LOOMPACT

Impact Model Verification Standard (IMVS) - Whitepaper

Corresponding Authors: Emily Ikawy

Berlin, 16.10.2024 Version 0.6.1

Content

Disclaimer:

This text is currently under active development and continuous improvement. While some sections are more advanced in the revision process, others are still in earlier stages. Please be aware that updates and changes will be made as the content evolves.

Preface

Current Landscape: A Gap in Impact Measurement Standards

At present, the field of social and environmental impact lacks a universally accepted standard that comprehensively covers its various dimensions. This absence of a standardized approach poses significant challenges in accurately measuring and verifying the real impact of initiatives and projects. Additionally, there is a need for unified communication of impact data, ensuring that stakeholders can easily understand, compare, and trust the reported outcomes across different sectors and organizations.

Our Mission: Developing a Universal Impact Verification Standard

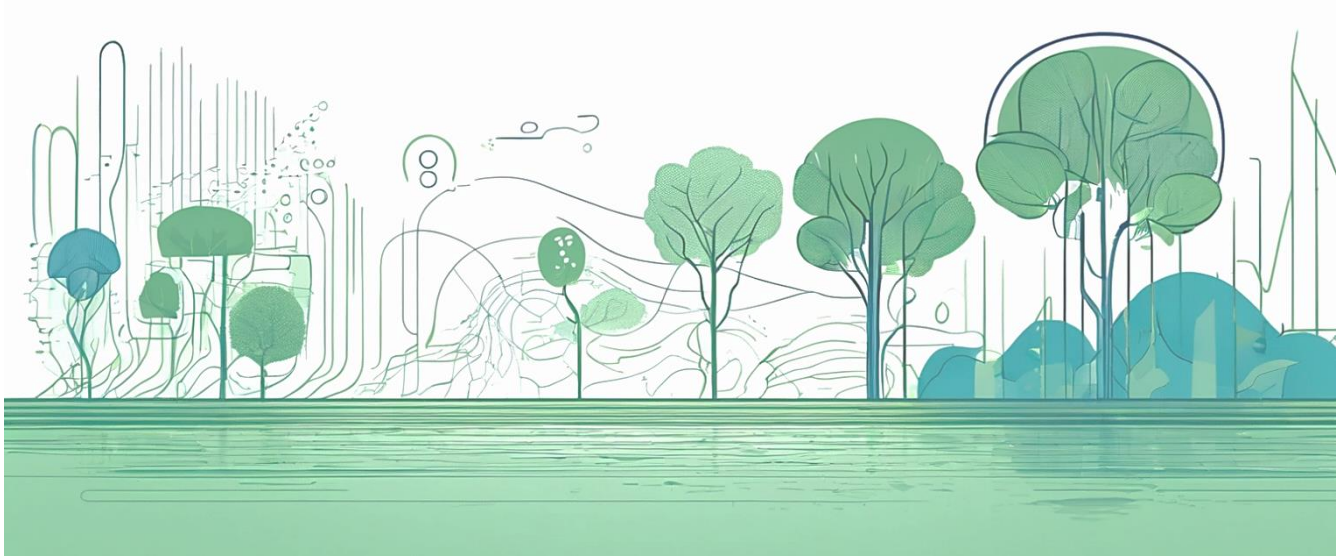
In recognizing this gap, our mission is to embark on a journey to establish a globally recognized standard for impact verification. This attempt is not just about creating a set of guidelines; it's about developing a framework that encompasses diverse aspects of impact measurement – from environmental footprints to social change metrics. It's important to clarify that our verification process does not involve on-site inspections of impact activities; instead, it relies on the thorough examination of documents and proofs to assess impact claims.

Call for Collaboration: Join Us in Shaping the Future

We are keenly aware that developing such a standard cannot be achieved in isolation. It requires the collective wisdom, expertise, and experience of a broad range of stakeholders. We are reaching out to professionals, academics, organizations, and anyone passionate about making a measurable difference in the world.

Your Role: Share, Comment, and Contribute

Your insights, feedback, and active participation are crucial. We encourage you to share and comment on this text, bringing your unique perspective to this important conversation. Together, we can shape a standard that not only measures impact but does so with integrity, reliability, and universal applicability.



I. Introduction

The question "What is impact?" invites us to delve into the multifaceted consequences of actions, interventions, or phenomena across various sectors like economics, environment, and society. Originating in physics, where 'impact' denotes the force exerted during the collision of objects, this concept lays the groundwork for exploring its broader implications.

In physics, impact is analysed by examining the interaction between force, mass, and acceleration, as described by Newton's laws of motion. Specifically, the second law (F=ma) relates the force applied to an object with its mass and the resulting acceleration, while the third law states that every action has an equal and opposite reaction. In impact scenarios, momentum conservation plays a key role, as the total momentum before and after a collision remains constant, provided no external forces are involved. This framework helps quantify how an object's velocity, direction, and mass influence the forces it exerts on its surroundings, as well as the energy transferred during an impact. By applying these principles, physicists can predict and measure the effects of collisions, impacts, and other dynamic interactions in various systems.

Shifting to social, environmental, and economic impacts, the term expands to include influences on societies, ecosystems, and economies. This is reflected in the triple-bottom-line approach (Elkington, 1994) of sustainable development goals, encompassing all three aspects. This approach not only highlights the need for balance between these elements but also emphasizes the interconnectedness of economic growth, environmental stewardship, and social equity as essential for long-term sustainability. Accordingly, it challenges organizations and societies to rethink traditional measures of success, moving beyond financial performance to include social and environmental considerations in their decision-making processes.

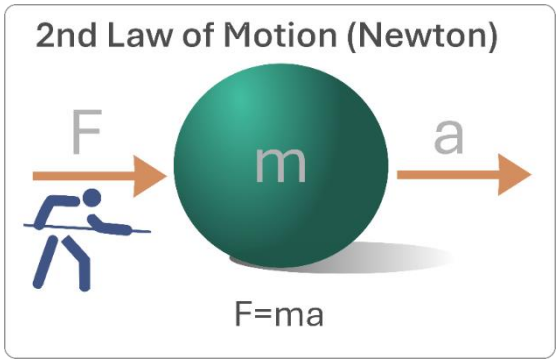


Figure 1: Illustration of Newton's Second Law of Motion: An object with mass m experiences acceleration a due to a force F, according to the formula F = ma.

Economic impacts in society are relatively straight to calculate, focusing on financial structures, market dynamics, and overall economic health. Metrics like Return on Investment (ROI), GDP growth, and market trends provide clear insights, utilizing the monetary unit as the basic measure (Porter & Kramer et al., 2011). In contrast, quantifying social and environmental impacts presents a greater challenge. Social impact, which involves aspects such as health, education, community, and fairness, defies simple quantification through traditional monetary metrics. Tools like Quality-Adjusted Life Years (QALYs), educational statistics, and social cohesion indices are used to evaluate these impacts but often lack the direct measurability found in economic analysis (Sen et al., 1999).

Environmental impact assessment is similarly complex, encompassing a range of factors like pollution levels, habitat changes, and contributions to climate change. While key indicators such as carbon footprints and ecological footprints are employed, they represent an attempt to bring measurable clarity to the broad and intricate effects on ecosystems and human societies (Costanza et al., 1997). Overall, while

economic impacts are quantified with relative ease due to their monetary nature, the complexities of social and environmental impacts require more nuanced approaches and diverse methodologies for effective measurement and assessment. A comprehensive understanding of impact integrates these dimensions, facilitating informed, sustainable decision-making across various sectors.

