IMPACT RISK CLASSIFICATION (IRC)

Assessing the impact practice of impact investments

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INTRODUCING THE IRC

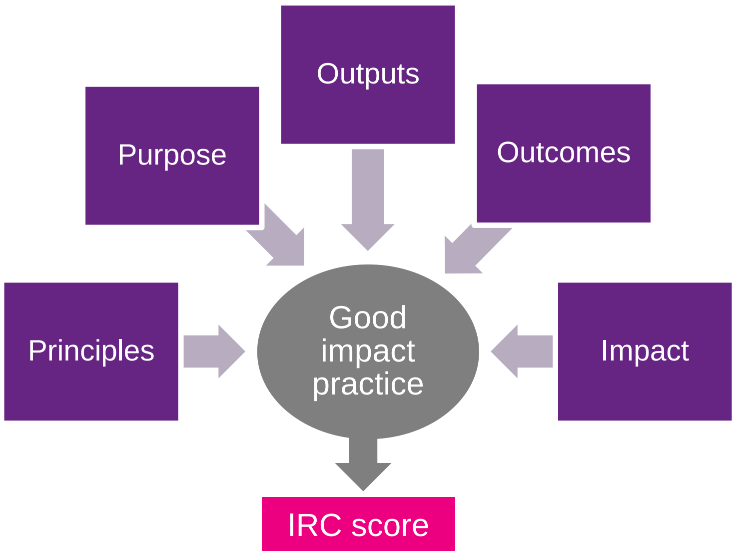
What it is, who it is for, and how it works

WHAT IS THE IRC?

The Impact Risk Classification (IRC) is a framework that enables comparison of impact practice across investments. It sets out standards of impact measurement and reporting, and encourages impact reporting transparency.

How do you compare the impact of a fund restoring land in the US, a public equity fund focused on ESG best practice, and a social business providing affordable healthcare in Kenya?

It might not be possible to compare which has the 'most impact', but it is possible to compare their approach to measuring impact.



The IRC does not assess the *level* of an organisation's impact. It assesses *how robust* an organisation's evidence of impact is, and how much *thought and focus* the organisation has given to how it (expects to) generate impact.

By understanding this you can reach a more informed opinion on the risk of each organisation achieving (or not) their stated or intended impact.

We argue that a developed, intentional impact measurement process is likely to be associated with greater focus on impact, and by extension, an increased probability of impact. In short, **what gets measured, gets managed.**

WHY DID WE CREATE THE IRC?

Comparing impact data provided by (potential) investees can be a confusing process. Data can arrive in a variety of formats and it can be hard to draw any firm conclusions about the quality and scale of the impact achieved. This is often compounded by the variation in sectors, asset class, geography and company stage of development.

We think that any impact-led **enterprise**, however young or resource constrained, needs

- a theory of why its goods or services will meet a particular need for a particular group of people or the planet
- evidence of (or at the very least commitment to) collecting and using data to understand and manage the success of that enterprise

Any **fund** that claims to drive positive social or environmental impact through its investments similarly needs to have:

- clear processes to link impact to its investment decisions
- evidence that it is collecting and using data to understand and manage the impact of those investments. This is particularly key as more institutional capital flows into the impact field.

Impact data is often incomplete and not comparable. The IRC focuses on impact practice, looking for evidence of a commitment to measuring and improving impact.

WHO IS THE IRC FOR?

The IRC is a light-touch and practical framework for comparing an organisation's approach to impact against best practice, where an organisation could be any **enterprise** or **fund** with some degree of impact focus.

- The IRC can be completed in 1-2 hours per organisation.
- The assessment can be based on public information (eg, website, annual reports), combined with investor updates or other impact data where available.

Investors can use the IRC to compare impact practice between investees and encourage improvement and greater transparency. The IRC on its own is *not* a due diligence tool. Investors will need to assess other risk factors, alongside impact risk, such as leadership risk, execution risk and external factors. But the IRC can be included as part of that pre-investment process. It can also help guide impact management plans, ie, setting goals and KPIs, and collecting, analysing and learning from data.

