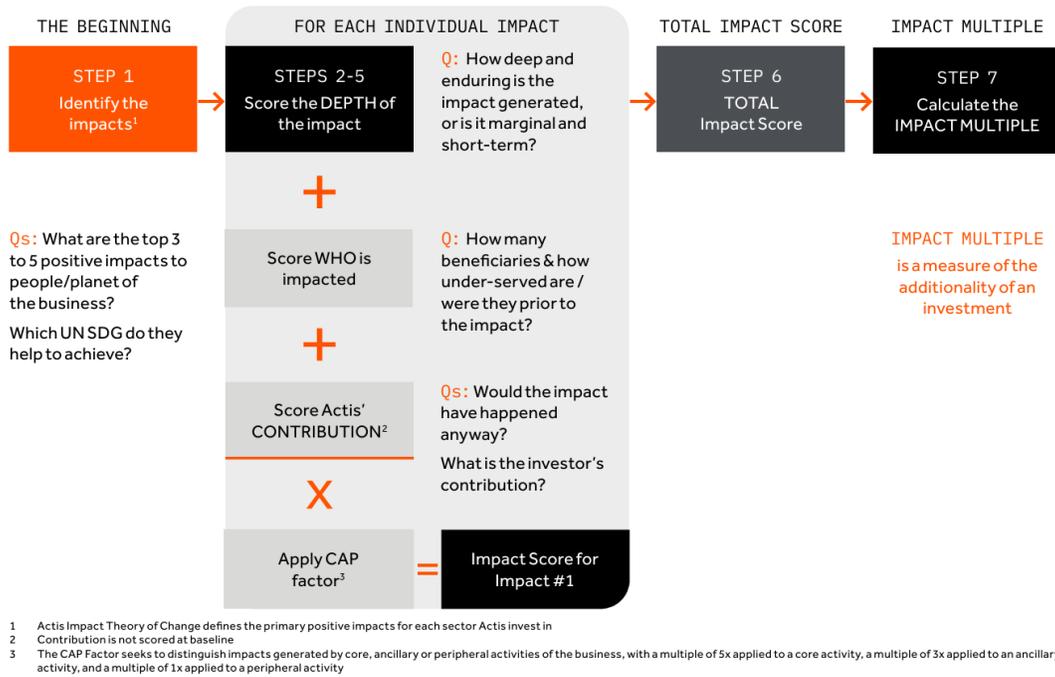
Signatory to:



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Practice Example 4.1

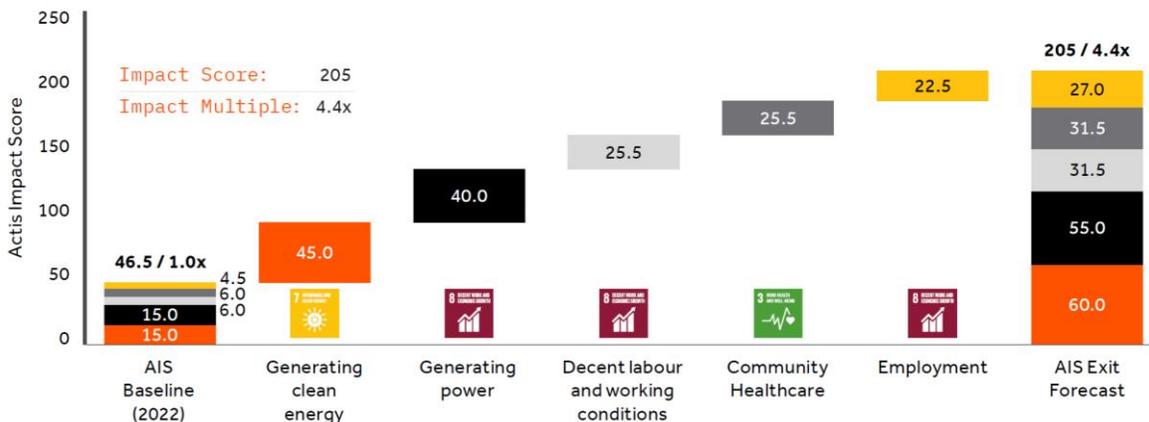
## Actis Impact Score: A Visual Overview of the Methodology



Practice Example 4.2

## Visualizing Expected Impact Through the AIS Impact Value Bridge

BluPine Energy is a renewable energy generation and storage company targeting 4 GW of wind and solar power capacity in South Asia<sup>1</sup>



<sup>1</sup> Examples of specific investments, case studies or sectors identified herein represent only some of the investments made by Actis. It should not be assumed that the investments identified were or will be profitable, that their performance is necessarily representative of Actis' overall performance or that Actis will make similar investments in the future.