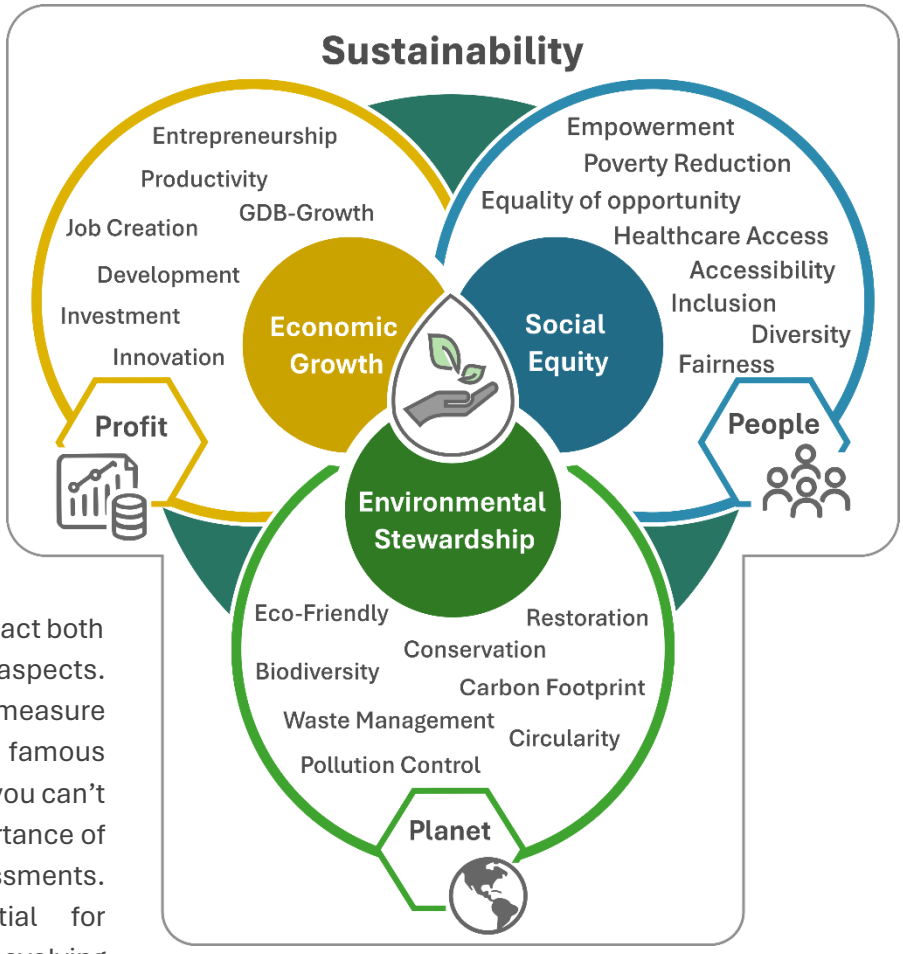


Figure 2: Visual representation of sustainability, showing the interconnectedness of economic growth, social equity, and environmental stewardship, emphasizing the balance between profit, people, and the planet.

Businesses today significantly impact both environmental and societal aspects. However, not all of them actively measure these effects. Peter Drucker's famous principle, 'If you can't measure it, you can't improve it,' underscores the importance of comprehensive impact assessments. Such evaluations are essential for businesses to proactively adapt to evolving trends, customer demands, and regulatory requirements.

The IMVS adopts an integrative approach, addressing economic, environmental, and social dimensions to help organizations enhance their future resilience. It serves three key purposes: standardizing the communication of impact, providing a reliable framework for measuring and verifying impact, and evolving as a dynamic source of information for defining impact metrics.

First, by offering a standardized method for impact reporting, IMVS ensures uniform communication across organizations, making it easier for stakeholders to compare and understand results. This improves transparency and fosters trust in sustainability claims.

Second, IMVS provides a structured way to measure and capture impact data, enabling organizations to accurately assess their sustainability performance. It includes external verifications for enhanced credibility, alongside the introduction of new indicators for ecological and social performance, ensuring security, reliability, and adaptability.

Finally, IMVS acts as an evolving knowledge source, continuously incorporating new data and insights to define and refine impact metrics. As sustainability practices evolve, so too does the system, helping organizations stay up to date with the latest standards and regulatory requirements.

By integrating these three components, IMVS transforms impact measurement and verification into essential tools for strategic governance and long-term sustainability. As organizations navigate future policies, such as the EU Taxonomy, IMVS offers not only control mechanisms but also critical support for driving meaningful, future-focused impact.

The IMVS aims to align with leading frameworks for sustainable development and impact measurement, including:

- **Sustainable Development Goals (SDGs):** Developed by the United Nations, the SDGs set a global framework for addressing critical challenges like poverty, inequality, and climate change by 2030. These 17 goals encourage sustainable action across sectors and countries.
- **IRIS+ (Impact Reporting and Investment Standards+):** Created by the Global Impact Investing Network (GIIN), IRIS+ provides standardized metrics to measure, compare, and manage social, environmental, and financial impacts, helping to align investment decisions with broader impact goals.
- **Doughnut Model:** Devised by economist Kate Raworth, this model redefines economic success by balancing human needs (inner "social foundation") and ecological constraints (outer "environmental ceiling"), advocating for an economy that operates within these boundaries.
- **Global Reporting Initiative (GRI):** GRI provides the most widely used framework for sustainability reporting, guiding organizations in disclosing their economic, environmental, and social impacts with a focus on transparency and accountability.
- **International Integrated Reporting Council (IIRC):** Now part of the IFRS Foundation, this initiative promotes integrated reporting, which combines financial and non-financial performance to give a holistic view of an organization's value creation over time. *(Note: The IIRC has merged into the IFRS Foundation.)*
- **United Nations Conference on Trade and Development (UNCTAD):** UNCTAD works on aligning global sustainability reporting standards, aiming to improve comparability, reliability, and transparency of sustainability data across countries.
- **Corporate Sustainability Reporting Directive (CSRD):** A European Union directive that significantly extends the sustainability reporting obligations of companies, mandating standardized disclosures and greater transparency to meet growing stakeholder expectations.
- **ISO 26000:** Developed by the International Organization for Standardization (ISO), ISO 26000 provides guidance—not requirements—on how businesses and organizations can operate in a socially responsible manner, contributing to sustainable development.
- **Social Return on Investment (SROI):** This methodology quantifies the social and environmental value of an investment in monetary terms, allowing organizations to assess and communicate the broader impact of their activities, often beyond traditional financial metrics.

The IMVS integrates metrics and standards from leading frameworks to help organizations improve their performance in line with global sustainability goals. It provides a comprehensive structure for measuring and managing impact, ensuring that social, environmental, and economic aspects are given equal importance. This holistic approach enables organizations to address all dimensions of sustainability, fostering transparency and accountability. In doing so, the IMVS supports businesses in strategically positioning themselves for long-term success and resilience, while actively contributing to a sustainable future in a rapidly evolving regulatory environment.

A. Background and Purpose IMVS: From Efforts to Outcomes - Rethinking Impact: The Introduction of the Impact Model Verification Standard (IMVS)

In a world undergoing rapid change and facing complex global challenges, the need for effective, sustainable solutions is more urgent than ever. The Impact Model Verification Standard (IMVS) aims to provide a forward-thinking framework for capturing and communicating impact in all its forms. This dynamic model is designed to enable more precise and transparent assessments, offering a unified language that allows organizations to clearly demonstrate their contributions across sectors. Building on a business model approach, the IMVS is both dynamic and iterative, empowering projects and businesses to better understand and communicate their impact. Impact must be fully understood in order to be truly lived. By drawing on scientific research, agile project management practices, and real-world business methodologies, the IMVS seeks to create a comprehensive tool that helps organizations continually refine their strategies and effectively communicate their results.

Can We Build a Business Case That Truly Values Sustainability and Social Impact?

A standard business case typically serves as a strategic blueprint, outlining the rationale and financial projections for a specific project or initiative. While it focuses on maximizing profitability and efficiency—often with an emphasis on short-term financial gains—it frequently overlooks broader societal and environmental concerns, such as sustainability and social responsibility. Although business cases are valuable tools for guiding resource allocation, risk management, and strategic planning, their narrow focus on profitability can result in a failure to address the long-term consequences of business actions, including their impact on the environment and society.

To fill this gap, the **Impact Model Verification Standard (IMVS)** provides a crucial solution by offering a structured framework for auditing and verifying the impact of projects. IMVS enables organizations to measure and assess both positive and negative impacts in a transparent and accountable way. By treating social and environmental factors with the same rigor as financial metrics, IMVS makes it possible to track and quantify impact, bringing clarity and reliability to the process of impact evaluation.

A scientific approach is critical for determining and auditing impact effectively. This process must be methodical and precise because impact is often perceived subjectively, more as a feeling than a measurable result. To address this, we must translate impact into objective, quantifiable metrics using the universal language of mathematics. This allows organizations to align their impact with the data-driven realities of the financial and business world, ensuring that social and environmental contributions are not just abstract concepts but are measurable, reportable, and auditable. Importantly, this must be done without distorting or oversimplifying the true value of sustainability and social justice.

The IMVS adds several key benefits: **transparency**, **accountability**, and **continuous improvement**. By offering a robust audit mechanism, IMVS ensures that organizations are held accountable for their sustainability claims, preventing misleading practices like "greenwashing." It provides stakeholders with a reliable, auditable view of a project's actual contributions to sustainability and social justice, enabling a holistic understanding of its overall impact.