Investees (funds or enterprises) can use the IRC as a framework for improvement and to assess how close they are to best impact practice.

The IRC is designed to be most useful when comparing a range of investments with limited impact data. It provides a framework for judging the relative impact practice of different enterprises or funds.

WHY IS THE IRC USEFUL?

- Encourages **transparent and consistent** reporting of impact data to enable meaningful analysis of impact reports.
- Applies across **all types of investment** (fund or enterprise), **sectors** and **asset classes**.
- Applies **across the whole impact spectrum**—from ESG funds to thematic, high impact direct investments.
- Is a **systematic** framework that is **comparable** across all investments.
- Considers both **theory** for and **evidence** that activities lead to impact, which means it can apply to early stage enterprises yet to gather data.
- Takes into account both **quantitative** and **qualitative** data.
- Incorporates key **aspects of other frameworks**, such as B Corp status, Nesta standards of evidence, IRIS metrics and GIIRs ratings.
- **Can be used alongside** the Impact Management Project's (IMP) framework for a complete picture of impact goals and impact risk, ie, assessing the robustness of data around *how much impact has been achieved, of what and for whom.* See slide 22 for an example of combining the IRC and the IMP.
- Allows progress in IRC scores to be **monitored over time.**

The IRC provides a sense of the impact risk of an investment—the risk of the intended impact being achieved, although other risk factors, such as the external environment, governance and operational capacity, also matter.

THE IRC FRAMEWORK

The framework assesses an organisation's impact processes and practice across **five key areas:**

- **Principles**: evidence that impact is integral to an organisation and drives decision-making.
- **Purpose**: evidence of an impact thesis/theory of change or logic model, and understanding of who experiences outcomes.
- **Outputs**: quality, consistency and relevance of data showing the scale of goods/services delivered and people reached ('user' and 'engagement' data).
- **Outcomes**: quality, consistency and relevance of data (quantitative and qualitative) showing whether change had taken place as a result of the goods/services ('feedback' and 'outcomes' data)—this can include existing data or evidence that demonstrates the likelihood that outcomes flow from activities.
- **Impact**: evidence of thinking about, and data showing, additionality of the outcome over what might have happened anyway.

Organisations are scored 0-3 on each of the five key areas according to the IRC scoring criteria (see slides 9 and 10). The organisation's total impact practice score indicates the Impact Risk Classification, classifying each investment from Stage 1 to Stage 4.

The analyst applying the scoring system will benefit from having access to as much impact data as possible including impact reports, shareholder updates and website content.

IRC SCORING STAGES

Score each component of impact practice according to IRC criteria	Calculate overall impact practice score	Identify Impact Risk Classification	Map scores and stages across portfolio
From 0-3	Add up scores from each of the five components, max score of 15	Classify each investment into one of four stages based on impact practice score **Stage 1: 0-6** **Stage 2: 7-9** **Stage 3: 10-12** **Stage 4: 13-15**	Compare individual scores and analyse across the portfolio (ie, by asset class)

A number of factors can influence the impact practice of an organisation—and therefore its classification—such as:

- **The stage of development**: an early-stage organisation may not yet have the resources or capacity for in-depth impact measurement, but it can:
  - show the evidence for why its goods and services will deliver impact
  - demonstrate a commitment to tracking the relevant metrics
- **Impact spectrum**: an ESG fund is likely to be rated lower than a social business. An ESG fund focusing on risk mitigation or ESG leadership will struggle to evidence or claim intentional impact. A social business has a clearer line of sight to the impact it is targeting.
- **Sector or approach:** organisations in sectors with well-defined outcomes and high levels of evidence—such as microfinance—are likely to score more highly. Organisations aiming for systemic change, ie, through campaigning, may find it harder to evidence their impact, even though their ultimate impact may be much higher.

