

STANDARD	SDG IMPACT PRACTICE STANDARD	IFC	GIIN	PRI	UNEP FI Principles for Responsible Banking	UNEP FI Positive Impact Finance
STRATEGIC INTENT AND GOAL SETTING						
Fund's Motivations, SDG Impact Intentions and Impact Goals						
1	The Fund is encouraged to consider its motivation(s) for engaging with the SDGs, determine its SDG impact intentions, and develop and make explicit its theory of change.	✓	✓	✓	✓	✓
1.1	The Fund is encouraged to consider its motivation(s) for engaging with the SDGs and determine its SDG impact intentions accordingly.	✓	✓	✓	✓	
1.2	The Fund is encouraged to describe its SDG impact intentions in terms of: — Acting to Avoid Harm that detracts from achievement of the SDGs. Motivations may include having regulatory requirements to meet (for example, cutting carbon emissions), mitigating risk (for example through effective ESG risk management), or behaving responsibly; and — Benefiting Stakeholders in relation to the SDGs. Motivations may include wanting to have a positive effect on the world to sustain long-term financial performance (for example, pursuing financial outperformance over the long term through pursuing ESG opportunities), or wanting to contribute to world where all businesses try to have a positive effect on society (for example, businesses that proactively upskill their employees or sell products that support good health or education outcomes); and/or — Contributing to Solutions toward achievement of the SDGs. Motivations may include to address pressing societal challenges (for example, wanting to help tackle malnutrition in Africa, the education gap, long-term unemployment, or climate change).	✓	✓	✓	✓	
1.3	The Fund is encouraged to develop and make explicit and disclose its theory of change, including what outcomes and impacts it expects to contribute to through its investment and other activities.			✓	✓	
2	The Fund is encouraged to set impact goals to help it achieve its SDG impact intentions.	✓				✓
2.1	The Fund is encouraged to set impact goals that are aligned with its stated SDG impact intentions and specific SDG-enabling strategies (i.e. Acting to Avoid Harm that detracts from the achievement of the SDGs, Benefiting Stakeholders in relation to the SDGs and/or Contributing to Solutions toward the achievement of the SDGs).	✓	✓	✓	✓	
2.2	The Fund is encouraged to determine how much of its total portfolio it intends to allocate towards SDG-enabling investments, including the expected percentage breakdown of investments intended to: <input checked="" type="checkbox"/> Act to Avoid Harm that detracts from achievement of the SDGs: investments that are expected to prevent or reduce significant effects on important negative outcomes for people and the planet; <input checked="" type="checkbox"/> Benefit Stakeholders in relation to the SDGs: investments that not only expected to act to avoid harm, but also generate various effects on positive outcomes for people and the planet; and/or <input checked="" type="checkbox"/> Contribute to Solutions toward achievement of the SDGs: investments that are not only expected to act to avoid harm, but also generate one or more significant effect(s) on positive outcomes for otherwise underserved people and the planet.	✓	✓		✓	
2.3	The Fund is encouraged to apply a systems thinking mindset and approach when designing its impact goals to take into consideration how the web of interrelationships between individuals, groups and institutions in the system may affect (positively or negatively) the impact potential of various investment options.	✓	✓		✓	
2.4	The Fund is encouraged to apply an integrated mindset and approach when designing its impact goals to take into consideration how the Fund's financial and impact goals interact and influence each other.	✓			✓	✓
2.5	The Fund is encouraged to focus its impact goals on all substantial impacts that matter. An impact matters when the outcome (positive or negative, intended or unintended) is important to the Stakeholder(s) experiencing it.	✓	✓		✓	
2.6	The Fund is encouraged to consider who its Stakeholders are (those people, organizations and ecological systems who experience or contribute to the intended or unintended, positive or negative effects created as a result of the Fund's (and its investees) activities including customers, employees, local communities, suppliers and distributors and the planet) and how it will incorporate Stakeholder voice and involvement (directly and/or indirectly through the Fund's investees) into the setting of its impact goals (including the breadth and depth of Stakeholder participation, for example, in designing solutions, developing impact data collection processes, participating in collecting and analyzing impact data, responding to the findings etc.), and looking to best-practice guidance in this regard (for example, Social Value International's Standard on Applying Principle 1: Involve Stakeholders).	✓	✓		✓	