The IMVS addresses the limitations of traditional business cases by introducing a framework for the auditing and verification of social and environmental impact. By integrating rigorous, data-driven

methodologies, it allows businesses to achieve long-term success that balances profitability with accountability for their broader societal and environmental responsibilities. In doing so, IMVS ensures that sustainability is more than a claim—it's a measurable and auditable reality.

If we want to make feelings like social and environmental impact visible and measurable, we need a way to express them in concrete terms. **Key Performance Indicators (KPIs)** are crucial for this. They provide a data-driven component that translates what we are achieving into clear, quantifiable results. KPIs allow us to capture and communicate impact in a measurable way, helping to track progress and drive continuous improvement.

How can one measure the outcomes of a project or business effectively?

KPIs are crucial metrics in business development and management, providing a clear understanding of performance and aiding in decision-making. They are often part of an actionable scorecard, allowing for informed decisions to keep an organization's strategy on course. These indicators can vary and may be based on industry-specific standards, but they should always be relevant to the business's specific needs to avoid failure (Bishop, 2018).

In the context of impact, KPIs shift to measure social and environmental outcomes. This integration into the business model not only tracks the company's contributions to these goals but also aligns operations with broader societal and environmental objectives, enhancing credibility and trust in the brand. This approach is particularly important in maintaining transparency and accountability, which are key in combating greenwashing and establishing a commitment to positive societal impact (Zelga et al. 2018).

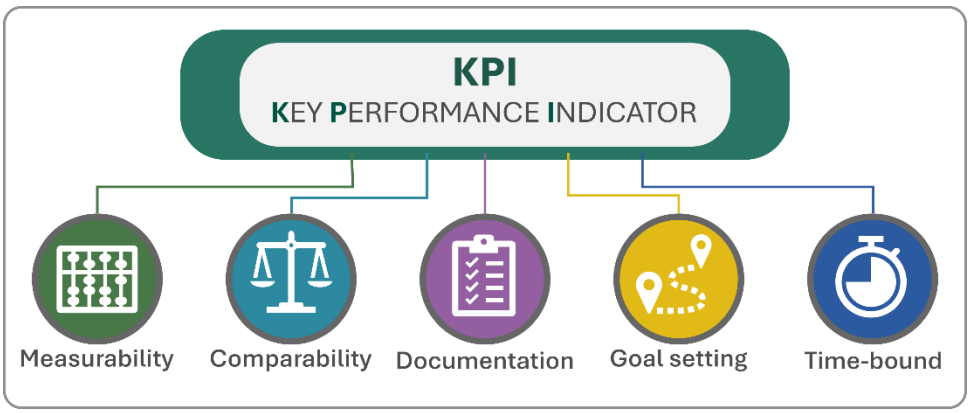


Figure 3: Representation of the five components of Key Performance Indicators (KPIs), highlighting five key aspects: measurability, comparability, documentation, goal setting, and time-bound objectives.

KPIs are not only quantitative but can also be qualitative, depending on the context. They are used to inspect performance and progress, serving as a management system for effective decision-making and enhancing productivity (Andrade & Sadaoui, 2017). When it comes to business models, KPIs help in measuring and managing results, ensuring that various functions within a company work efficiently towards achieving strategic goals.

An Impact Model in a business context typically refers to the framework used to assess the social, economic, and environmental effects of a business's operations. It is closely related to KPIs, as these indicators are often used to measure the extent and nature of this impact (Mejía-Trejo, 2022).

This is where the IMVS comes into play. IMVS is not merely a set of guidelines; it is a flexible, evolving framework designed to audit and verify impact across sectors and organizations. By combining qualitative

and quantitative measures, the IMVS offers a structured way to assess the real-world effects of business activities, with a strong focus on sustainability and social responsibility.

Adaptability and Universality

The IMVS acknowledges that no two organizations are alike. Each faces unique challenges, driven by industry-specific factors, regional differences, and operational complexities. To account for this diversity, the IMVS provides a foundational set of universal principles and metrics that serve as the core of its impact assessment framework. However, its real strength lies in its adaptability. The IMVS is designed to be flexible, allowing it to be customized and adjusted to fit the particular needs and nuances of different sectors, industries, and organizational structures. This flexibility ensures that while the core principles remain consistent, the application can vary in scope and detail, making the IMVS equally effective in small-scale local businesses and large multinational corporations. The ability to tailor the framework without losing the rigor of the methodology is key to its success, ensuring that the IMVS is not a one-size-fits-all solution but a robust, adaptable system capable of meeting varied and complex demands.

Methodological Rigor

At the heart of the IMVS is a commitment to methodological precision and thoroughness. It draws upon established impact assessment models and integrates global best practices, creating a multi-layered approach that is both comprehensive and evidence based. The IMVS's methodology is built on several pillars: it incorporates feedback from a wide range of stakeholders, measures environmental impacts through precise metrics, and evaluates socio-economic factors to provide a holistic view of an organization's footprint. This multi-dimensional approach ensures that the impact is not only quantitatively measured but also qualitatively understood, capturing the full scope of how an organization affects its surroundings. Furthermore, the IMVS places a strong emphasis on verification, ensuring that the data collected is rigorously audited and validated. This combination of precision and validation enhances the credibility of the impact assessment, providing organizations and stakeholders with confidence that the results are both accurate and reliable.

The Broader Role of IMVS

While the IMVS is a powerful tool for transforming how organizations measure and manage their social, environmental, and economic impacts, it is not a standalone solution. It functions within a broader ecosystem of accountability and sustainability practices that depend on collaboration, shared values, and a commitment to continuous improvement. The IMVS's success hinges on the willingness of organizations to embrace transparency in their operations, adopt accountability as a core value, and engage in iterative learning and development processes. The standard is designed to promote not just one-time evaluations, but ongoing assessments that encourage organizations to evolve and improve over time. In this way, the IMVS fosters a culture of responsibility and sustainability, aligning organizational goals with broader societal and environmental imperatives.

The IMVS's Mission

The overarching mission of the IMVS is to provide a framework that rigorously verifies and validates the social, environmental, and economic impacts of business activities. By offering a structured approach to impact assessment, the IMVS ensures that organizations are not only aware of their impacts but can measure them in a way that is both auditable and transparent. Much like strategic business planning methodologies that focus on optimizing financial outcomes, the IMVS focuses on optimizing social and environmental outcomes, ensuring that these impacts are aligned with long-term sustainability objectives.

It goes beyond merely measuring outcomes, providing the tools and systems necessary to ensure that these outcomes are integrated into decision-making processes at every level of an organization. By making impacts measurable and verifiable, the IMVS helps businesses move from vague claims of responsibility to concrete, demonstrable actions that contribute to global sustainability goals.

A Systematic Framework for Measuring, Verifying, and Reporting Social, Economic, and Environmental Impacts Models – Facilitating Accountability in Sustainable Development

The IMVS serves as a foundational component in the broader context of sustainable development and corporate responsibility. It provides a structured approach to assessing and verifying an organization's impact across three pivotal domains: Social, Economic, and Environmental.

Social Impact: This domain pertains to the organization's effects on societal variables, including equity, health outcomes, education, and community welfare. By assessing social impact, organizations can quantitatively and qualitatively analyse their influence on societal structures, such as labour practices,