IRC SCORING CRITERIA: ENTERPRISES

Score	Principles	Purpose	Outputs	Change or outcomes	Impact
	Evidence that impact is integral to the enterprise and its founders and drives decision-making.	Evidence of an impact thesis/theory of change or logic model, and understanding of how it will generate impact, and for whom.	Evidence that the enterprise reports consistent data that demonstrates the depth and scale of its delivery.	Evidence that the enterprise reports data on the changes generated by activities—can include evidence of the likelihood that outcomes flow from activities.	Evidence that the enterprise's activity creates additional effect beyond what would have happened anyway.
0	Enterprise's intentions not directly related to creating social/environmental impact. Shows no awareness of impact, success factors not dependent on generating impact.	No clear mission or theory of change. No awareness or understanding of who experiences the effect, the resulting outcomes and their importance.	No output data for target population.	No outcome data or data showing change for target population.	Not considered. Investment small-scale.
1	Enterprise's intentions have some overlap with impact goals. Demonstrates awareness of impact but business success factors not dependent on generating impact.	Vague mission, not that well articulated. Some understanding of the impact of the business and who experiences the effect, but business activity is not designed to address need.	Limited output data that only partially demonstrates impact, reported in an ad hoc format. No context or trend analysis. Output data that is out of date. **Examples of output data:** characteristics of users, how many people engaged/how often.	Limited outcome data or case studies demonstrating positive effect on people/planet. **Examples of outcomes data**: feedback on goods/services, changes in income, behaviour, knowledge etc, due to goods/services.	Some discussion/demonstration of additionality of the goods or services over what would have happened anyway. Scale of investment suggests it is additional, attracting new capital. **Examples**: products or services addressing a market failure suggest delivery of outcomes.
2	Enterprise's intentions reflect impact goals. Business success factors depend on generating impact.	Mission statement. Better understanding of who experiences the effect, the resulting outcomes and their importance. **Examples**: some of the business providing goods with intentional social/environmental impact.	Some output data (at least 2-3 key metrics) related to the quantity and quality of effect. Consistent format for year-on-year (y/y) comparison. Reasonably up to date (within the last 24 months). Some analysis of data in context, ie, against targets, y/y trend analysis, against benchmarks.	Some outcome data and case studies demonstrating positive effect on people/planet of the business. Starting to track duration of effect and any unintended consequences. Beginning to assemble the evidence base for the causal links.	Developing approach for understanding how the effect relates to what is likely to occur anyway, by benchmarking or reference to context in output/outcome data analysis. **Examples**: restoration or conservation projects; growing new or undersupplied markets
3	Enterprise's intentions in lock-step with impact goals. Impact drives business decisions. A learning organisation and/or leading good practice (ie, integrating user voice into decisions). GIIRS rating or similar. Impact ethos reflected in mission lock or B Corp cert.	Clear mission statement/theory of change. Good understanding of who experiences the effect, the resulting outcomes and their importance. **Examples**: most or all of the business providing goods/services with intentional social/environmental impact.	A range of output data (3 or more key metrics, over at least 2 years if applicable) that clearly demonstrate the quality and quantity of effect. Up to date (within last 12 months). Data in context, ie, against targets, y/y trend analysis, against benchmarks.	Outcome data demonstrating the size and duration of positive effect on people/planet of the business. High quality case studies that support this. Tracking unintended consequences. An evidence base for the causal links between business activity and outcomes.	Robust tools for understanding how the effect relates to what is likely to occur anyway. **Examples**: development of counterfactual, using control or comparison group to measure what activity might have happened otherwise.