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2.7	<p>The Fund's is encouraged to ensure its impact goals are evidence-based (complementing available research and data), reflecting the substantial impacts that matter (to Stakeholders) or evidence-able based on a logical theory of change that will be tested and assessed over the life of the Fund's investment, for example:</p> <ul style="list-style-type: none"> ☑ By drawing on existing knowledge from researchers and experts when designing its impact goals, to credibly link the relationships between the activities of the Fund and its investees with the desired outcomes and impacts; ☑ By drawing on available country-specific SDG impact data and information from reputable agencies (for example the UNDP's SDG impact data and the SDG Impact Initiative's SDG Investor Maps where available) to set its impact goals in line with identified SDG country priorities and local context, for instance when the Fund's intention is to contribute to solutions toward achievement of the SDGs. 	✓	✓			
2.8	<p>The Fund's is encouraged to ensure its impact goals are measurable, and where appropriate and feasible, based on standardized metrics or metric sets that are tied to outcomes backed by evidence, and aligned with the SDGs and associated targets and the five dimensions of impact (for example, by using the core metric sets of IRIS+, GRI's indicators aligned with the SDGs and associated targets, or certain SASB metrics that would be relevant for specific SDGs for selected industries).</p>				✓	
2.9	<p>In setting its impact goals, the Fund is encouraged to take into account its own and investees' full value chains (including products/services, distribution, direct operations and supply chains) including consideration of labor rights and other human rights, including modern slavery, or provide a corresponding explanation if it chooses not to.</p>	✓	✓			✓
2.10	<p>The Fund is encouraged to set impact goals that are aligned with its stated SDG impact intentions and specific SDG-enabling strategies (i.e. Acting to Avoid Harm that detracts from the achievement of the SDGs, Benefiting Stakeholders in relation to the SDGs and/or Contributing to Solutions toward the achievement of the SDGs).</p>	✓	✓	✓	✓	
2.11	<p>When setting its impact goals, the Fund is encouraged to include consideration of the Fund's own contribution(s) it aims to make towards SDG impact (as distinct from the intended impacts made by the investees the Fund invests in), in the context of the Fund's own capabilities and/or constraints. For example, these contributions may include (but are not limited to) some or all of:</p> <ul style="list-style-type: none"> ☑ Signaling that impact matters: choosing not to invest in or to favor certain investments – such that, if all investors did the same, it would ultimately lead to a 'pricing in' of effects on the SDGs by the capital markets (for example, requiring a investee to share data on impact, through diligence and the investment period); ☑ Engaging actively: significant proactive efforts using expertise and networks to improve the SDG impact performances of investees. Engagement may include a wide spectrum of approaches – from dialogue with companies to the Fund taking board seats and using their own teams or consultants to provide hands-on management support (for example, sharing experience on impact measurement and management with the investee to build capability); ☑ Growing new or undersupplied capital markets: anchoring or participating in new or previously overlooked opportunities that offer an attractive impact and financial opportunity in line with the Fund's SDG impact intentions and goals, (for example, taking on additional complexity, illiquidity or perceived higher risk in order to structure a new type of financial product that delivers a certain type of impact); ☑ Providing flexible capital: recognizing that certain types of investees will require acceptance of lower risk-adjusted returns in order to generate certain kinds of SDG impact (for example, providing capital where only a full or partial return of principal is expected in order to ensure an enterprise reaches a certain demographic); and ☑ Demonstrating market leadership and contributing to field building: to further enable the SDGs beyond the impact of the Fund's direct portfolio. This may include sharing SDG impact data and learnings publicly, mentoring and enabling others, exploring partnerships as an enabler for greater SDG impact, developing industry infrastructure such as open-source tools and resources, helping to scale value-adding intermediaries, platforms, and networks, and promoting policy reforms 	✓	✓		✓	✓

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2.12	The Fund is encouraged to periodically assesses and (as necessary) reset its impact goals as the context for SDG impact changes and as it develops a deeper understanding of the actual impacts it is having on the SDGs and associated Targets. For example, the Fund may achieve this by: <ul style="list-style-type: none"> ☑ Analyzing deviations from expected impact performance and re-setting impact goals as appropriate (for example, recognizing unintended positive or negative impacts on SDGs and setting additional impact goals to address these in future); ☑ Responding to changes in the context for SDG impacts (for example, a high likelihood of forthcoming political unrest locally) that affect the impact performance that the Fund is likely able to achieve; and ☑ Incorporating other new and relevant contextual information (for example, about changing in-country SDG priorities or needs, or taking into account new research or evidence). 					