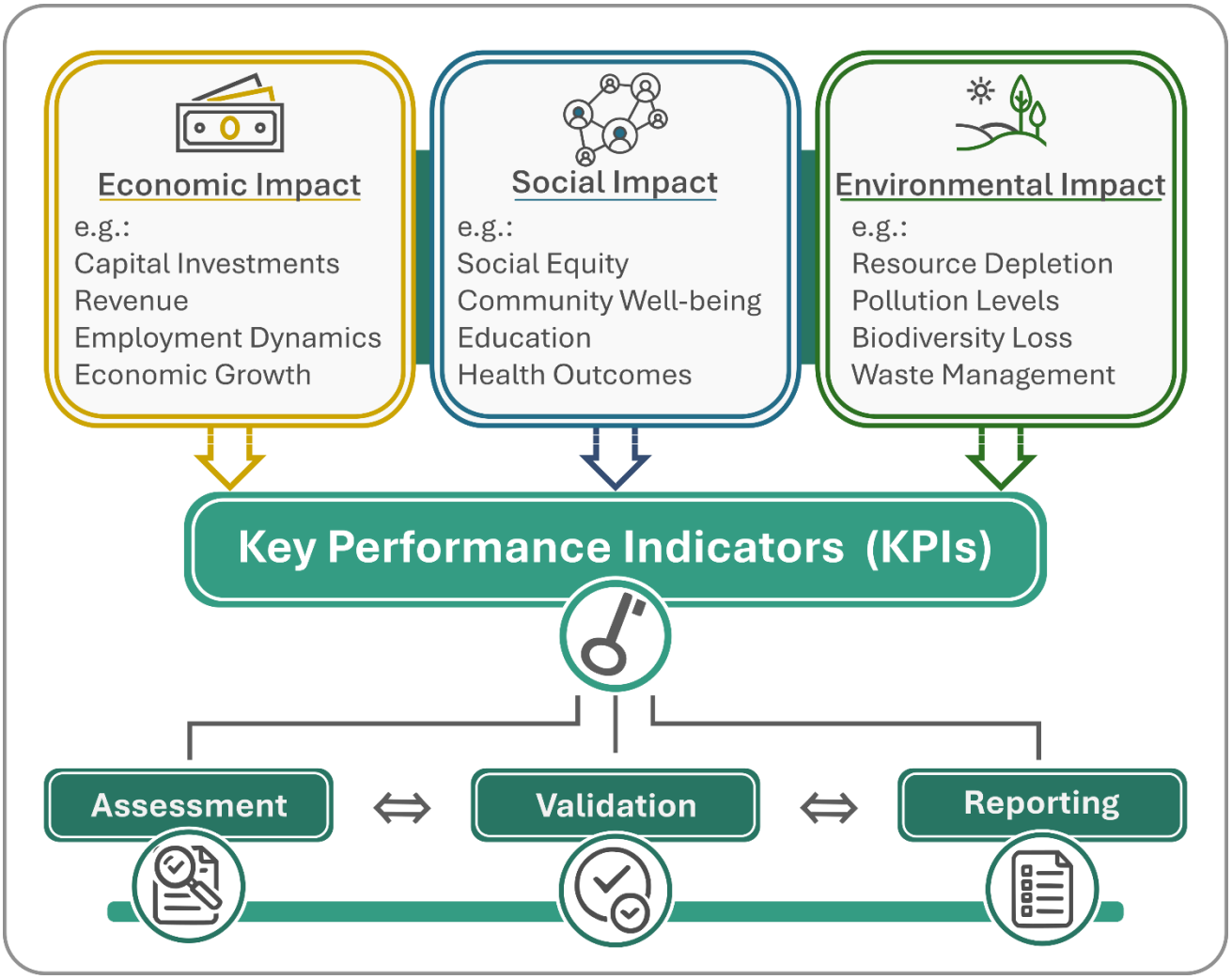


Figure 4: Illustration of Key Performance Indicators (KPIs) focusing on economic, social, and environmental impact. The process includes assessment, validation, and reporting to measure factors like capital investments, social equity, and resource depletion.

public health, and community development initiatives. This analysis is integral to understanding how organizational operations contribute to or mitigate social inequities and foster inclusive societal progress.

Economic Impact: The evaluation of economic impact focuses on quantifying the organization's contribution to macro- and microeconomic factors, such as job creation, income generation, capital flows, and regional economic stability. A comprehensive assessment of economic impact enables organizations to model their role in economic systems, particularly in terms of generating sustainable economic growth and contributing to local and global economic resilience. These metrics are critical for understanding the organization's role in enhancing economic sustainability and supporting long-term financial stability.

Environmental Impact: The environmental domain addresses the organization's interaction with natural ecosystems, emphasizing metrics related to resource consumption, emissions, waste management, and biodiversity conservation. Rigorous environmental impact assessments enable organizations to align their operations with global environmental sustainability objectives, including climate change mitigation and the conservation of ecosystems. Quantitative analysis in this domain is essential for ensuring the organization's compliance with environmental regulations and its contributions to the reduction of ecological degradation.

To ensure the validity and transparency of these impacts, the IMVS relies on the processes of Measurement, Verification, and Reporting—each playing a distinct role in the sustainability ecosystem:

Measurement begins with the systematic collection and quantification of data to evaluate an organization's activities and their impacts. This process is typically grounded in an **impact model**, which defines how specific actions lead to measurable outcomes. The impact model provides a structured approach to link inputs (e.g., investments in renewable energy) to outputs (e.g., reduced carbon emissions) and outcomes (e.g., improved air quality). KPIs (key performance indicators) are used to quantify these outcomes consistently. For example, if an organization invests in energy efficiency, the impact model might track the kilowatt-hours saved and convert this into carbon emission reductions (e.g., a reduction of 10 metric tons of CO_2 per year). Establishing a baseline at the beginning of a project allows for future comparisons, ensuring that progress can be tracked over time (e.g., a 20% reduction in water usage compared to baseline levels). This structured measurement process provides the empirical foundation needed to assess performance against sustainability targets, ensuring that all impacts are systematically captured.

Verification is essential for ensuring the accuracy and reliability of the data collected during the measurement phase. Verification often involves both internal processes and external third-party audits to confirm that the reported impacts are accurate and free from bias. For instance, when a company reports a reduction in carbon emissions (e.g., a 15% reduction over two years), external auditors may verify the methodology used to calculate the emissions and ensure that the data is accurate and compliant with recognized standards. Verification is particularly important in regulatory contexts or when organizations make public sustainability claims, as it builds trust with stakeholders by ensuring that reported outcomes are credible. In some cases, verification might involve compliance with legal frameworks (e.g., EU Taxonomy regulations), where external auditors validate that the organization meets specific environmental or social performance criteria.

Reporting is the final step, where organizations transparently communicate their measured and verified impacts to stakeholders. This process involves organizing the data into a standardized format that aligns with recognized frameworks such as ESG (Environmental, Social, and Governance) standards or the Global Reporting Initiative (GRI). For example, an organization may report its verified carbon emissions reduction (e.g., 25% reduction in CO_2 emissions) or improvements in community health outcomes (e.g., 10% increase in access to clean water) in a sustainability report. Standardization in reporting is key to ensuring comparability across organizations and industries, allowing stakeholders such as investors, regulators, and the public to evaluate an organization's performance relative to its peers. Effective reporting enhances transparency and accountability by clearly articulating the organization's progress toward sustainability goals.