IRC SCORING CRITERIA: FUNDS

Score	Principles	Purpose	Outputs	Change or outcomes	Impact
	Evidence that impact is integral to the fund and its managers and drives decision-making.	Evidence of an impact thesis/theory of change or logic model, and understanding of how it will generate impact, and for whom.	Evidence that the fund collates and reports data from investees that demonstrates the depth and scale of their delivery.	Evidence that the fund collates and reports data from investees on the changes generated by activities—can include evidence of likelihood that outcomes flow from activities.	Evidence that the fund's activity creates additional effect beyond what would have happened anyway.
0	Fund's intentions not directly related to creating social/ environmental impact. Shows no awareness of impact, success factors not dependent on generating impact.	No clear mission/theory of change. Investing in orgs with no awareness/understanding of what effect, for whom. **Examples**: ESG risk mitigation, defensively screened investments.	No output data for target population.	No outcome data or data showing change for target population.	Not considered. Investment small-scale.
1	Fund's intentions have some overlap with impact goals. Demonstrates awareness of impact but business success factors not dependent on generating impact.	Vague mission. Investing in orgs with some understanding of what effect, for whom, but business activity not designed to address need. Trying to prevent negative social or environmental effects. **Examples**: move from defensive screening to actively integrating ESG factors into investment decisions.	Limited output data that only partially demonstrates impact, reported in an ad hoc format. No context or trend analysis. Output data that is out of date. **Examples of output data**: characteristics of users, how many people engaged/how often. ESG performance comparisons.	Limited outcome data or case studies demonstrating positive effect on people/planet. **Examples of outcomes data**: feedback on goods/services, changes in income, behaviour, knowledge etc due to goods/services.	Some discussion/demonstration of additionality of the goods or service over what would have happened anyway. Scale of investment suggests it is additional, attracting new capital. **Examples**: products or services addressing a market failure suggest delivery of outcomes.
2	Fund's intentions reflect impact goals. Business success factors depend on generating impact.	Mission statement. Investing in orgs with better understanding of what effect, for whom. **Examples**: investing in orgs where some of the business provides goods/services with intentional social/environmental impact. Divest/invest strategy.	Some output data (at least 2-3 key metrics) related to the quantity and quality of effect. Consistent format for year on year (y/y) comparison. Reasonably up to date (within the last 24 months). Some analysis of data in context, ie, against targets, y/y trend analysis, against benchmarks.	Some outcome data and case studies demonstrating positive effect on people/planet of the business. Starting to track duration of effect and any unintended consequences. Beginning to assemble the evidence base for the causal links.	Developing approach for understanding how the effect relates to what is likely to occur anyway, by benchmarking or reference to context in output/outcome data analysis. **Examples**: restoration or conservation projects; growing new or undersupplied markets.
3	Fund's intentions in lock-step with impact goals. Impact drives business decisions. A learning organisation and/or leading good practice. GIIRS rating or similar. Impact ethos reflected in mission lock or B Corp certification.	Clear mission statement/theory of change. Investing in orgs with good understanding of what effect, for whom. **Examples**: Investing in orgs where most or all of the business provides goods/services with intentional social/environmental impact.	A range of output data (3 or more key metrics, over at least 2 years if applicable) that clearly demonstrates quality and quantity of effect. Up to date (within last 12 months). Data in context, ie, against targets, y/y trend analysis, against benchmarks.	Outcome data demonstrating the size and duration of positive effect on people/planet of the business. High quality case studies that support this. Tracking unintended consequences. An evidence base for the causal links between business activity and outcomes.	Robust tools for understanding how the effect relates to what is likely to occur anyway. **Examples include**: development of counterfactual, using control or comparison group to measure what activity might have happened otherwise.

THE IRC IN PRACTICE

Application, examples, and how it can work with other frameworks

APPLYING THE IRC TO THE KL FELICITAS FOUNDATION'S PORTFOLIO

The IRC was created by NPC in response to a commission from the KL Felicitas Foundation (KLF) to assess their broad impact investment portfolio.

KLF is a US-based foundation, set up by Charly & Lisa Kleissner in 2000, that has invested 100% of its $10m of assets in positive social and environmental impact investments.

NPC has worked with KLF, and its investment advisor, Sonen Capital, since 2015, reviewing the impact of its portfolio and broader foundation work.

The IRC is a response to the diversity of that portfolio and the variety of impact data reported by KLF's investees.