# BlueOrchard Finance Ltd

## Standardized impact scoring for assessment and monitoring

Asset Class: Multi-asset class

BlueOrchard, a member of the Schroders Group, manages the largest microfinance fund globally and serves as a trusted partner to leading development finance institutions through its expertise in blended finance mandates. It conducts ex-ante impact assessment through its proprietary B.Impact Framework, which applies standardized sustainability and impact scorecards and ratings across impact themes and asset classes (private debt, private equity and listed debt). [See Practice Examples 4.3]

- **B.Impact Framework – a standardized impact management framework:** As part of the framework, each prospective investment undergoes a structured Impact Scorecard assessment prior to selection and must meet a defined minimum impact score and be approved by the impact management team to be eligible for portfolio inclusion. [See Practice Examples 4.4]
- **Structured assessment aligned with the Five Dimensions of Impact:** The structured Impact Scorecard assesses each investment opportunity following the Impact Frontiers' Five Dimensions of Impact. It combines analysis of impact intent KPIs and target stakeholder information with assessment of fund- and investee-level contribution, while accounting for potential unintended negative effects and risks that the intended impact may not be achieved.
- **KPIs aligned with industry best practices:** Impact KPIs are mapped to the SDGs and, where possible, aligned with widely accepted standards, including IRIS+, IFC Performance Standards, ICMA and HIPSO, to support consistent measurement across investments and asset classes.
- **Scoring linked to portfolio monitoring and governance:** Impact scores are aggregated and tracked at the portfolio level and regularly communicated to senior management, fund boards and investors to inform performance monitoring and oversight.



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Schroders Group

Signatory to:



Operating Principles for  
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Practice Example 4.3

## BlueOrchard's Proprietary B.Impact Framework



Practice Example 4.4

## BlueOrchard Impact Scorecard for Investment Impact Assessment

**IMPACT SCORECARD**

The scorecard displays various impact metrics across different categories, including:

- ESG (Environment, Social, Governance)
- Impact (What, How Much, Who, Contribution, Risk)
- SDG Alignment

The interface includes filters, search bars, and data tables with columns for metrics, scores, and descriptions.

**Important information**

Marketing material.

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# elea Foundation for Ethics in Globalization

Using impact points to compare expected impact across portfolio

Asset Class: Multi-asset class

The elea Foundation for Ethics in Globalization is a philanthropic impact investor dedicated to fighting absolute poverty with entrepreneurial means. Through a mix of equity, loans and grants, elea provides catalytic capital to help investees scale their operations and increase their impact. Its ex-ante impact assessment is grounded in the **elea Impact Measurement Methodology (eIMM)**, a proprietary framework that translates expected impact into **elea Impact Points**, enabling comparison of impact potential across diverse business models. [See **Practice Example 4.5.**]

- **Quantifying venture impact using impacted people weighting and multipliers:** At the core of the eIMM is the calculation of **venture impact**, which begins by estimating the number of impacted people both directly and indirectly reached. The impacted people are allocated to one of nine categories with specific weightings that reflect differences in the intensity and continuity of expected benefits, as pre-defined by distinct theories of change. To capture the composite **venture impact**, the weighted impacted people figure is then multiplied by a series of factors, including:
  - **Edge factor:** captures the venture's innovation and level of transferability
  - **Sustainability factor:** evaluates financial viability and execution capacity
  - **Ecosystem factor:** weighs the ability to build or strengthen an ecosystem that increases its impact on people living in absolute poverty
  - **Risk factor:** considers political, environmental, cultural and thematic risks motivating the use of philanthropic capital
- **Incorporating investor contribution through *elea Share* and *elea Leverage*:** elea then reflects its monetary and non-monetary contributions into the final score through the **elea Share**, its portion of the total funding, and the **elea Leverage**, the extent of its non-financial contribution. The product of venture impact with these figures yields **elea Impact Points**, an artificial currency that allows elea to compare impact potential on a standardized, consistent basis.
- **Operationalizing impact assessment:** elea uses the eIMM not only to support its investment selection process, but also to set ex-ante impact targets, which are measured against annually. By aggregating elea Impact Points across active investments, elea also monitors impact performance consistently at the portfolio level, supporting learning and prioritization for investee engagement throughout the investment lifecycle.