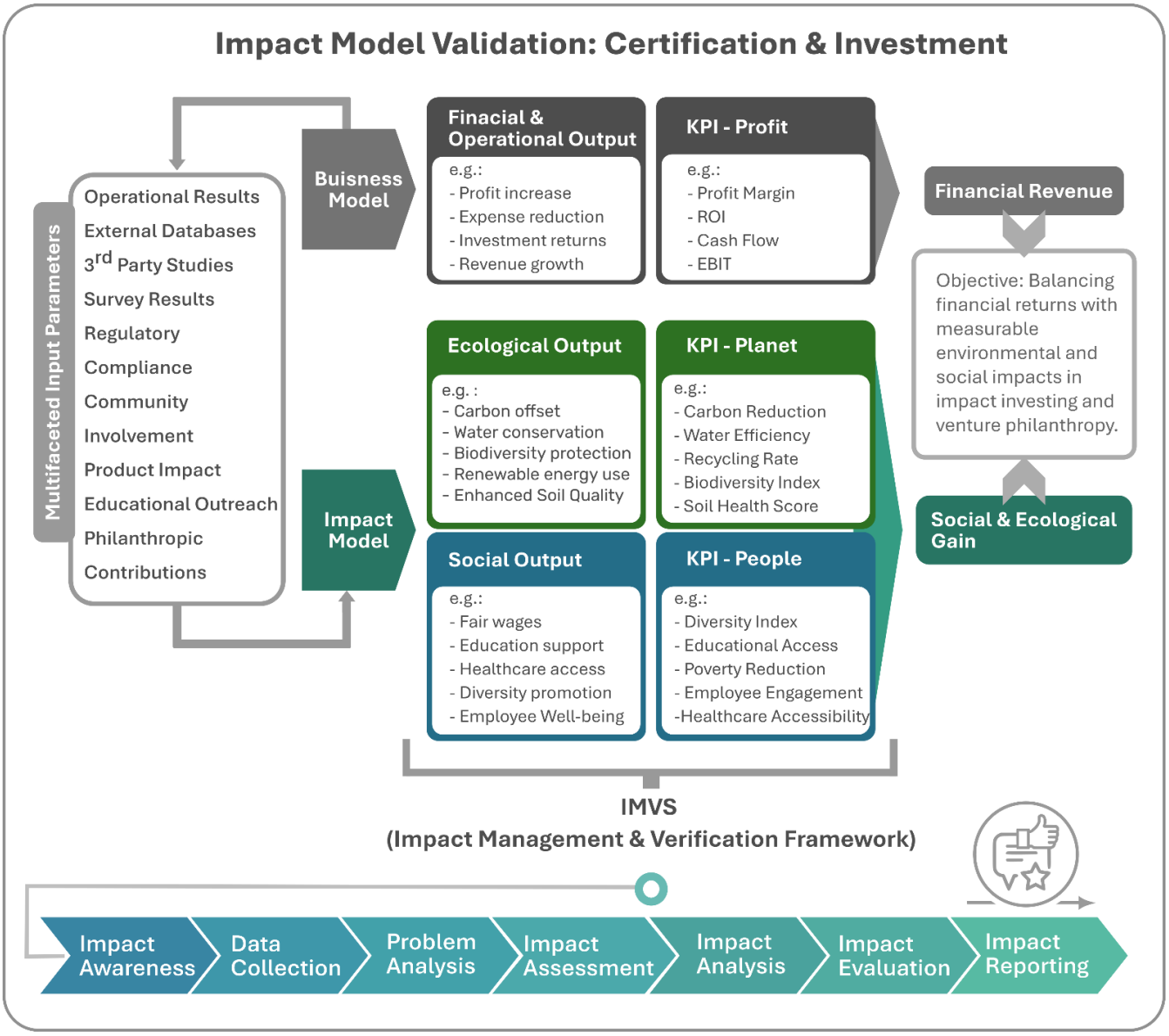


Figure 5: Schematic overview of the Impact Model Validation process, illustrating the balance between financial revenue and social/ecological gains. The model evaluates financial, ecological, and social outputs using Key Performance Indicators (KPIs) for profit, planet, and people. Inputs include operational data and compliance, with the process guided by the IMVS framework for impact management and verification.

A structured approach to impact assessment is essential to avoid common pitfalls such as inaccuracies, misrepresentation, and the risk of greenwashing. Without a rigorous framework, impact data can be incomplete, exaggerated, or misleading, making it difficult to assess the true outcomes of an organization's efforts. Key processes such as systematic data collection, validation, and transparent communication are crucial to prevent the dissemination of unverified or inflated claims. Unstructured assessments can lead to false conclusions, undermining both stakeholder trust and the credibility of the organization. Moreover, without proper validation, data inconsistencies may arise, making it hard to compare results across sectors or align with global standards. A structured, validated impact assessment not only ensures the reliability of outcomes but also promotes accountability, guiding organizations toward measurable, substantiated contributions to sustainable development. The IMVS provides this structure by integrating the processes of measurement, verification, and reporting into a continuous feedback loop. This ensures that impacts are systematically quantified, validated for accuracy, and transparently communicated. Such a method safeguards against errors and misinterpretations, ensuring that impact assessments are reliable and aligned with global standards, contributing meaningfully to sustainable development goals.

What Makes the IMVS a Comprehensive Tool for Impact Verification and Adaptation?

The IMVS adopts an integrative approach, addressing economic, environmental, and social dimensions to help organizations enhance their future resilience. It is built around **three key components**:

1) **Standardization of Impact Communication:**
   IMVS provides a standardized framework for reporting impact, allowing organizations to communicate their sustainability efforts uniformly. This enhances transparency, making it easier for stakeholders, such as investors and regulators, to compare and understand impact results across different organizations. By unifying communication, IMVS supports clearer, more reliable reporting and reduces the risk of greenwashing.

2) **Impact Measurement and Verification:**
   IMVS offers a robust method for capturing and verifying impact data, giving organizations a comprehensive way to measure their ecological and social performance. It includes external verifications to ensure the credibility and reliability of the reported impact while providing flexibility to adapt to new indicators as sustainability practices evolve. This makes IMVS a crucial tool for assessing performance and ensuring compliance with emerging regulations like the EU Taxonomy.

3) **Evolving Source of Impact Metrics:**
   IMVS serves as a dynamic, evolving resource for defining and updating impact metrics. As sustainability standards and policies progress, the system continuously incorporates new data and benchmarks, ensuring that organizations remain aligned with the latest practices. This adaptability makes IMVS not only a measurement tool but also a living knowledge source that grows alongside advancements in sustainability.

B. Expanding Horizons: The Broad Reach and Diverse Applications of the IMVS

IMVS is designed to meet the unique demands of projects of any size, from large-scale corporate initiatives to small NGO-driven efforts. Its strength lies in its ability to adjust to various types of impact, whether environmental, social, or governance related. By offering customizable templates and adaptable metrics, IMVS allows organizations to evolve their impact verification processes as their projects grow and change.

A key feature of the IMVS is learning through experience—organizations refine their methodologies based on real-world applications, ensuring that the framework remains relevant as new challenges emerge. This makes the IMVS a dynamic, evolving tool that grows organically with the organization and adapts to the evolving landscape of sustainability.

Crucially, IMVS bridges the gap between business and science. It blends scientific rigor, such as data-driven metrics and evidence-based analysis, with the practical scalability that businesses require. This interdisciplinary approach ensures that organizations, regardless of size, can benefit from the best of both worlds—scientific precision and business efficiency.

Whether tracking global sustainability goals or measuring the local impact of a community project, the IMVS is accessible to everyone. It provides the structure and flexibility needed to capture impact, foster transparency, and drive meaningful change across all sectors.

Reach:

- ☑ **Multinational Corporations:** For these entities, IMVS serves as a comprehensive tool to align global operations with sustainable and ethical standards. It aids in consolidating impact reporting across diverse geographical regions and business units, enhancing global reputation and compliance.
- ☑ **Small and Medium Enterprises (SMEs):** SMEs can utilize IMVS to establish a framework for sustainability and social responsibility from the outset. This standard can guide SMEs in implementing scalable and effective impact strategies that align with their growth trajectories.
- ☑ **Startups and Entrepreneurs:** For startups, particularly in the technology and innovation sectors, the IMVS is instrumental in embedding impact considerations into their foundational business models. This is particularly relevant for startups seeking venture capital, as investors increasingly prioritize companies with clear impact verification processes.
- ☑ **Non-Governmental Organizations (NGOs):** IMVS provides NGOs with a robust framework for measuring and verifying their social and environmental impacts. By adopting IMVS, NGOs can enhance transparency and accountability in their operations, strengthening trust among stakeholders and donors. Additionally, IMVS facilitates the alignment of NGO activities with global sustainability goals, enabling them to demonstrate meaningful contributions to societal and environmental well-being.
- ☑ **Investors and Venture Capitalists:** Impact-driven investors benefit from IMVS as it provides a standardized method for assessing the social and environmental performance of potential investments. By adopting IMVS, investors can make more informed decisions and align their portfolios with ESG (Environmental, Social, and Governance) criteria, increasing confidence in the sustainability claims of their investments.
- ☑ **Supply Chain Partners:** IMVS helps companies evaluate the sustainability practices of their supply chain partners. By implementing a consistent impact verification process, businesses can ensure that

their suppliers comply with ethical and environmental standards, reducing risks associated with unsustainable practices and strengthening their supply chain's overall resilience.

☑ **Consumers:** As more consumers demand transparency regarding the social and environmental impacts of the products and services they buy, IMVS offers a reliable benchmark for evaluating company claims. Consumers can use the insights provided through verified impact assessments to make more informed purchasing decisions that align with their ethical and environmental values.

Target Audience:

⇨ **Internal Use of IMVS:** In this context, 'internal' refers to companies or consulting firms that adopt the IMVS standard to assess sustainability practices and impact claims within their own operations or across different business units. This internal application of IMVS focuses on the organization's ability to monitor and evaluate its own sustainability performance, ensuring consistency and accuracy in tracking key sustainability metrics. These companies or consultants use IMVS to create a standardized framework for evaluating various aspects of sustainability, such as resource use and social responsibility, throughout their operations. For example, IMVS allows organizations to systematically track and measure energy consumption, water usage, and waste reduction (e.g., assessing energy efficiency across global facilities, monitoring water conservation in manufacturing, or reducing waste in supply chain processes). Furthermore, it facilitates consistency in sustainability reporting across regions and business units (e.g., ensuring uniform reporting from multiple office locations or production plants) and supports internal audits (e.g., evaluating carbon footprint, resource efficiency, or employee well-being initiatives).