Investing for impact illustrates how the IRC is applied to a number of KLF investees. A full report detailing the impact of KLF's whole investment portfolio and broader activities will be published in early 2018.

The IRC has evolved over time to incorporate the latest thinking in impact measurement. It can be used by any investor with an interest in achieving impact to assess **all** types of funds and companies, in any sector, geography, asset class, and impact classification.

THE IRC IN PRACTICE: WORKED EXAMPLES

The worked examples in the following slides show how we have applied the IRC framework to four different investments within KLF's portfolio:

- **Lyme Forest Fund III**: a fund that invests in US timberland and rural real estate with important conservation attributes.
- **Biolite**: a company producing clean, efficient cookstoves with electronics charging capability and lighting, thereby reducing negative health impacts and need for fuel, while increasing off-grid energy access.
- **Better Ventures**: a fund supporting technology companies pursuing social and environmental outcomes with business models that scale.
- **Access Capital Community Investment Fund**: a publicly traded fixed income fund making market rate investments to support affordable housing and community development to assist underserved communities in the US.

A REMINDER OF THE SCORING PROCESS

To score each example, we are looking for evidence that:

- **Principles**: impact is integral to the organisation and drives decision making.
- **Purpose:** the organisation has a strong understanding of how it will generate impact, and for whom.
- **Outputs**: the organisation reports, or the fund collates, consistent data that demonstrates the depth and scale of its delivery, potentially against targets/benchmarks.
- **Outcomes**: the organisation measures, or fund collates, data on the changes it generates through its activities, or has sufficient evidence of the likelihood that outcomes flow from activities.
- **Impact**: the enterprise's activity, or fund's investment, creates additional effect beyond what would have happened anyway.

Organisations are scored from 0-3 on each area above. The final score, out of 15, gives the Impact Risk Classification (Stage 1, Stage 2, Stage 3 or Stage 4).

IRC SCORES FOR SELECTED INVESTMENTS

	Fund or company	Asset class	Principles	Purpose	Outputs	Outcomes	Impact	IRC
Lyme Forest Fund III	Fund	Real Assets	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	**Stage 4**
Biolite	Company	Private Equity	✓✓✓	✓✓✓	✓✓	✓✓✓	✓✓	**Stage 4**
Better Ventures	Fund	Private equity	✓✓	✓✓	✓✓	✓	✓✓	**Stage 2**
Access Capital Community Investment Fund	Fund	Public fixed income	✓✓	✓✓✓	✓	✓	✓	**Stage 2**

LYME FOREST FUND III: STAGE 4

	Expectations within IRC framework	Score	Commentary
Principles	The manager's intentions are in lock step with the impact goals. Impact drives business decisions. A learning organisation and/or leading good practice. GIIRS rating or similar. Impact ethos reflected in a mission lock or B Corp certification.	✓✓✓	Impact-embedded investment strategy. All properties are third-party certified. Uses impact data to learn and improve, ie, to find land that is strategically aligned to its mission. Contributes towards better impact practice in the field, ie, as an IRIS case study.
Purpose	Clear mission statement/theory of change. Investing in organisations with a good understanding of who experiences the effect, the resulting outcomes and their importance.	✓✓✓	Very clear focus and purpose with specific outcomes and rationale for activities.
Outputs	A range of output data (3 or more key metrics, over at least 2 years if applicable) that clearly demonstrate the quality and quantity of effect. Reported in a consistent format for year on year comparison. Up to date (within last 12 months).	✓✓✓	List of outputs (IRIS) with context and case studies. Year on year comparison.
Outcomes	Outcome data demonstrating the size and duration of positive effect on people/planet of the business. High quality case studies that support this. Tracking unintended consequences. An evidence base for the causal links between business activity and outcomes backed by a theory of change.	✓✓✓	Outcomes listed with year on year comparison. Detailed case studies that provide narrative. Good evidence and official certification that activities result in outcomes—ie that its forest management practices protect ecological health and biological diversity of the forest.
Impact	Robust tools for understanding how the effect relates to what is likely to occur anyway.	✓✓✓	Permanent conservation of land is key to Lyme's strategy—95% of acres in portfolio are, or expected to be, permanently conserved. Therefore outcomes likely to be sustained.