elea

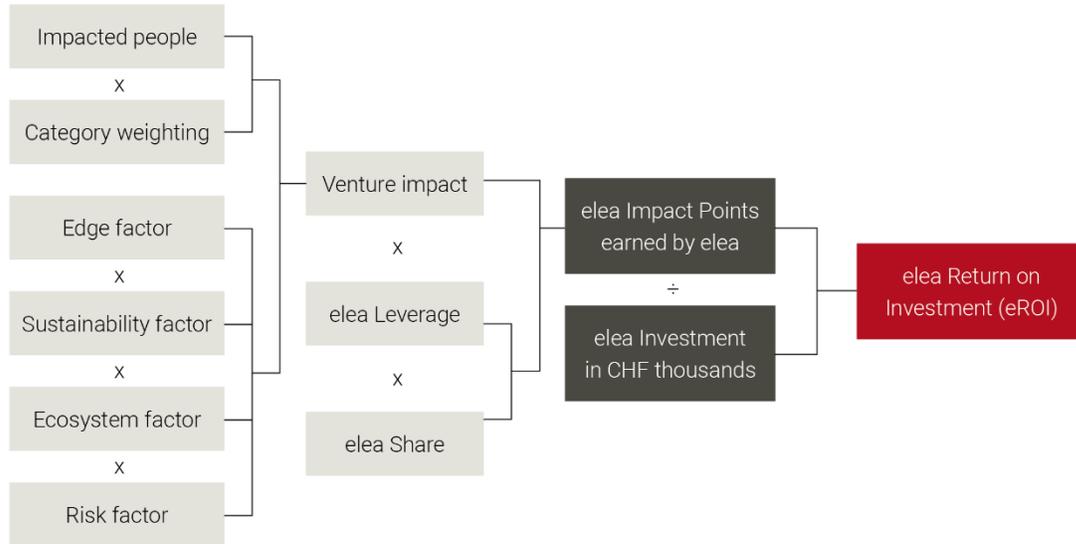
Signatory to:



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Practice Example 4.5

**elea's eIMM Methodology**



# INOKS Capital SA

## Institutionalizing Ex-ante Impact Assessment

Asset Class: Private Debt / Alternative Credit

INOKS Capital is a Swiss asset manager specializing in customized financing solutions for companies primarily in the agriculture and food sector in fast-developing markets in Sub-Saharan Africa, Asia, Latin America and Europe. INOKS Capital aims to expand access to capital for resilient, value-adding activities within the real economy. To assess the expected impact of investments, INOKS Capital has established a structured methodology applied consistently across the pre-investment process. [See Practice Example 4.6.] In practice, this approach is applied across three main steps:

- **Origination – Systematic sourcing using a proprietary database:** Investments are sourced using a proprietary database identifying High-Impact Areas (HIAs) and High-Risk Areas (HRAs) at the country, commodity and value chain levels. This provides a preliminary view of priority opportunities by addressing country-specific development needs (e.g., access to finance, food security) while identifying areas with elevated environmental and social risks.
- **Screening – Establishing initial impact alignment:** Potential investees undergo initial screening to assess expected impact and evaluate their contribution to INOKS Capital's four impact themes — poverty reduction, food security, environmental quality and women's empowerment — as well as to its long-term objective of developing sustainable agricultural value chains.
- **Due Diligence – Conducting full ex-ante impact quantification:** A comprehensive impact and risk assessment integrates contextual analysis with ex-ante impact quantification under INOKS' Impact Measurement Framework. Investments are assessed using both IRIS+ and in-house indicators, contributing to an impact score to assess investees' contribution to each impact theme. The impact analysis findings are formalized in an Impact Factsheet. Identified improvement opportunities are discussed with the investee, and expected impacts, including measurable quantitative targets, are incorporated into the engagement letter.