⇨ **External Audits Using IMVS:** The external application of IMVS involves independent auditors, third-party verifiers, or regulatory bodies using the standard to assess a company's sustainability claims from an outside perspective. This process ensures that the company's reported impact aligns with verifiable data and complies with sustainability standards. External audits using IMVS focus on verifying public sustainability claims (e.g., confirming carbon emissions reductions, renewable energy adoption, or supply chain sustainability practices), checking compliance with relevant environmental and labour regulations (e.g., adherence to emissions limits, compliance with fair labour standards), and offering transparency to stakeholders (e.g., providing investors with credible ESG data, ensuring regulators have accurate information on compliance, or giving consumers confidence in ethical product sourcing).

Intended Users and Practical Applications of a Standardized Impact Audit System:

⇨ **Corporate Executives and Sustainability Officers**: Utilize the system to structure and report their organizations' sustainability and social impact efforts, aligning with corporate goals and stakeholder expectations.

⇨ **Investors and Venture Capitalists**: Benefit from standardized assessments of potential investments' impact credentials, aiding decisions aligned with ESG criteria.

⇨ **Regulatory Bodies and Policy Makers**: Use the system as a benchmark to evaluate and encourage responsible business practices, shaping policy and regulatory frameworks in corporate sustainability.

⇨ **Consultants and Auditors in Sustainability**: Employ the system to guide organizations in implementing and improving sustainable practices and auditing their impact claims.

⇨ **Non-Governmental Organizations (NGOs)**: Leverage the system to evaluate the impact and effectiveness of their initiatives and those of potential partners.

- ⇨ **Supply Chain Partners and Industry Peers**: Utilize the system to assess and enhance their sustainability practices, ensuring compliance with industry standards.
- ⇨ **Educational Institutions and Research Bodies**: Apply the system to analyse corporate sustainability practices, contributing to academic study and practical application.
- ⇨ **Community Groups and Local Governments**: Use the system to understand and assess the impact of corporate activities in their areas, aiding in community-level decision making.
- ⇨ **Technology Providers:** Develop tools and platforms that integrate with the standardized system to help organizations automate tracking and reporting of sustainability efforts
- ⇨ **Employees and Internal Teams**: Use the system to engage in sustainability initiatives, track progress, and contribute to internal reporting on social and environmental impact.
- ⇨ **Customers and Consumers**: Access transparent information about a company's sustainability efforts, enabling informed purchasing decisions based on social and environmental impact.

Below is a comprehensive overview of stakeholders and their respective benefits of utilizing a standardized system in impact audits, along with the key challenges they may encounter.

Table a : Stakeholders, Benefits, and Challenges of Using a Standardized System for Impact Audits

Overview of the key stakeholders in the impact audit process, outlining the benefits they gain from utilizing a standardized system, as well as the challenges they may face in its implementation.

Stakeholder	Benefits of Using a Standardized System	Key Challenges
Multinational Corporations	Enhances sustainability credibility globally; Ensures adherence to sustainable standards	Managing diverse operational standards across regions; Adapting to varying regulatory environments
Small and Medium Enterprises (SMEs)	Establishes credible sustainability frameworks; Aligns with sustainable growth trajectories	Overcoming resource limitations for comprehensive impact strategies; Finding scalable solutions
Start-ups and Entrepreneurs	Integrates sustainability for enhanced credibility; Attracts ESG-focused investors	Balancing sustainability with growth and profitability; Securing funding aligned with impact goals
Corporate Executives and Sustainability Officers	Structures and reports sustainability efforts; Aligns with corporate goals and stakeholder expectations	Integrating sustainability into core business strategies; Effective stakeholder communication
Investors and Venture Capitalists	Benefit from standardized assessments of investments' impact credentials; Make decisions aligned with ESG criteria	Balancing long-term sustainability with short-term financial gains; Navigating diverse ESG reporting standards
Regulatory Bodies and Policy Makers	Uses system as benchmark for responsible practices; Shapes policy and regulatory frameworks in sustainability	Developing regulations that encourage sustainability without hindering innovation

Consultants and Auditors in Sustainability	Guides organizations in sustainable practices; Audits enhance credibility	Staying updated with evolving sustainability practices, ensuring accuracy in impact reporting
Non-Governmental Organizations (NGOs)	Leverage system to evaluate impact of initiatives; Assess effectiveness of partnerships	Accessing and interpreting data; Collaborating with diverse stakeholders
Supply Chain Partners and Industry Peers	Utilize system to assess and enhance sustainability practices; Ensure compliance with industry standards	Managing data collection across complex supply chains; Implementing changes across diverse partners
Educational Institutions and Research Bodies	Apply system to analyse corporate sustainability practices; Contribute to academic and practical study	Securing funding for research initiatives; Bridging the gap between theory and practice
Community Groups and Local Governments	Use system to understand and assess impact of corporate activities; Aid in community-level decision making	Accessing and interpreting data; Advocating for community interests amidst corporate pressures
Technology Providers	Develop tools to automate sustainability tracking and reporting	Integrating with existing systems; Keeping up with evolving sustainability practices and standards
Employees and Internal Teams	Engage in sustainability initiatives; Contribute to internal reporting on social and environmental impact	Balancing engagement with day-to-day responsibilities; Building a sustainability culture within the company
Customers and Consumers	Access transparent sustainability information; Make informed purchasing decisions	Understanding complex sustainability data; Distinguishing credible claims from "greenwashing"

C. Strategic Stakeholder Engagement: Key to Reliable and Credible Verifications

What is Stakeholder Engagement in IMVS?

Stakeholder engagement within the IMVS framework involves identifying and actively collaborating with key groups that are either impacted by, or can influence, the verification standards. This includes employees, customers, investors, regulatory bodies, and community members.

By gathering diverse insights from these groups, organizations ensure that their verification processes are more transparent, inclusive, and aligned with broader societal needs. Employees provide on-the-ground insights into organizational practices, while investors can push for greater accountability and long-term sustainability. Community members offer an external perspective on how organizational activities affect local environments and societies, while customers often drive demand for more ethical and transparent business practices.

Effective stakeholder engagement is crucial because it builds trust, improves the accuracy of verification results, and strengthens the credibility of an organization's sustainability claims. By incorporating stakeholder input, organizations can identify risks, address blind spots, and ensure their impact assessments are comprehensive and reliable. This process helps create verification reports that are not only credible but also aligned with the needs and expectations of all stakeholders involved.
To successfully implement stakeholder engagement in the context of the IMVS, a well-rounded, multi-faceted approach is necessary. Stakeholder engagement is more than just communication—it requires ongoing identification of key stakeholders, transparent interaction, active consultation, meaningful integration of feedback, and continuous engagement throughout the entire verification process.

The Rationale Behind Stakeholder Engagement
Engaging a diverse group of stakeholders—such as employees, customers, investors, and community members—ensures that the verification process benefits from a range of perspectives. Each stakeholder group offers unique insights that contribute to a more nuanced understanding of the organization's impact. Employees, for example, provide practical insights into daily operations, while community members shed light on the external effects of business activities. Investors push for accountability and long-term sustainability, and customers drive ethical business practices.
By leveraging these diverse inputs, organizations can enhance the accuracy and credibility of their impact assessments. This ensures that the final verification outcomes are trustworthy and reflect a balanced view of the organization's activities.

Executing Stakeholder Engagement in Verification
Identifying key stakeholders: The first step is to systematically identify individuals and groups who are directly impacted by or have an interest in the organization's activities. This includes both internal (e.g., employees) and external (e.g., community members, investors) stakeholders.

Open communication and consultation: Engaging stakeholders requires clear, ongoing communication. Organizations should regularly consult stakeholders to understand their concerns, expectations, and insights. This ensures that their feedback is incorporated meaningfully into the verification process.
Integrating stakeholder feedback: Once feedback is gathered, it must be carefully integrated into the verification framework. This means adjusting methodologies, refining impact assessments, and addressing areas of concern that may have been overlooked by the organization. This step ensures that the verification process is not only data-driven but also informed by real-world perspectives.

Continuous engagement: Stakeholder engagement is not a one-time activity. To ensure that verification processes remain transparent and credible, ongoing engagement is essential. Regular updates, consultations, and feedback loops allow organizations to remain responsive to evolving stakeholder concerns and maintain the integrity of their sustainability claims.

Table b: Comprehensive Overview of Stakeholder Engagement in Verification within the IMVS Framework

Outline of the multi-faceted approach required for effective stakeholder engagement in verification processes. It highlights the purpose (rationale), actions (execution), and mechanisms (approach) necessary to ensure successful stakeholder collaboration and input in alignment with the IMVS framework.