BIOLITE: STAGE 4

	Expectations within IRC framework	Score	Commentary
Principles	The enterprise's intentions are in lock step with the impact goals. Impact drives business decisions. A learning organisation and/or leading good practice. GIIRS rating or similar. Impact ethos reflected in a mission lock or B Corp certification.	✓✓✓	Very clear intentions with business model fully aligned with impact. Good evidence of user voice. Monitors and offsets company's own carbon footprint. Strong learning approach—uses data to improve offering.
Purpose	Clear mission statement/theory of change. Good understanding of who experiences the effect, the resulting outcomes and their importance.	✓✓✓	Clear understanding of target audience and how they can benefit.
Outputs	A range of output data (3 or more key metrics, over at least 2 years if applicable) that clearly demonstrate the quality and quantity of effect. Reported in a consistent format for year on year comparison. Up to date (within last 12 month).	✓✓	Reasonable output data, but would like to see more historical context for year on year comparison.
Outcomes	Outcome data demonstrating the size and duration of positive effect on people/planet of the business. High quality case studies that support this.Tracking unintended consequences. An evidence base for the causal links between business activity and outcomes backed by a theory of change.	✓✓✓	Strong evidence between product and benefits to consumers and planet, so no need to measure outcomes specifically, focus on units sold. Tracks usage of stoves and customer satisfaction. Using Lean Data approach to understand income profile and energy usage of households.
Impact	Developing approach for understanding how the effect relates to what is likely to occur anyway.	✓✓	Some understanding of additionality. Did an RCT previously.

BETTER VENTURES: STAGE 2

	Expectations within IRC framework	Score	Commentary
Principles	Fund's intentions reflect impact goals. Business success factors depend on generating impact.	✓✓	The fund only invests in businesses with social or environmental impact goals. Impact is not the primary driver of business decisions, though success and impact are related.
Purpose	Mission statement. Investing in organisations with better understanding of what effect, for whom.	✓✓	Broad mission statement however no theory of change. All portfolio businesses provide goods with intentional social/environmental impact. Impact reporting demonstrates understanding of *who* benefits from each investment, however there is less discussion of the need addressed or effect.
Outputs	Some output data (at least 2-3 key metrics) related to the quantity and quality of effect. Consistent format for year on year comparison. Reasonably up to date (within the last 24 months). Some analysis of data in context, ie, against targets, year on year trend analysis, against benchmarks.	✓✓	Measures a small number core outputs metrics, eg, number of people served and number jobs created, consistently across portfolio companies, year on year, aggregating this data where possible. Also for each portfolio company, reports trends in one of their core output measures against financial returns.
Outcomes	Limited outcome data or case studies demonstrating positive effect on people/planet.	✓	Aggregates core output data to indicate fund impact on people and planet, eg, '*CO2 emissions avoided*'. However lacks detailed case studies or qualitative data on outcomes, and limited discussion of how activities translate into impact.
Impact	Developing approach for understanding how the effect relates to what is likely to occur anyway.	✓✓	PreSeed work (supporting early-stage organisations to grow) implies additionality of the fund, however this is not measured.

ACCESS CAPITAL COMMUNITY INVESTMENT FUND: STAGE 2

	Expectations within IRC framework	Score	Commentary
Principles	Fund's intentions reflect impact goals. Business success factors depend on generating impact.	✓✓	Clear intentions to provide community support while providing market rate returns. Allows high-end investors to target support geographically. Strong impact experience of fund managers.
Purpose	Clear mission statement/theory of change. Good understanding of who experiences the effect, the resulting outcomes and their importance.	✓✓✓	Clear impact thesis. Good understanding of the underserved communities they are reaching. All of their investments screened for impact ensuring that primary purpose of investment is community development.
Outputs	Limited output data that only partially demonstrates impact, reported in an ad hoc format. No context or trend analysis. Output data that is out of date.	✓	Limited data—some outputs since inception, no year on year comparison.
Outcomes	Limited outcome data or case studies demonstrating positive effect on people/planet.	✓	Limited outcome data, a few case studies.
Impact	Some discussion/demonstration of additionality of the goods or services over what would have happened anyway. Scales of investment suggests it is additional, attracting new capital.	✓	Scale of investment suggests impact. Would be improved by showing portfolio breakdown by impact area and more analysis of additionality.