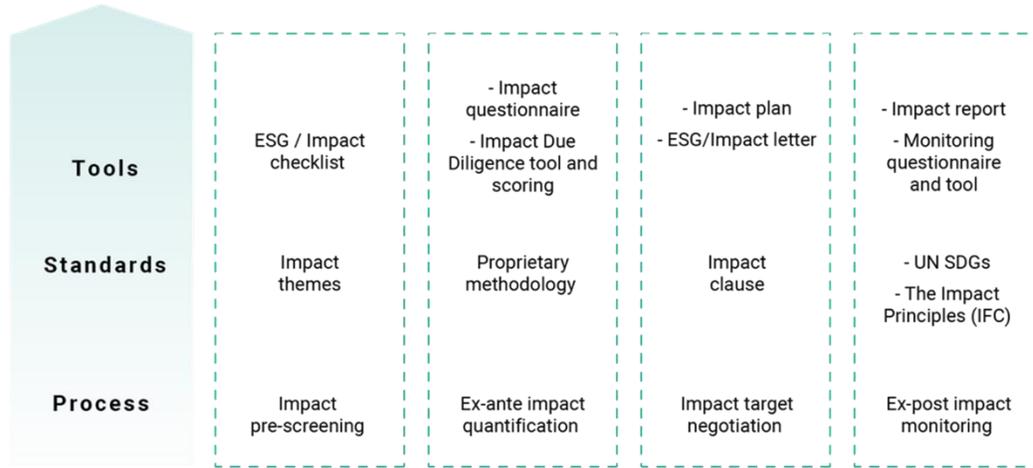


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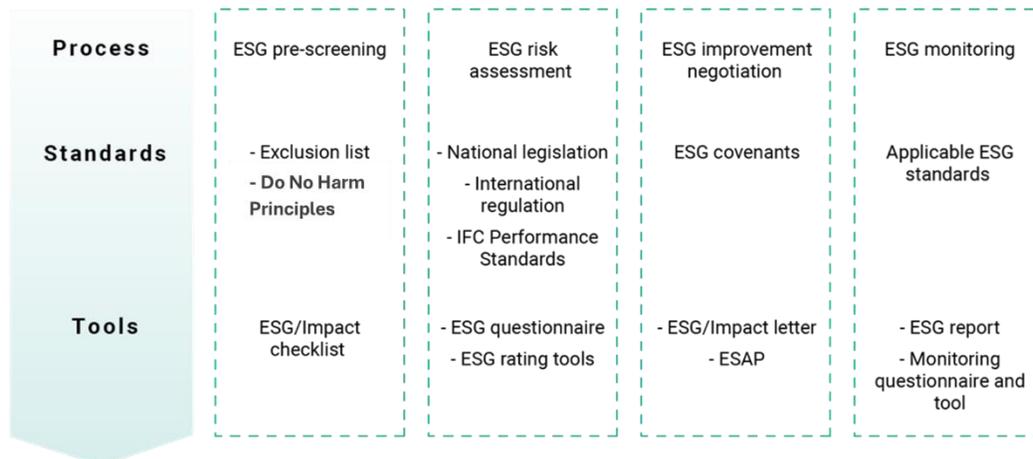


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## INOKS' Ex-ante Impact Assessment Approach



### INVESTMENT cycle



# Lightrock

## Dual-tool for risk-adjusted impact assessment and narrative

Asset Class: Private Equity

Lightrock is a global sustainable investment platform operating across public and private markets. Its private-market impact investing focuses on scaling growth-stage companies across three themes: people, planet and productivity/tech for good. Within these themes, Lightrock focuses on specific sectors or subthemes and develops impact objectives and evidence-based theories of change for each.

For each investment, Lightrock assesses expected impact using two complementary proprietary tools: the **Lightrock Impact Scorecard**, which quantifies risk-adjusted impact potential, and the **Impact Model**, which defines the impact narrative, including the impact rationale, expected outcomes and KPIs.

- **Quantifying risk-adjusted impact potential:** The Lightrock Impact Scorecard turns qualitative assessments of impact potential and risks into a standardized, quantitative impact score. Drawing on the Five Dimensions of Impact, the tool evaluates expected impact across six categories and aggregates the results into a single Impact Potential Score. This score is adjusted using an Impact Risk Factor that assesses impact-related risks across four categories. The outcome is a risk-adjusted net impact score that provides a holistic, consistent and comparable view of each opportunity's positive impact potential to support informed investment decision-making. [See Practice Example 4.7.]
- **Developing the impact narrative:** Lightrock's Impact Model complements the Impact Scorecard by supporting investment managers to further develop the impact rationale behind a prospective investment. This includes detailing the expected outcomes and the underlying theory of change with evidence for both the relative size of the challenge and the effectiveness of the proposed solution.
- **Defining KPIs and setting targets:** Using insights from the Impact Model, investment managers identify relevant impact KPIs, typically drawing on standardized metric sets like IRIS+ and the Joint Impact Indicators. KPIs are systematically tracked and monitored. Where appropriate, impact targets are established for selected KPIs and incorporated into ongoing performance management. The approach to target setting may vary at the investment or portfolio level depending on the strategies and investments.