Activity	Purpose	Action	Instrument
Identification of Stakeholders	Ensuring all potentially affected parties are considered	Conducting thorough assessments of organizational activities	Enumerating all relevant stakeholder groups impacted
Communication Channels	Facilitating transparent and effective communication	Utilizing regular meetings, newsletters, and social media	Establishing open lines of communication across platforms
Inclusive Consultation	Gathering comprehensive feedback for informed decision-making	Using surveys and focus groups to capture diverse perspectives	Implementing inclusive processes for stakeholder input
Integration of Feedback	Ensuring stakeholder perspectives shape outcomes and strategies	Analysing and integrating feedback into planning processes	Actively incorporating stakeholder feedback into strategy development
Continuous Engagement	Fostering trust and keeping stakeholders informed of progress	Providing regular updates and open channels for feedback	Maintaining ongoing dialogue with stakeholders
Conflict Resolution & Consensus Building	Addressing conflicts and achieving consensus among stakeholders	Establishing mechanisms for conflict resolution and consensus-building	Facilitating productive dialogue and mutual understanding
Participative Decision Making	Integrating stakeholder input into decision-making processes	Including stakeholders in decision-making and solution development	Empowering stakeholders through participatory decision-making
Capacity Building	Strengthening stakeholders' skills and involvement	Providing resources and training to enhance stakeholder capabilities	Building capacity for effective engagement and collaboration
Evaluation and Feedback	Assessing and adjusting stakeholder engagement effectiveness	Regularly reviewing and evaluating engagement efforts	Soliciting feedback and making improvements based on evaluation results

Benefits of Effective Stakeholder Engagement

Effective stakeholder engagement plays a critical role in enhancing the reliability and credibility of verification processes. By embedding stakeholder input into every phase, organizations ensure that verification outcomes are trustworthy, comprehensive, and reflective of diverse viewpoints. Moreover, this engagement leads to stronger, more meaningful relationships between organizations and their stakeholders, fostering a deeper sense of accountability and shared responsibility.

Incorporating a range of voices strengthens the overall verification profile, making it more resilient and adaptive to emerging challenges. This ensures that the IMVS verification outcomes are not only technically sound but also socially and ethically robust, capturing the full breadth of an organization's impact.

Table c: Table: Key Benefits of Stakeholder Engagement in Verification within the IMVS Framework

Benefits of engaging stakeholders in verification processes, detailing the purpose behind each benefit, the actions involved, and the mechanisms used to achieve these outcomes. It also provides additional insights to highlight the broader impact of stakeholder involvement.

Benefit	Purpose	Action	Mechanism	Additional Insights
Increased Credibility	Enhancing credibility of verification outcomes	Involving stakeholders directly in verification	Stakeholder participation fosters trust in findings	Direct engagement builds rapport and mutual understanding
Diverse Perspectives	Achieving a holistic understanding of impacts	Engagement of varied stakeholders	Bringing multiple viewpoints to the process	Varied stakeholders ensure comprehensive assessment
Bias Mitigation	Ensuring equitable, unbiased outcomes	Balanced participation from diverse stakeholders	Identifying and mitigating biases	Diverse input safeguards against biases and promotes fairness
Enhanced Transparency	Building trust through transparency	Open, clear communication with stakeholders	Promoting transparency in engagement	Transparent processes foster accountability and stakeholder confidence
Continuous Improvement	Keeping the process effective and relevant	Regularly incorporating stakeholder input	Refining and enhancing the process	Iterative feedback drives innovation and adaptability
Risk Identification and Management	Identifying and addressing potential risks	Involving stakeholders in risk assessment	Early identification and management of risks	Stakeholder insights pre-proactively address potential pitfalls
Regulatory Compliance and Insight	Ensuring adherence to laws and gaining insights	Stakeholders provide insights on regulatory compliance	Aligning processes with current regulations	Stakeholder perspectives ensure compliance with real-world dynamics

II. Principles and Protocols of IMVS- Integrating Competence, Quality, and Ethics in Impact Verification

Expertise, rigorous quality control, and unwavering ethical standards are fundamental to ensuring integrity in both internal operations and external engagements. These principles are particularly vital when dealing with social and environmental data, which are often emotionally charged and can evoke strong subjective reactions. In such cases, auditors must be capable of performing evaluations based on factual analysis while consciously avoiding personal bias, ensuring that their assessments remain objective and impartial.

This balance between objective analysis and the human aspect of impact data requires not only technical proficiency but also a deep commitment to ethical integrity. Auditors must navigate the complex terrain where data about environmental damage, social inequities, or community well-being can elicit strong emotional responses. Their role is to distil this data into clear, measurable outcomes that can guide informed decision-making, while maintaining a level of detachment that allows for fairness and neutrality. This ability to separate personal values from professional judgment is crucial in delivering assessments that stakeholders can trust.

Internally, these principles help foster a culture of trust and accountability within the audit team. Expertise ensures that team members are equipped with the knowledge and skills required to interpret complex impact data accurately. Rigorous quality control establishes a framework where processes are transparent, repeatable, and consistent, allowing each audit to be carried out with the same level of precision and reliability. Additionally, ethical standards act as a safeguard, ensuring that team members collaborate openly, address potential conflicts of interest proactively, and adhere to a shared code of conduct that prioritizes the integrity of the entire process.

Externally, these principles play a crucial role in how stakeholders perceive the audit's credibility. For investors, regulatory bodies, and affected communities, the assurance that the impact assessment has been conducted with impartiality and rigor is essential for making informed decisions. Stakeholders need to trust that the auditors have not only the technical expertise to understand the nuances of social and environmental impacts but also the moral clarity to present their findings without distortion or influence. This trust is what enables the IMVS to serve as a bridge between data and meaningful action, empowering organizations to align their goals with broader societal and environmental responsibilities.

Furthermore, in a time when greenwashing and social responsibility claims are under greater scrutiny, adherence to these principles protects against misrepresentation and ensures that impact claims are backed by verifiable, independent evaluations. The transparency and accountability embedded in the IMVS framework help stakeholders navigate the growing complexity of impact measurement, giving them confidence that reported outcomes genuinely reflect the organization's efforts and contributions.

Ultimately, the integration of expertise, quality control, and ethical integrity is not just a technical necessity but a moral imperative. It allows audit teams to engage with sensitive, emotionally charged data responsibly and objectively, ensuring that all parties—internal and external—can rely on the audit process. The result is not just a reliable impact assessment but a shared understanding of responsibility and accountability that fosters sustainable and lasting change.

A. IMVS 101: Principles of Verification

In impact verification, competence, quality control, and ethics form the foundation of credibility and effectiveness. Competence ensures that assessments are accurate, consistent, and aligned with industry standards. Quality control involves systematic planning, rigorous methodologies, and transparent documentation to safeguard reliability. Ethics, grounded in integrity and objectivity, ensures impartial assessments, free from conflicts of interest. Together, these principles strengthen the verification process, ensuring that impact reports are not only authentic and accountable but also trusted by stakeholders. (The topic is revisited in section 106.1.)

101.1. Competence and Professionalism

Competence and professionalism are essential pillars of effective impact verification, ensuring that the audit team has the expertise to thoroughly assess social and environmental impacts. Given the complexity and constantly evolving nature of sustainability standards, there's a significant risk that auditors might overlook critical issues or misinterpret data without a high level of skill and knowledge. This could lead to inaccurate conclusions and diminish stakeholder trust.

To address these challenges, the IMVS framework places a strong emphasis on ongoing professional development and industry-specific expertise. It mandates that auditors maintain up-to-date certifications and engage in continuous learning opportunities, such as workshops, seminars, and training programs focused on the latest developments in sustainability practices. For instance, auditors are encouraged to stay informed about new regulations, emerging technologies, and best practices in environmental management and social responsibility.

Furthermore, the IMVS framework requires adherence to global best practices by aligning its methodologies with internationally recognized standards like the Global Reporting Initiative (GRI) and the International Organization for Standardization (ISO) guidelines. This alignment ensures consistency, reliability, and credibility in the audit process across different industries and regions.

By prioritizing competence and professionalism, the IMVS framework not only enhances the quality and comprehensiveness of impact assessments but also builds greater confidence among stakeholders. They can trust that the audit has been conducted by qualified professionals who are committed to excellence and are well-equipped to navigate the complexities of today's sustainability landscape.

101.1.1. Subject Matter Expertise

Be curious, and bring together information from science, politics, and business.

