IMPACT HARVEST FORUM
INVESTING IN INCLUSIVE BUSINESSES

23-24 MAY
UNITED NATIONS CONFERENCE CENTRE
BANGKOK, THAILAND
Cultivating Change Track

Masterclass

Measuring Impact: Measurement and Reporting for Businesses

SESSION 1
11.15 - 12.30, 23 MAY
UNITED NATIONS CONFERENCE CENTRE
BANGKOK, THAILAND

Facilitated by
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Impact Hub Phnom Penh
Session Objectives

Understand what impact is

Learn about impact management cycle and how to measure impact

See examples on impact communication and reporting standards

Learn from the IMM experiences of peer businesses
MENTI.COM
4554 8301
Join from phone or laptop
**Business Impact**

Impact is a change in an aspect of well-being experienced by a group of people or the condition of the natural environment caused by an organization. An impact can be positive or negative, intended or unintended, direct or indirect.

- Impact Frontiers

**Impact Management**

Ability of businesses to define a practical framework to identify their impact, reduce the negative and increase the positive, and then translate insights into effective communication on impact via your website, reports, and other channels.

- SoPact & Impact Frontiers
IMPACT MANAGEMENT CYCLE

Four steps to measure, manage, and report impact

- **Design**: Build the foundations that define your intended impact
- **Measure**: Collect data and stories to evidence and value your impact
- **Improve**: Reflect, learn, and develop capability to increase your impact
- **Communicate**: Share the evidence and value of your impact

Manage for better impact
1. DESIGN

Define your impact goals and map how your business will achieve them.
## Define Your Impact Goal

1. **What changes** do people and planet experience as a result of your business activities?
2. **Who** are experiencing these changes?
3. **How much** changes has your business caused?
4. **How likely** would this impact happen anyway without your business? (contribution/created value)
5. What are the **risks** that your impact does not occur as desired?

### Example Impact Analysis

<table>
<thead>
<tr>
<th>Impact Category</th>
<th>CO2 Emission</th>
<th>Farmer’s wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>What</td>
<td>Negative impact: CO2 emission (tons)</td>
<td>Positive impact: Decent income</td>
</tr>
<tr>
<td>Who</td>
<td>The planet / the environment</td>
<td>Farmers, ethnic minority</td>
</tr>
<tr>
<td>How much</td>
<td>Minor</td>
<td>Medium scale, long-term</td>
</tr>
<tr>
<td>How likely to happen</td>
<td>Very likely</td>
<td>Slightly likely</td>
</tr>
<tr>
<td>Risk</td>
<td>Low risk</td>
<td>Medium risk (seasonal jobs)</td>
</tr>
</tbody>
</table>

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MAP HOW YOU ACHIEVE INTENDED IMPACT

**PROBLEM**

What businesses do to achieve intended impact (e.g. employ local talents, adopt specific agroecological practices, install solar panels, etc.)

**ACTIVITIES**

The change to people and environment as a result of business activities (e.g. increased income for farmers, increased biodiversity, etc.)

**OUTPUTS**

The direct, concrete result/product of your business activities (e.g. job positions for local talents, renewable energy system, etc.)

**OUTCOMES**

**IMPACT**

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2. MEASURE

Develop metrics to measure outputs & outcomes, collect and analyze data
DEVELOP INDICATORS & METRICS

**Metrics**

A defined system or standard of measurement to track progress of change by your business.

*Standard metrics* are sets of metrics created by typically nonprofits and international agencies.

*Custom metrics* are customized and created by a business.

**Examples**

**Outcome:** Job creation for ethnic minority communities

- **Metric:** Number of employed staff that belong to an ethnic minority community

**Outcome:** Reduced use of pesticides

- **Metric:** Amount of pesticides applied per ha (kg/ha, per year or per cropping cycle)
- **Metric:** Active ingredients used that are listed in the Exceptional Use list and Risk Mitigation list.

*Source:* Rainforest Alliance's Sustainable Agricultural Standard Farm Requirements
DEVELOP METRICS: BEST PRACTICES

1. **Start somewhere, even if it’s small.** IMM can be very simple to very elaborated, depending on the size and complexity of your business operations. It’s easy to get overwhelmed. You can start with an Excel spreadsheet, tracking 3-4 indicators.

2. **Measure what matters the most.** There are many ways to understand and measure a same outcome, so choose what is most relevant and cost-effective. Does your current infrastructure support data collection for this metric? How important is this metric to your mission or funders?

3. **Be lazy, borrow from others.** There are other experts who have published well-developed and well-recognized metrics and standards. Borrow from other organizations, training programs, compliance and certification standards, research, issue-specific indicators, impact investment metrics, etc.
Best practices

1. Stay simple and cost-effective, integrate into existing operations.
2. Collect enough data for informed decision-making.
3. Have a mix of numbers and stories.
4. Inclusion lens – If your data collection methods are accessible for only certain groups, the story you capture will be biased to their perspectives.
5. Make sense of data by comparing your performance against a benchmark (a standard, national statistics, past performance, etc.) across 5 dimensions of impact.