THE IRC AND THE IMPACT MANAGEMENT PROJECT

The IRC rating sits alongside other frameworks, such as the Impact Management Project's five dimensions of impact. Together, they provide a more holistic picture of both impact goals and impact risk, ie, assessing the robustness of data around *how much impact has been achieved, of what* and *for whom.*

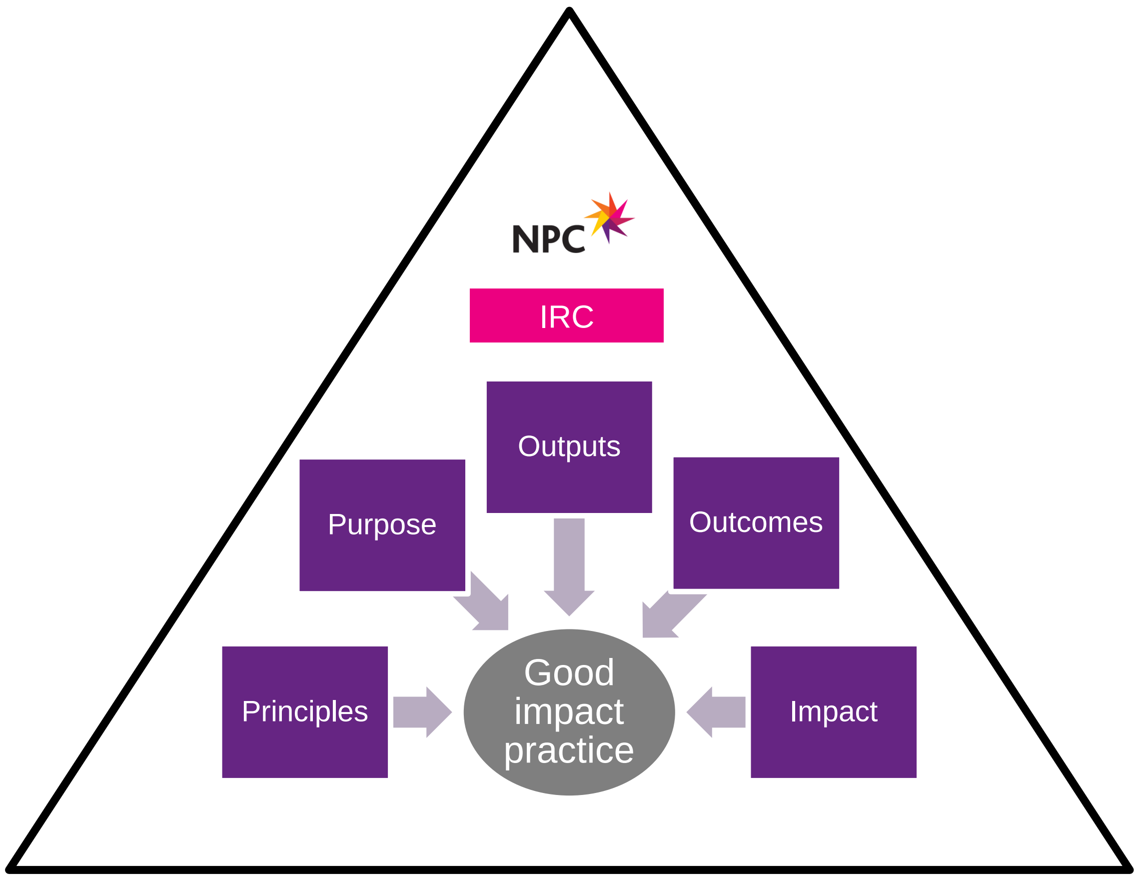
The IRC provides a sense of the impact risk of an investment—the risk of the intended impact being achieved, although other risk factors, such as the external environment, governance, leadership and operational capacity, also matter.