	Governance and Culture					
3	The Fund is encouraged to reinforce that impact matters and integrate its SDG impact intentions and goals, and by extension its impact measurement and management practices, in its standard business practices, governance and controls.		✓	✓	✓	✓
3.1	The Fund is encouraged to clearly set the “tone from the top”, reinforcing that impact and impact measurement and management practices matter, and leading by example and holding others accountable in that regard.	✓			✓	
3.2	The Fund is encouraged to embed its SDG impact intentions and goals into the Fund’s standard business practices, governance structures and controls to align the Fund’s financial and operational activities and behaviors with its SDG impact intentions and goals, for example: <ul style="list-style-type: none"> ☑ Integrating the Fund’s impact measurement and management intentions, goals and practices with its financial and operational strategies and practices to ensure alignment and complementarity, including its investment decision-making practices; ☑ Reinforcing key principles and values that support sound impact measurement and management practices, for example, involving Stakeholders, evidence-based decision-making, valuing impact and financial performance equally, and being transparent in its dealings with others; ☑ Linking and aligning the Fund’s compensation, promotion and incentive structures and its annual performance reviews and objectives-setting processes to its SDG impact intentions and goals – with due regard for unintended consequences, including the creation of perverse incentives – and including mechanisms for Stakeholders’ input and feedback on the Fund’s impact performance to be taken into account; and ☑ Ensuring the Fund has appropriate practices in place to support exits that consider impacts on Stakeholders and sustained impact post investment exit. 	✓	✓	✓	✓	✓
3.3	The Fund is encouraged to establish mechanisms to ensure appropriate oversight of impact progress by the Fund’s board and investment committee (for example, establishing an impact committee, clearly delineating impact in the board and investment committee’s responsibilities and meeting agendas, reporting of breaches or failures against the Fund’s impact goals to the investment committee and board).	✓		✓	✓	✓
4	The Fund is encouraged to ensure it has the necessary skills and resources to support implementation and delivery of its SDG impact intentions and goals.			✓	✓	✓
4.1	The Fund is encouraged to include impact, systems thinking and integrated thinking and decision-making expertise on its investment committee and board to enable appropriate challenge and oversight of the Fund’s SDG impact intentions, goals and progress.				✓	
4.2	The Fund is encouraged to appoint a person of suitable seniority/authority who is clearly assigned responsibility and accountability (for example, included in their job description) for overseeing the Fund’s impact practices and reviewing performance throughout the investment cycle.			✓	✓	✓
4.3	The Fund is encouraged to ensure its staff are appropriately trained in impact measurement and management practices (for example, to understand how data can be manipulated, identify where key elements are missing or unrealistic, have an appreciation for key challenges and sectoral issues, can conduct high quality impact assessments and reviews, diagnose issues and opportunities, and integrate impact and financial analysis and decision-making), or where the Fund supplements its own expertise by relying on outside support, has a baseline level of knowledge in impact measurement and management practices to appropriately manage for impact throughout the investment process (including identifying skill gaps, selecting third parties with appropriate skills and expertise to fill those gaps, and managing third party arrangements).			✓	✓	✓
4.4	The Fund is encouraged to include assessment of fit with the Fund’s SDG impact intentions, goals and practices as part of its recruitment practices.					

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4.5	The Fund is encouraged to provide training to establish and periodically refresh staff's knowledge and understanding of the Fund's SDG impact intentions, goals, and practices and how these relate to their day-to-day roles.					
4.6	The Fund is encouraged to ensure it has appropriate systems in place to store, organize, manage and use impact data in its day-to-day business practices and decision-making.				✓	
4.7	The Fund is encouraged to regularly review its impact operational plans, capacity and capabilities to ensure they remain fit for purpose and adequate, including responding to sector advances in best practice.			✓		
IMPACT MEASUREMENT AND MANAGEMENT						
Including Stakeholder perspectives						
5	The Fund is encouraged to include Stakeholder perspectives throughout the investment lifecycle	✓				
5.1	The Fund is encouraged to include Stakeholder perspectives when setting impact goals and defining an investment strategy.	✓		✓	✓	
5.2	The Fund is encouraged to include Stakeholder perspectives to make informed decisions about which impacts matter and to inform impact data collection and analysis.					