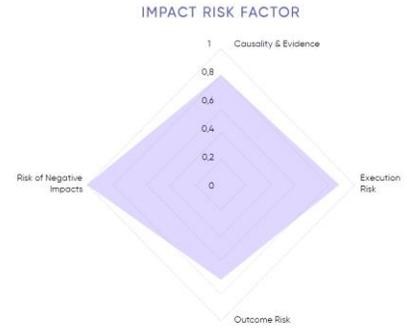
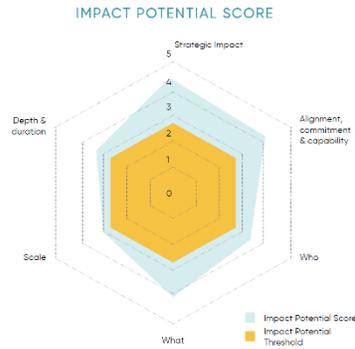
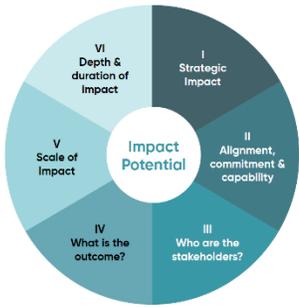
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Practice Example 4.7

# Lightrock's Proprietary Impact Scorecard



Impact Potential Score 3.67	*	Impact Risk Factor 0.85	=	Net Impact Score 3.12
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# Mediterrania Capital Partners

## Balancing standardized metrics with tailored impact criteria

Asset Class: Private Equity

Mediterrania Capital Partners (MCP) is a private equity firm focused on growth investments in small and medium enterprises (SMEs) and mid-cap companies across Africa, with a focus on value creation and sustainable development. MCP supports sectors that directly enhance people's well-being and promote inclusive growth, including healthcare, pharmaceuticals, medical equipment and diagnostics, and financial inclusion.

MCP's ex-ante impact assessment balances standardized metrics with tailored impact criteria, grounded in a clear impact thesis for each prospective investment. A proprietary scoring tool quantifies expected impact potential as well as associated risks to inform decision making and anchors post-investment monitoring and value creation plans.

- **Impact thesis for each investment:** Each prospective investment includes a specific impact thesis articulating anticipated impact outcomes, aligned with a structured theory of change and identifying relevant SDG targets, 2X Challenge criteria (where applicable), and sector-specific impact themes.
- **Standardized and sector-specific metrics:** Core indicators from the IRIS+ catalog serve as a baseline for assessing all investments, supplemented with sector-specific metrics tailored to industries and investment-specific KPIs capturing each investee's unique contribution to impact creation.
- **Tailored impact criteria:** In addition to standardized metrics, MCP applies tailored impact criteria that reflect the specific sector, business model and impact pathways of each prospective investment. This allows MCP to evaluate the impact dimensions that are most material to each investment, while preserving a level of comparability across the portfolio through a common scoring framework.
- **Ex-ante impact scoring linked to capital allocation:** Prospective investments receive an impact score prior to approval, refined following environmental and social due diligence and benchmarked across the portfolio. The scorecard assigns both numerical (0-100) and letter grades (D to A+), where higher scores indicate stronger expected impact performance and management systems, and higher ratings reflect greater robustness in data quality, governance, accountability and transparency.



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# The Scottish National Investment Bank

## Multi-level KPIs and impact scoring across investments

Asset Class: Private Equity and Private Debt

The Scottish National Investment Bank is a development investment bank established by Scottish Ministers to deliver impact across three national priorities: net zero, places and communities, and innovation. The bank applies a structured impact assessment framework from origination through portfolio management, using mission fit, impact scoring, theories of change and KPIs to guide investment decisions and track progress.

[See Practice Example 4.8.].

- **Mission-aligned screening and thesis development:** All investment proposals are screened at initial enquiry for mission alignment and assessed using the Five Dimensions of Impact to develop bespoke impact theses. This identifies the type and scale of expected impact, target beneficiaries, expected contribution and risks to impact delivery. All investments are assigned low-to-high impact ratings to support consistent comparisons across the pipeline.
- **Multi-level KPIs with baseline driven by theory of change:** For each investment, the Bank co-creates an investment-level theory of change with the investee, capturing expected activities, outputs, outcomes, and mission impact. The theory of change establishes mutually agreed impact KPIs that reflect the investment’s specific pathway to impact. Impact KPIs are applied at the investment, mission and portfolio levels, with baselines established at the point of investment, providing a foundation for ongoing monitoring. [See Practice Example 4.9.].
- **Assessing and scoring investor contribution:** The bank assesses and scores its expected contribution using a structured model based on three dimensions:
  - **Financial additionality:** Providing capital where capital is not available, or not available in sufficient quantity or terms.
  - **Value additionality:** Knowledge, advice, governance and impact expertise.
  - **Mobilization:** Enabling co-investment by other investors.