Quantitative (number)
Good way to capture trends and show achievements in numbers. Tools:
- Surveys – online, in-person, text, call, etc.
- Performance data

Qualitative (story)
Identify different experiences, explain the trend, capture nuances and stories. Tools:
- Observations
- Focus groups
- Interviews (semi-structured), conversations
- Open-ended questions in surveys
3. COMMUNICATE

Reporting impact, sharing value

- Design: Build the foundations that define your intended impact
- Measure: Collect data and stories to evidence and value your impact
- Improve: Reflect, learn and develop capability to increase your impact
- Communicate: Share the evidence and value of your impact

Manage for better impact
KEY CONSIDERATIONS

1. **What is the purpose of communicating impact?** Is your goal to attract potential funders/investors, customers, applying for certain certification, or to enhance internal operations and strategy?

2. **What is the message you want to communicate?**

3. **Who is your audience?** Each audience will focus on different aspects of your impact and may have specific expectations for what your reporting looks like and the languages it uses.
   - **Formats:** reports, case studies, blogs, social media posts, videos, spreadsheets, dashboards, slide decks, infographics, etc.
   - **Channels:** social media, website, email, newspaper, TV, etc.

"Impact storytelling is an art" - SoPact
GRAND DATA

Learn about the key impact data from the Precious Plastic movement. This is the global positive impact from Precious Plastic in 2023.

- **107** Countries
- **595,400** Tons recycled
- **$36+ MM** Revenue
- **6441** Employees
- **11,510** Volunteers
- **1881** Machines built
SUCCESS STORIES

Some of the Precious Plastic success stories

Still Life
Makes furniture and objects from recycled plastic and local hardwood.
United Kingdom

Plástico Precioso Uramba
A workspace in the middle of the jungle, recycling 900 kg of plastic with hundreds of volunteers.
Colombia
Delivering Wow, Sharing Happiness
Sourcing

Vietnam

<table>
<thead>
<tr>
<th>Item</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local</td>
<td>65%</td>
<td>67%</td>
<td>51%</td>
</tr>
<tr>
<td>Sustainable</td>
<td>2.6%</td>
<td>3.3%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Certified Sustainable</td>
<td>0.00%</td>
<td>0.09%</td>
<td>1.26%</td>
</tr>
</tbody>
</table>

Packaging

Delivery & Takeaway

<table>
<thead>
<tr>
<th>Item</th>
<th>Material</th>
<th>Renewable?</th>
<th>Compostable?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shopping Bag</td>
<td>Bioplastic from Cassava</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Pizza Box</td>
<td>Paper</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Cutlery</td>
<td>Wood</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Pizza Saver</td>
<td>PP</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>
Zero Waste in Cambodia

In May 2021, Pizza 4Ps opened its first waste zero store in Cambodia, in the capital Phnom Penh. When opening a new store, Pizza 4Ps was determined to tackle the country’s serious waste problem and adapt a store that reflects a new concept.

Store design and materials

At this store, we have highly promoted a sense of zero waste in every aspect of the restaurant, including the actual building materials used in the restaurant, staff uniforms, and essential restaurant accessories. Here are some examples:

Upcycled 3 tons of plastic waste into furniture

We have worked with PLASTICPeople, with whom we have collaborated several times in Vietnam, to extensively use plastic waste as part of the furniture used in the store. They combined materials made from indigo color plastic waste, the corporate color of Pizza 4Ps, on tables, chairs, and other places where customers would see them. More than three tons of plastic waste were recycled to make these pieces of furniture.

We also required PLASTICPeople to make cutlery boxes and condiment containers that are always available at each table from the garbage of paper cartons.

There is a room called the “recycling room” in this restaurant, where 70 types of garbage are separated and stored after sorting. The boxes for storing them were also commissioned by PLASTICPeople and made from aluminum paper carton waste. This room is open to all guests and is a place where they can learn about how Pizza 4Ps actually sorts, process, and reuses garbage.

Discarded glass bottles into terrazzo and glass

Tables made of artificial marble called “terrazzo,” and the beautiful patterns are created by mixing cement with glass. In fact, all the glass used here is made from recycled glass bottles that have been discarded.

The glasses used to pour water to serve customers are actually made from wine bottles that are cut in half.

Use of reclaimed wood

For the wood used for flooring in the store, we commissioned Nironi Studio, a company that builds with waste or reclaimed wood. Since illegal deforestation is a serious problem in Cambodia, we believe this kind of movement to reuse waste wood is truly meaningful. In addition to the flooring and walls, the baskets for customers’ luggage and the wooden plates for serving cheese platters are also made from this waste material.
United Nations Sustainable Development Goals, with 17 Global Goals, 169 associated targets, and 230 individual indicators.

ILO’s Decent work indicators for metrics on decent work.


ANDE Climate Metrics Guide for metrics of impact on climate.

Global Reporting Initiative (GRI), the most widely used Environmental, Social, and Governance (ESG) reporting standard.

Task Force on Climate-related Financial Disclosures and Sustainability Accounting Standards Board (SASB) to assess climate-related risks.

IRIS+ for a database of impact investment metrics.

Global Impact Investing Network (GIIN)’s gender lens investing resources.

Certification standards such as B-Corp, Rainforest Alliance, Fairtrade, etc.

Compliance standards from different markets.
4. IMPROVE

Understanding your impact is as much about reporting to other as it is about learning and improving your work.

Think – “How can I increase the value my business creates?”
THANK YOU

For Your Attention

Contact anh.nguyen@impacthub.net if you have any questions.
Scan the QR code below for this slide presentation.