Data collection and management						
6	The Fund is encouraged to use impact data and available evidence to make informed impact management decisions	✓	✓		✓	✓
6.1	The Fund is encouraged to ensure it has adequately resourced systems and processes in place to systematically collect and assess impact data in a secure way.	✓	✓	✓	✓	✓
6.2	The Fund is encouraged to reduce the reporting burden on investees by encouraging investee's to share data in the format that is most convenient for them to make practical use of the data for day-to-day decision-making and management.	✓	✓			✓
6.3	The Fund is encouraged to systematically record and store the performance data and assumptions used for impact measurement and management practice (including the data used for due diligence and ongoing performance monitoring, assessment, and evaluation), and ensure these are made available to external parties as necessary and appropriate (e.g. for external assurance purposes).	✓	✓			✓
6.4	The Fund is encouraged to create regular internal reports from its stored impact data to help it systematically and regularly assess the impact performance of investees against their agreed performance baselines, the Fund's own goals and against the global SDG goals. This practice also enables the Fund to assess the quality and effectiveness of its own impact measurement and management practices in order to make process improvements.	✓	✓			
6.5	The Fund is encouraged to be transparent about any data quality risks and/or gaps it identifies, including any inferences, proxies, and/or assumptions made (and its well-reasoned rationale for doing so) in its reporting to Stakeholders.	✓			✓	
6.6	Where the Fund has based impact analysis during diligence on third party evidence (or on proxies based on assumptions to compensate for data gaps), the fund works with the investee post-investment to collect new impact data to fill data gaps in order to establish actual impact performance, the validity of the proxies and/or to learn more about the impact experienced by this group of Stakeholders recognizing that it might differ from original assumptions or intentions.	✓	✓			
6.7	The Fund is encouraged to make the best use of available impact data and evidence to make informed impact assessments and management decisions that factor in the level of impact risk being taken (i.e. the risk that the data does not necessarily enable total confidence that the desired impact is occurring as expected).	✓			✓	✓
Selecting metrics and aligning metrics to the five dimensions of impact and the SDGs						
7	The Fund is encouraged to ask investees for impact performance data for all impacts that matter (from the perspective of the affected Stakeholders)				✓	
7.1	The Fund is encouraged to work collaboratively with Stakeholders to select the metrics sets it will use to monitor and assess the impact performance of its investees and the Fund's impact performance overall.		✓	✓	✓	
7.2	The Fund is encouraged to prioritize measuring impacts that matter most to the Stakeholders affected (for example, end users, communities, employees and/or suppliers) and should try and collect data on relative importance of impacts at diligence to ensure measurement approaches and metric-selection are not solely based on the Fund and/or investee's intentions. This is just as important to manage potential unexpected negative impacts, as to manage positive ones.	✓	✓		✓	✓

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7.3	Wherever appropriate and feasible, the Fund is encouraged to select standardized metrics and include outcome measures (or at least well-evidenced proxies), that are (where relevant) aligned with the SDGs and associated targets and shared in context (i.e. as are set across the five dimensions of impact). For example, by using the core metrics sets of IRIS+.	✓	✓		✓	
7.4	The Fund is encouraged to limit its use of non-standardized metrics and/or metrics sets. If the Fund decides it is necessary to use non-standardized or bespoke metrics where standardized metrics do not exist (for example, certain product impacts experienced by end users of the investee's products and services), the Fund is encouraged to bear in mind that even such bespoke metric sets can still be designed with comparability in mind. Therefore the Fund should support the investee in adhering to existing standards on bespoke metric design. For example, an investee could use consistent, evidenced survey questions that ask users about their experience (such as a net promoter score).	✓				
7.5	The Fund is encouraged to select metrics and/or metrics sets based on a combination of which metrics and/or metric sets are standardized and evidenced, and their ability to drive decision-making in a timely way at a cost relative to the decision it drives. The Fund is encouraged to be guided by sound principles of how to choose what to measure and disclose, for example, as described by Social Value International in its Seven Principles (See Glossary, SVI) and by the Global Reporting Initiative in its reporting principles (see Glossary, GRI).					
7.6	The Fund is encouraged to document and disclose to Stakeholders which standardized (and if relevant any bespoke) metrics and metrics sets it is utilizing and why the specific metrics and/or metrics sets have been selected. This disclosure might include, for example, evidence on why certain activity or output metrics are suitable proxies for specific outcomes, and/or (where relevant) how metrics are aligned with specific SDGs and associated targets.					