The bank then scores its contribution using a combined view of **confidence** (likelihood of providing additional value) and **scale** (assessment of “value add”).



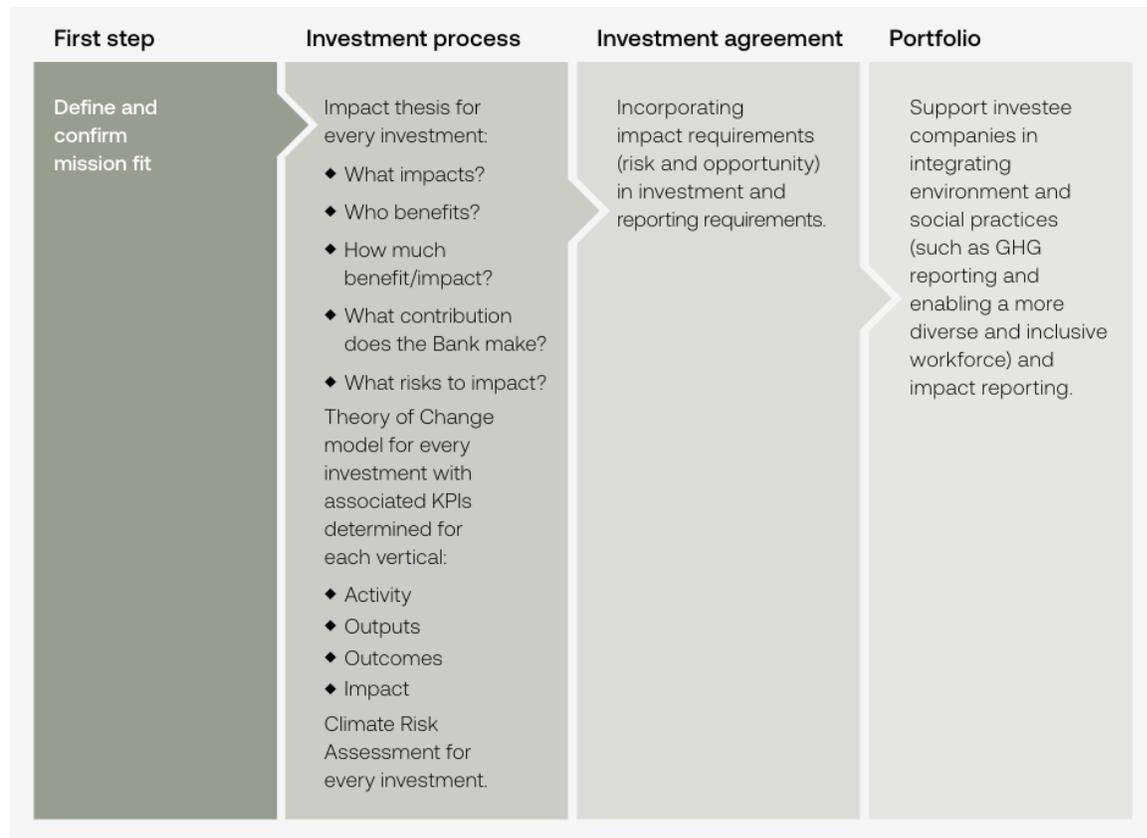
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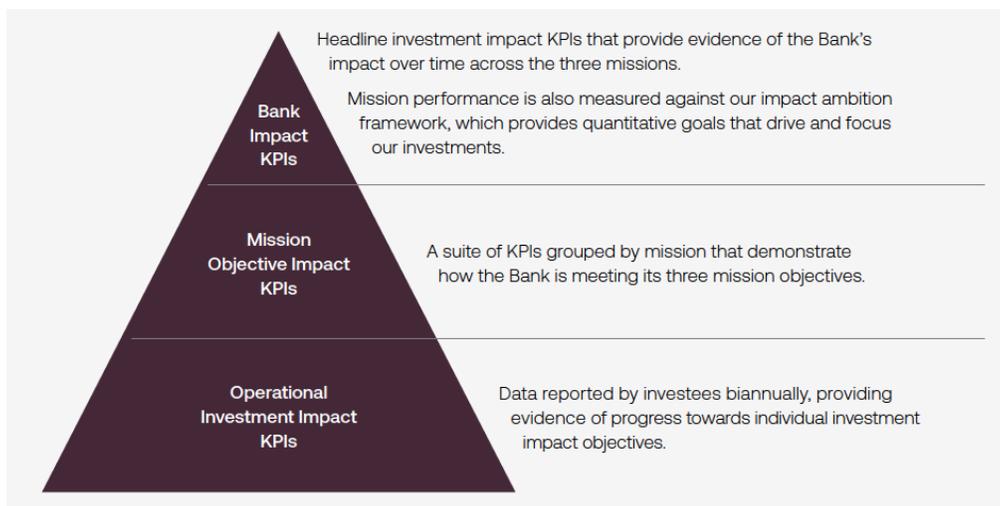
Practice Example 4.8.