WHAT	HOW MUCH	WHO	CONTRIBUTION	RISK
What outcomes does the effect relate to, and how important are they to people (or the planet) experiencing it?	How much of the effect occurs in the time period?	Who experiences the effect, and how underserved are they in relation to the outcome?	How does the effect compare and contribute to what is likely to occur anyway?	Which risk factors are material, and how likely is the effect diferent from the expectation?

COMBINING THE FRAMEWORKS

IMPACT MANAGEMENT PROJECT

NPC's IRC focuses on *evidence risk**



***Other IMP risk factors:** External risk, execution risk, stakeholder participation risk, drop-off risk, unexpected impact risk, efficiency risk, contribution risk. For more info: http://www.impactmanagementproject.com/understand-impact/risk/

COMBINING FRAMEWORKS: LYME FOREST FUND III

NPC

WHO

Well served — Underserved

Lyme is focusing on the planet

Lyme Forest Fund III targets high conservation priority forestlands. The Fund aims to protect native flora and fauna, and to support people and companies working on the land in a sustainable way.

HOW MUCH

Marginal effect — Deep effect: More than 50% of Lyme's land permanently protected

For few — For many: For the planet

Short-term — Long-term: Permanent protection

Slowly — Quickly: Effects (like tree planting) take time

CONTRIBUTION

Likely worse — Likely better: Much better than without protection

WHAT

Important negative — Important positive

Lyme contributes towards two of the UN Sustainable Development Goals

The fund invests in US timberland and rural real estate with important conservation attributes. Central to Lyme's strategy is to sell conservation easements, which permanently restrict land development but still allow Lyme to generate income. The fund invests in mitigation banks and sells credits to project developers who need to mitigate their impacts.

RISK

Impact Risk Classification (IRC): Stage 4

Principles	Purpose	Outputs	Outcomes	Impact
✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓

Clear focus and purpose, and business model fully aligned with impact goals. Good output data and some outcomes with case studies and year on year comparison. Land preservation means outcomes likely to be sustained.

Impact metrics	**2014**	**2015**	**2016**
Sustainably Managed Land Area (acres) OI6912*	223,247	170,169	169,153
Permanently Protected Land Area (acres) PI3924	1,927	46,189	8,907
Fresh Water Bodies Present (acres) PI7170	42,396	37,251	37,251

Lyme Forest Fund III: clear impact goals with lasting effect on the planet. Excellent impact measurement practice (Stage 4) suggests high likelihood of achieving goals.

*IRIS metric ID

FINAL THOUGHTS

This document is a brief guide to the IRC and how it can be applied to investments to assess their impact practice and, by extension, the impact risk of an investment.

We have found it a useful tool to understand an enterprise or fund's approach to collecting and using impact data. It can be used with other frameworks, such as the Impact Management Project's five dimensions of impact (What, How Much, Who, Contribution, Risk, see slide 20) to provide a holistic view of an organisation's intended and achieved impact.

Our experience is that most data on the actual impact achieved by an enterprise or fund is not presented in a way that aids analysis. This framework encourages more methodological transparency of impact reporting to **enable meaningful analysis of reported impact.**

We will be demonstrating the combination of frameworks in more detail and comparison of the IRC across a portfolio in more detail in our full report measuring the impact of the KL Felicitas Foundation, to be published in early 2018.

The IRC is still an evolving concept, and we welcome your feedback on all aspects. Please get in touch with us to share your thoughts and comments: info@thinknpc.org

THANK YOU

New Philanthropy Capital—Transforming the charity sector

January 2018