Quality Control Measures						
8	The Fund is encouraged to implement quality control measures to support the integrity of its impact measurement and management practices		✓			✓
8.1	The Fund is encouraged to implement quality control measures to ensure the integrity, reliability and quality (i.e. relevance, accuracy, credibility, timeliness, punctuality, accessibility, interpretability and coherence) of it the impact data it collects, including, but not limited to: <input checked="" type="checkbox"/> Adherence to pre-defined data quality standards (that adhere to industry standards), and including identifying credible data sources, systematic checking of assumptions and calculations, and accommodation for specific impact related concepts such as checking data for double counting, drop-off and failure rates; <input checked="" type="checkbox"/> Ensuring transparent documentation and audit trails for impact data collected, and including periodical reviews; <input checked="" type="checkbox"/> Where possible, incorporating a degree of data validation by collecting impact data through multiple channels that provide different perspectives, including secondary data gathered and published by others that corroborates enterprise specific data; <input checked="" type="checkbox"/> Where appropriate and feasible, conducting internal and/or external verification of impact data; and <input checked="" type="checkbox"/> Making appropriate disclosures where data integrity, reliability and/or quality are weak.	✓				✓
8.2	The Fund is encouraged to implement data integrity measures for how data is analyzed and reported, to ensure that the utility of the underlying raw data isn't lost by taking data out of the context of other dimensions of impact, or aggregating metrics in a way that prevents clear analysis of performance. The Fund is also encouraged to have clear processes for controlling to whom and how impact data will be reported, to ensure consideration of privacy, ethics and confidentiality.	✓				
8.3	The Fund is encouraged to embed checks and balances in its impact measurement and management practices that ensure the highest level of practice is achievable, for example: <input checked="" type="checkbox"/> Ensuring that the whole fund team is trained in and - where appropriate - contributes to aspects of the impact management process so that it is not carried out in a silo from other aspects of the fund's activities; <input checked="" type="checkbox"/> Ensuring adequate guidance is available to ensure the highest probability of consistent process execution (with occasional checks to test whether employees carrying out the same process step results in the same conclusions or quality of outputs); <input checked="" type="checkbox"/> Carrying out regular internal consultation processes to increase buy-in and respond to any implementation challenges	✓				✓
8.4	The Fund is encouraged to provide staff (and any third-parties involved in the Fund's impact measurement and management practices) with adequate information and training on its impact measurement and management practices to carry out their roles consistently and effectively.				✓	

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8.5	The Fund is encouraged to undertake periodic independent reviews to ensure the process is optimized (in terms of resource use, consistency, quality and utility of outputs and addressing any potential issues of bias, perverse incentives or conflicts of interest), and continue to meet industry best practice.					
	Continuous Learning and Improvement					
9	The Fund is encouraged to embed a virtuous cycle of continuous learning and improvement at the heart of its impact measurement and management practices.	✓	✓	✓		✓
9.1	The Fund is encouraged to be clear about its SDG impact motivations and intentions, assess the context for SDG impact, develop clear impact goals to achieve its SDG impact intentions, implement plans to achieve those goals, monitor and analyze the Fund's actual impact performance against its expected impact performance and systematically feedback its learnings into its assessment of the context for SDG impact and its impact goals (and if needed, its SDG impact motivations and intentions) and to inform the management of its existing portfolio and activities and its future impact measurement and management practices.					
9.2	The Fund is encouraged to share its learnings with its investees so they can improve their products/services offerings and their impact measurement and management practices.	✓				
	Ex-ante Impact Measurement, Assessment and Decision-making					
10	The Fund is encouraged to conduct impact due diligence on its potential investments in investee companies					
10.1	Through undertaking detailed impact due diligence (i.e. ex-ante impact measurements and assessments on potential investees), the Fund is encouraged to collect impact data from potential investees to assess alignment with the Fund's own goals and determine the enterprise's contribution to the SDGs. The fund is also encouraged to assess the potential investee's commitment to impact measurement and management and willingness and ability to improve and adapt activities based on the lessons derived from collecting impact performance data. The Fund should also consider how to ensure the potential investee is likely to sustain any positive impacts beyond exit (for example, by considering whether impact is embedded in the potential investee's business model, or central to its financial performance - which is also known as Alignment Risk, an aspect of impact risk)	✓				
10.2	The Fund is encouraged to conduct its impact due diligence alongside (or integrated with) its financial due diligence to assess the relationship and interdependencies between the potential investee's expected impact(s) and financial performance					
10.3	<p>The Fund is encouraged to be transparent with potential investees about the Fund's goals and SDG-contributing intentions, and take steps to engage proactively with potential investees throughout the impact due diligence process (and thereafter), for example, by:</p> <ul style="list-style-type: none"> ☑ Setting expectations on impact measurement and management processes and requirements (i.e. what to expect from the impact due diligence process, and what data the Fund will require for diligence and ongoing impact performance assessments); ☑ Discussing with the investee how their own impact measurement and management processes can be improved and ensuring the ability and willingness of the potential investee to improve, adapt and learn, including to rectify shortcomings and/or change direction based on results; ☑ Establishing alignment of the investee's impact goals with the Fund's goals and SDG-focus, whilst also ensuring the investee has systems in place to test these goals through stakeholder feedback and stakeholder involvement in decision-making; and ☑ Establishing rules of engagement for a constructive dialogue and partnership post investment 	✓			✓	