## The Scottish National Investment Bank's Approach to Impact Assessment



Practice Example 4.9.

## The Scottish National Investment Bank's Multi-Level Impact KPIs



# The Rise Funds

Applying a research-driven methodology to ex-ante impact assessment, monetization and impact management

Asset Class: Private Equity

TPG's Rise Funds' vision is to harness commercial capital at scale to invest in and grow businesses that drive meaningful and measurable positive societal impact, while generating competitive financial returns. TPG's Rise Funds invest in companies that expand access to critical solutions in climate, education, financial inclusion, healthcare and technology. Central to this mission is Y Analytics, TPG's dedicated impact assessment capability, which provides rigorous, evidence-based decision tools to inform capital allocation by the funds across TPG's impact investing platform, including The Rise Funds.

**Impact Multiple of Money (IMM)<sup>7</sup>:** The primary decision tool is the IMM, applied in diligence for every deal considered for TPG Rise Funds. The IMM estimates the social and environmental value created per dollar of capital deployed. Anchored in existing industry frameworks, such as the Five Dimensions of Impact and Social Return on Investment, the IMM includes:

- **Breadth:** Estimating an enterprise's expected reach and output.
- **Depth:** Applying third-party research to determine per-unit impact net of the counterfactual.
- **Value:** Converting impact into a dollar-value equivalent to assess capital efficiency.
- **Risk and Duration:** Adjusting for research confidence and the longevity of impact.
- **Ownership:** Calculating a ratio based on the fund's share and total capital invested.

## Core principles:

- **Evidence-Based:** Every assessment is underpinned by third-party scientific, economic, or social science research. This shifts the focus from intent to impact efficacy, using empirical evidence to estimate the net benefits provided to beneficiaries.
- **Value of Impact:** By monetizing outcomes, the IMM allows the aggregation of different impact pathways — such as carbon emissions averted and cost savings from cheaper electricity access — within a single, comparable unit. This allows for an understanding of impact magnitude and capital efficiency.
- **Above and Beyond:** The IMM only accounts for impact generated beyond the status quo or counterfactual. This commitment to enterprise additionality ensures that credit is only given for progress that would not have occurred without the target company.
- **Full Lifecycle:** Impact assessment informs the entire investment lifecycle. From diligence to portfolio management, The Rise Funds maintain a dual focus on supporting both financial and impact growth.



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<sup>7</sup> For full methodology whitepaper, please refer to [Evidence-based Impact](#)

# Zurich Insurance

## Applying a structured, tailored impact assessment across asset classes

Asset Class: Multi-Asset Class

Zurich Insurance Group is a global insurer that centers its impact investing approach on two priorities: mitigating environmental risks and increasing community resilience. As a diversified institutional asset owner, Zurich Insurance's impact investment portfolio is allocated to use-of-proceeds bond, impact private debt fund, and impact private equity fund. In assessing an investment's expected impact, Zurich Insurance takes a systematic approach that is both grounded in its own impact objectives and tailored to differences across asset classes.