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10.4	<p>The Fund is encouraged to specifically diligence the impact goals of each of its potential investees and establish the likelihood that the enterprise model will be successful at achieving these goals, whilst managing all other unexpected negative impacts and risks. This involves assessing, among other things:</p> <ul style="list-style-type: none"> ☑ The evidence base and assumptions underpinning the investee’s theory of change. This includes documenting all the expected outcomes (positive and negative, intended and unintended and the relevant SDGs and associated targets), based on well-reasoned assumptions and evidence. It should also include an examination of the potential investee’s past (if there is sufficient track record), current and forecasted impact(s) over the life of the investment, along with an assessment of the current and potential future impact risks (and risk mitigation plans). ☑ The extent to which the potential investee understands its target Stakeholders needs and involves Stakeholders in its decision-making processes and impact data collection and analysis (for example how the potential investee identifies its Stakeholders; involves Stakeholders in the design process for its products and services, involves Stakeholders in determining what impacts matter and collecting and analyzing impact data (while not being overly burdensome), and how it corroborates information about Stakeholders (for example, by collecting and analyzing various perspectives from different Stakeholders as well as through third party-research or evidence), and identifies and mitigates the risks associated with using information received from different Stakeholder groups (for example, reliability, bias, relevance to context); ☑ The relationship and interdependencies between the investee’s impact performance and its financial performance and how the management team make decisions regarding trade-offs. This may include whether the investee has financial incentives linked to impact performance; ☑ The pathways to and options for exit and likelihood of sustained impact post exit, taking into consideration the expected growth trajectory of the investee’s business. 	✓		✓	✓	✓
10.5	<p>The Fund is encouraged to consider its own investor contribution goals (for example, signaling that impact matters, and/or engaging actively, and/or growing new or undersupplied capital markets, and/or providing flexible capital) and whether the potential investee meets those goals. The actions taken by the Fund in pursuit of these investor contribution goals should be documented, alongside a qualitative or quantitative assessment of the effect that this contribution has on the investee's own impact performance (where relevant), and this should be reported to the Fund's stakeholders.</p>					
10.6	<p>The Fund is encouraged to classify each of the potential investees’ expected impacts according to whether they may or do cause harm that detracts from achievement of the SDGs, acts to avoid harm that detracts from achievement of the SDGs, benefits Stakeholders in relation to the SDGs or contributes to solutions toward achievement of the SDGs. This classification enables the Fund to make an assessment of the overall expected contribution of each potential investment to SDG targets so it can assess the overall SDG-alignment and contribution of its portfolio, specifically as outlined in Test 2.1. In making its assessment, the Fund is encouraged to (i) utilize the Impact Management Project’s five dimensions of impact, the associated impact data categories and the guidance on how to classify an investment or equivalent to support market standardization in understanding, measuring and reporting impact, (ii) focus on the impacts that matter to those affected and (iii) consider the impacts on different groups of people and the planet separately, rather than assuming that positive impacts can offset negative impacts (except in cases where the unit of measurement is identical across impacts for example, carbon emissions or mega-litres of water).</p>					
11	<p>The Fund is encouraged to make an impact assessment of each potential investment, including its expected effect on the Fund's portfolio overall.</p>					✓
11.1	<p>The Fund is encouraged to make an impact assessment of each potential investment in relation to its goals, while also considering the progress towards its goals at the portfolio level.</p>					
11.2	<p>The Fund is encouraged to use the information and insights from its impact due diligence process to establish performance baselines for each potential investee which may include historical impact performance (if relevant and available), current impact performance (which can provide a measure of baseline impact performance at the start of the investment period), the investee’s forecast impact performance, and the Fund’s forecast expected impact taking into account Fund’s own contribution(s) to the investee’s impact.</p>					
11.3	<p>The Fund is encouraged to monitor and assess the total impact performance of each investment at regular intervals during the term of the investment, at exit and where feasible post-exit, relative to the baseline established in Test 11.2. The fund is encouraged to use this ongoing assessment to drive impact management decisions and engagement with investees. Where possible, the fund will align financial incentives with investment impact performance to encourage staff to focus on increasing impact as far as possible (whilst considering financial and other constraints).</p>	✓		✓	✓	

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11.4	The Fund is encouraged to implement a consistent approach for assessing and comparing the impact of different potential investments in relation to the fund's impact goals, where necessary making sure that this approach works across different SDGs, sectors and themes. Having a consistent investment assessment framework in place enables the fund to make data-driven investment decisions and manage the Fund's overall expected risk, return, and impact by factoring in how each new investment will affect the portfolio overall.					
	Investment Structuring					
12	The Fund is encouraged to work collaboratively with potential investees and Stakeholders to structure its investments, including agreeing an impact plan and the investment's impact and financial terms.	✓		✓	✓	
12.1	The Fund is encouraged to use the investment structuring process to work collaboratively with investees and Stakeholders to establish alignment, build a clear notion of mutual success, and set shared objectives and clear expectations for post close).	✓	✓		✓	
12.2	The Fund is encouraged to work collaboratively with potential investees and including Stakeholder perspectives to agree an impact plan pre-investment close that sets out an agreed action plan to focus on particular aspects of the business the potential investee's management can drive to lead to greater impact (including with contributions from the Fund) post-investment.	✓	✓		✓	
12.3	The Fund is encouraged to work collaboratively with potential investees (and any co-investors) and involving Stakeholders to agree the investment's impact terms, providing clarity and setting expectations about roles and responsibilities, impact measurement and management and impact performance.					
	Ex-post Impact Measurement, Management and Assessment					
13	The Fund is encouraged to measure, monitor, analyze and evaluate the progress of each of its investees and its investments against agreed impact plans and terms and performance of the Fund overall against its SDG impact intentions and goals.	✓	✓	✓		✓
13.1	The Fund is encouraged to monitor and periodically evaluate the progress of the investee in implementing any agreed upon impact plan and adhering to the investment's impact terms, including whether the investee's initial commitment to evidencing impact and developing its impact measurement capacity and capabilities is borne out in practice and it is devoting the appropriate human and financial resources to the task; whether the investee is using and accounting for the investment capital appropriately and in line with the impact plan and agreed use (for example, if specific funds were to be applied to improving the investee's impact measurement and management capacity and capability); and whether the investee is delivering its impact (and financial) reports as agreed (for example, with respect to content, quality, frequency and timeliness).	✓		✓		
13.2	The Fund is encouraged to periodically reassess whether the data collection methods and the quality and sufficiency of impact data being used remains current and relevant for the context of change and fit-for-purpose to support informed decision-making (for example, that proxies are proving to be sufficiently correlated with the intended outcomes/impacts, whether there have been developments in the use of standardized metrics and/or metrics sets).	✓				
13.3	During the term of the investment, the Fund is encouraged to periodically (and at least annually) measure the actual impact performance of each investee so as to monitor and assess each investee's actual impact performance against its agreed baseline expected impact (and other performance baselines established and agreed (f relevant and appropriate) using the agreed upon metrics and/or metrics sets and identify and analyze the reasons for deviations from expected impact, including any unanticipated impacts and respond accordingly (for example, working with the investee to make adjustments to improve their impact performance, reallocating investments, or moving towards exit (taking into account impact(s) on Stakeholder(s) for investments no longer expected to generate positive impacts).	✓		✓		
13.4	The Fund is encouraged to periodically (and at least annually) measure, monitor and evaluate the Fund's overall actual impact performance against its SDG impact intentions and goals, including identifying and analyzing the reasons for deviations from the Fund's impact goals, and, where necessary, responding accordingly (for example, changing its portfolio mix or reallocating investments, reassessing or refining its impact goals).	✓				
13.5	The Fund is encouraged to implement a pre-defined process for taking and pursuing appropriate action when its impact monitoring and evaluation practices indicate that investments are no longer expected to achieve their baseline expected impact(s), or if investees fail to perform, for instance in implementing their agreed impact plans or adhering to the agreed impact terms of the investment.	✓				

STANDARD	SDG IMPACT PRACTICE STANDARD	IFC	GIIN	PRI	UNEP FI Principles for Responsible Banking	UNEP FI Positive Impact Finance
13.6	Where the Fund reclassifies an investment for purposes of portfolio allocation or exits an investment (including reallocations and exits as a result of actual impact performance underperforming expected impact performance), the Fund is encouraged to continue to include the investment in its internal and external reporting to ensure the integrity of the Fund's impact measurement and management practices and reported impact performance.	✓				
13.7	The Fund is encouraged to measure the impact of each investment at exit (and after exit if relevant and feasible) to assess the overall impact of the investment (taking into account the investee's impact and the Fund's contribution to the investee's impact).	✓				
14	The Fund is encouraged to conduct exits considering the effect(s) on Stakeholders and sustained impact.	✓				
14.1	The Fund is encouraged to consider exit pathways - including the effect(s) of exit on Stakeholders and sustained impact post exit when structuring its investments, monitoring its investments and conducting its exits from investments.	✓				
TRANSPARENCY AND ACCOUNTABILITY						
Public Disclosures						
15	The Fund is encouraged to publicly disclose information about the Fund's impact activities using the shared language embedded in these Standards to promote comparability, transparency and contribute to field building.	✓		✓	✓	✓
15.1	The Fund is encouraged to publicly describe and classify its impact activities using the SDGs (and associated targets), the five dimensions of impact and the three impact categories set out in these Standards (i.e. Acting to Avoid Harm that detracts from achievement of the SDGs, Benefiting Stakeholders in relation to the SDGs, and Contributing to Solutions toward achievement of the SDGs) to promote consistency and market comparability.	✓	✓		✓	✓
15.2	The Fund is encouraged to disclose its motivations for engaging with the SDGs, its SDG impact intentions and impact goals (either actual or illustrative), and its theory of change on its website and in its offering document(s).		✓	✓	✓	✓
15.3	The Fund is encouraged to share its SDG impact data, metrics, reports, learnings and insights publicly to enable them to be widely applied and to contribute to field building and promote the flow of capital toward SDG-enabling activities and away from harmful activities.					