- **Systematic impact assessment:** Zurich assesses expected impact by evaluating an investment across three categories. It analyses the “what” to identify the intended impact of a given investment in line with Zurich’s impact objectives, the “who” to identify beneficiaries, and the “significance of impact” to assess its pro-rata share of the impact achieved by an investment. The metrics are aligned with industry standards such as IRIS+.
- **Asset-class-specific practices:** In addition to its standardized approach, Zurich tailors its impact assessment to each asset class's particular characteristics.
  - **Fixed income (green, social and sustainability bonds):** Assesses the ex-ante impact potential of financed projects, while evaluating the issuer’s intent and the project’s alignment with its sustainability strategy<sup>8</sup>. [See Practice Example 4.10.]
  - **Impact infrastructure private debt:** Applies the Green and Social Bond Principles categorization, differentiating between environmental and social impact infrastructure, and requires non-financial reporting from project developers.
  - **Impact private equity:** Evaluates fund managers’ strategies by theme, customer segment, sector and geography, requiring commitment to impact reporting but not an explicit impact fund branding.
- **Structured foundation for portfolio-level aggregation:** Zurich’s ex-ante assessment methodology feeds directly into its broader impact measurement system<sup>9</sup>, allowing aggregation of impact data across asset classes and progress towards its ambition to help to avoid 5 million metric tons of CO<sub>2</sub>e emissions per year and contribute to benefiting 5 million people annually.



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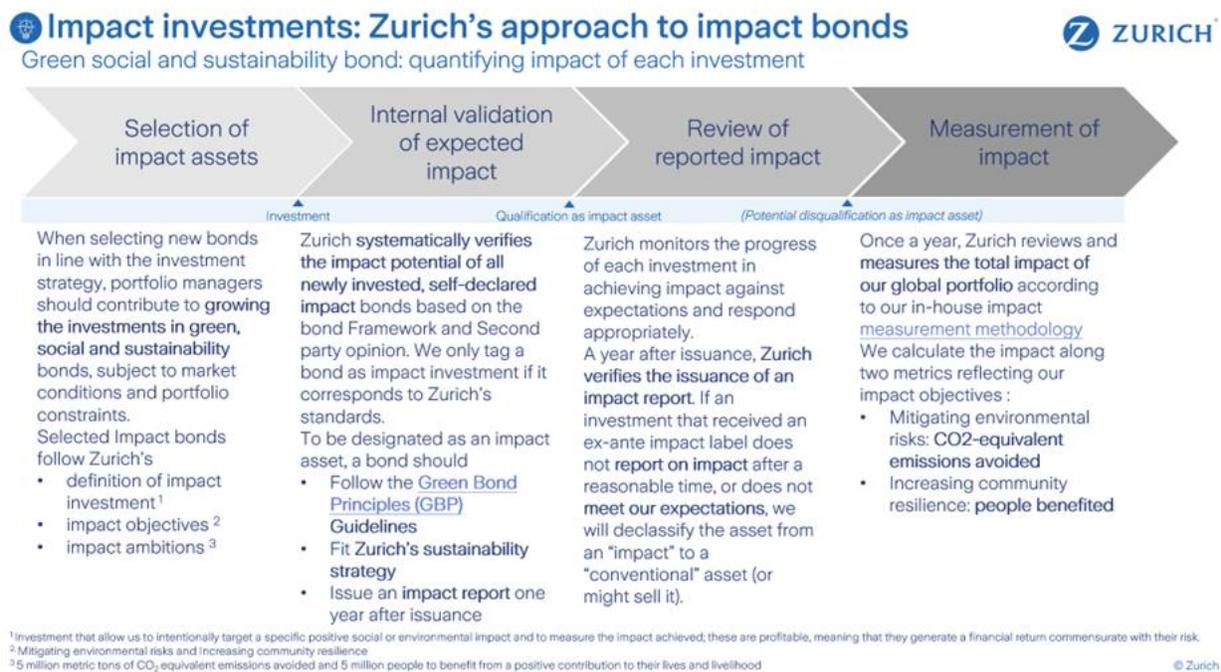
<sup>8</sup> Read a [case study](#) on Zurich’s investment in the City of Zurich Green Bond

<sup>9</sup> Learn more on Zurich’s impact measurement framework in its [methodology paper](#).

Practice Example 4.10

## Zoom into Zurich's Bonds Impact Assessment

The unique characteristic of green, social and sustainability bonds is the pre-defined use of proceeds according to criteria to which issuers commit, clearly linking the investment to specific projects that allow the bond issuer to report a result or impact. When analyzing use-of-proceeds bonds and deciding whether they should be classified as impact instruments, Zurich focuses primarily on the projects to be financed, and their ex-ante potential for positive impact.



### **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 about 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 Principles are hosted by the Global Impact Investing Network, Inc. ("GIIN") is a nonpartisan, nonprofit 501(c)(3) organization dedicated to increasing the scale and effectiveness of impact investing through research, education and other activities.*

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