External Reporting						
16	The Fund is encouraged to provide regular impact data and reports to Stakeholders (at least annually) that meets best practice impact reporting standards (subject to fiduciary and regulatory requirements) and periodically assess its Stakeholder impact reporting to ensure it continues to meet Stakeholder needs and best practice over time.	✓	✓	✓	✓	✓
16.1	The Fund is encouraged to report to its Stakeholders periodically (and at least annually) on its SDG impact characteristics and performance using the shared language embedded in these Standards to promote comparability, transparency and contribute to field building.	✓		✓	✓	✓
16.2	The Fund is encouraged to include in its Stakeholder reports the methods and key limitations and assumptions used in the calculation of the Fund's reported impact performance metrics and other impact data used (if relevant), including any external verification of impact data.		✓			
16.3	The Fund is encouraged to provide access or links to raw form data (at the fund and/or underlying investee level subject to confidentiality and privacy constraints) so users can choose how to normalize and organize it.	✓	✓			
16.4	The Fund is encouraged to support and adopt standardized and harmonized SDG impact reporting (for example, looking to reporting standard setting bodies such as GRI and SASB), but ensuring it reports all substantial impacts that matter (positive and negative, intended and unintended) to Stakeholders (as defined in these Standards), given the different meanings that may be accorded to terms such as 'stakeholders' and determination of 'materiality' in different reporting standards.					
16.5	The Fund is encouraged to periodically review its external reporting to ensure it continues to meet the needs of Stakeholders, reflects best practice for impact reporting and reporting against the SDGs (and associated targets) and continues to promote transparency, consistency and comparability.		✓	✓	✓	
External Assurance						
17	The Fund is encouraged to consider external verification of the impact data it uses to make decisions or report externally.	✓			✓	✓
17.1	The Fund is encouraged to consider external verification of impact data it uses to make decisions or report externally, especially in instances where that impact data has a significant effect and/or is not corroborated through other validation techniques (see 8.1).	✓		✓		

STANDARD	SDG IMPACT PRACTICE STANDARD	IFC	GIIN	PRI	UNEP FI Principles for Responsible Banking	UNEP FI Positive Impact Finance
17.2	The Fund is encouraged to consider external assurance of its impact reports to Stakeholders.					
18	The Fund is encouraged to obtain periodical Certification of its adherence to the Standards from a UNDP accredited certifier.					✓
18.1	To qualify for Certification under the Standards, the Fund, and by extension the Fund manager(s), will first need to satisfy the relevant sections of UNDP's Social and Environmental Standards (SES). (Funds who are not currently seeking Certification under these Standards, but using the Standards as guidance, are also encouraged to meet UNDP's SES criteria.)					
18.2	Where the Fund obtains independent Certification from a UNDP accredited certifier, it publicly discloses the date and outcome of its most recent Certification and the intended frequency of future Certification's on its website and in its regular reporting to its Stakeholders.					
18.3	Where the Fund obtains independent Certification from a UNDP accredited certifier as to its adherence with the Standards, the Fund publicly discloses the details of the Certification including, the date of the certification, who conducted the certification, the outcome of the certification, changes from the previous Certification (if relevant), and the intended frequency of future Certifications on its website and in its regular reporting to Stakeholders.					
18.4	Where the Fund obtains independent Certification from a UNDP accredited certifier, it reports significant changes from the previous Certification (if relevant) and any findings or agreed improvement plans coming from the most recent Certification process, and includes updates against such agreed improvement plans in its regular reporting to Stakeholders.					
18.5	Where the Fund obtains independent Certification from a UNDP accredited certifier, and where the Fund satisfies the requirements for certification of the "Meets SDG Impact Practice Standards" level of attainment, it is eligible to apply to use the UNDP SDG Impact Seal for a period not exceeding 12 months from the last Certification date.					