Subject matter expertise goes beyond simple familiarity with environmental science, social equity, or industry standards. To conduct meaningful audits, the team must be able to synthesize knowledge from diverse fields, drawing from the latest scientific research, economic trends, and policy developments. The nature of social and environmental challenges often requires interdisciplinary thinking, where knowledge from distinct sectors needs to be merged to fully understand an organization’s wide-ranging impact. This is especially true when dealing with evolving fields such as climate science or circular economy principles. For example, an audit of a manufacturing firm must consider carbon emissions, but also the broader political landscape of carbon regulation, international trade policies, and shifts in public sentiment around sustainability.

To effectively gather and process such diverse inputs, the team must adopt a learning mindset—drawing from agile methodologies, this could mean creating flexible feedback loops where insights from ongoing research, business innovations, and policy shifts can be rapidly integrated into the audit process. Continuous peer reviews and cross-functional workshops help to challenge assumptions and refine the knowledge base of the team, ensuring that no emerging trends or best practices are overlooked. Just like in scientific inquiry, every audit should be a cycle of learning, testing, and refinement.

101.1.2. Adherence to Standards

Always build on existing knowledge. What has already been established, and how can we build upon it?

Adherence to standards is more than a checklist exercise; it's about establishing a foundation for credibility and consistency. In an agile context, it's critical to recognize that established standards (whether drawn from prior audits, academic research, or industry benchmarks) provide a base framework that can evolve. Much like the scientific method, auditing requires a rigorous approach, where existing knowledge and methods are continually validated and refined. In this context, standards act as the "control variables"—they ensure a stable baseline, allowing auditors to accurately measure changes and assess outcomes in relation to widely accepted benchmarks.
However, agile project management teaches us that while adherence to standards is crucial, there also needs to be room for adaptation. Standards must not restrict the capacity to innovate or explore new solutions to emerging sustainability challenges. For example, during an audit of a company transitioning to renewable energy, pre-existing benchmarks for energy consumption or carbon emissions may serve as a guide, but the auditors should remain agile, allowing the framework to evolve based on real-time findings. By balancing strict adherence with flexibility, auditors can ensure both rigor and relevance in their evaluations.

101.1.3. Continuous Professional Development

Stay up to date, keep learning, and link past experiences with new information.

In an environment of constant change, continuous professional development isn't just desirable—it's essential. The audit team must adopt the scientific principle of continuous inquiry, where learning never ceases, and past experiences are re-evaluated considering new developments. The fast pace of changes in environmental policies, new sustainability metrics, and evolving business models demands that auditors remain agile and proactive.
Learning should be approached holistically, integrating scientific advances (e.g., new methods of measuring biodiversity impact), policy shifts (e.g., changes in carbon taxation), and business innovations (e.g., advancements in renewable energy technologies). In the context of agile management, this can be likened to sprint retrospectives, where lessons from completed audits inform the next cycle of work. This way, knowledge is built cumulatively, creating a feedback loop that continuously enhances the team's capacity to handle complex and emerging issues. Attending conferences, webinars, and cross-functional sessions doesn't just enhance skills—it also enables auditors to stay adaptable and agile, able to respond to new information rapidly.

101.1.4. Client-Specific Expertise

What does the client want, need, and what do they bring to the table?

Understanding a client's unique needs and context is central to delivering value. This requires more than technical knowledge; it's about developing client empathy—an agile principle where understanding the customer's perspective is essential for tailoring solutions. The audit process must take into account not only industry-specific regulations but also the unique business goals and constraints the client is working within. In many cases, the client's operational realities may present challenges that standard audits fail to capture.

For example, an audit for a technology firm focused on reducing its environmental impact will require not only knowledge of energy consumption metrics but also an understanding of data centre operations, hardware manufacturing processes, and client privacy concerns that shape their sustainability approach. Adapting to these realities involves agile collaboration with the client—engaging in iterative discussions, adapting methodologies based on client feedback, and ensuring alignment between the audit outcomes and the client's strategic objectives.

By recognizing the nuances of each client, the audit team can deliver customized, context-aware evaluations that provide meaningful insights. This is not just about checking boxes—it's about co-creating solutions that are relevant to both the client's goals and broader sustainability objectives.

101.1.5. Industry Engagement

Only those who know what is happening in the industry can make informed evaluations.

Staying engaged with industry trends and innovations is key to ensuring that audits are not only relevant but forward-thinking. Much like in agile project management, where teams regularly reassess their environment and adapt their strategies, auditors must maintain a pulse on emerging technologies, regulatory changes, and market dynamics. Industry engagement can provide vital insights into new challenges and opportunities that were not present in prior audits.

By regularly attending industry events and collaborating with peers, the audit team gains exposure to cutting-edge ideas, tools, and techniques that can enhance their methodology. For example, by engaging with global conferences like COP or industry-specific forums, auditors can learn how others are tackling similar sustainability challenges and integrate these insights into their audits. This continuous engagement ensures that audits don't just reflect the present state of an industry but also anticipate future developments—whether it's the shift toward net-zero carbon operations or the growing importance of social equity metrics in ESG reporting.

Industry engagement is also crucial for building networked knowledge. Much like in scientific communities where peer collaboration fosters innovation, auditors benefit from cross-industry collaboration to share insights, benchmark performance, and drive collective progress toward shared sustainability goals. The ability to translate these industry-level developments into actionable insights for individual clients enhances both the depth and the relevance of the audit.

101.2. Quality Control and Assurance

Quality control and assurance are vital to delivering reliable social and environmental impact audits. Without strong quality control, audit results may lack credibility or fail to provide stakeholders with

actionable insights. The IMVS framework addresses this by embedding stringent quality control measures at every step of the audit process.
For example, IMVS mandates that audits undergo multiple layers of review, both internally and by external, independent experts. This ensures that errors, inconsistencies, or biases are identified and corrected early, reducing the risk of flawed conclusions. Additionally, IMVS requires the use of standardized methodologies, ensuring that data collection, analysis, and reporting are consistent across different audits and organizations.
Beyond procedural controls, the framework also emphasizes continuous improvement. Regular feedback loops, where auditors evaluate and refine their methods based on previous audits, help maintain high standards and adapt to new challenges in the field of social and environmental impact. This proactive approach helps ensure that audits not only meet current quality expectations but also evolve in response to emerging best practices and stakeholder needs.
Ultimately, by integrating quality control mechanisms, the IMVS framework ensures that audit results are not only accurate but also meaningful and actionable for decision-makers. This strengthens the overall credibility of the audit process and provides stakeholders with reliable information to drive impactful change.

101.2.1. Engagement Planning

Who is the client? Can and do we want to work with them?

Effective engagement planning is the cornerstone of a successful audit, and it begins long before the assessment of data. The IMVS framework emphasizes the importance of conducting a thorough evaluation of the client to determine whether the partnership aligns with the audit team's values, expertise, and capacity. This concept borrows from agile project management, where sprint planning is critical—assessing the client's goals, potential obstacles, and mutual expectations before committing ensures that the process is efficient, goal-oriented, and well-scoped.
From a business perspective, it's essential to evaluate fit and risk—can the audit team truly add value, and is the client prepared for an open and honest evaluation? Understanding the client's objectives, industry context, and potential risks (both environmental and social) allows the audit team to set clear, measurable objectives that align with the client's goals. For example, in the context of a global supply chain, understanding risks such as child labour or inadequate working conditions helps focus the audit on key areas that drive meaningful impact. Early risk assessments, similar to risk matrices used in agile methodologies, allow the team to outline a clear path forward, manage expectations, and prevent scope creep.
Additionally, engagement planning involves determining stakeholder mapping—who are the internal and external stakeholders impacted by this audit, and how will their input influence the direction of the audit? This strategic planning phase is essential for building a roadmap for collaboration, communication, and stakeholder alignment throughout the audit process.

101.2.2. Documentation

How do we ensure everything is documented accurately?

Documentation serves as the foundation for transparency and accountability, but it's not just about recording data—it's about structuring information so it can be easily referenced, reviewed, and understood. The IMVS framework requires meticulous documentation of every step in the audit process, much like in

scientific research, where every procedure and conclusion must be rigorously tracked and verified. Agile project management also stresses the importance of having dynamic documentation, where documentation is not a static afterthought but is actively updated and used throughout the project lifecycle. By implementing structured templates and version control systems, the audit team can ensure that each decision, action, and result is captured in real-time. For instance, in an environmental impact audit, tracking emissions reductions, waste management practices, and energy usage data with precision enables both the audit team and external stakeholders to verify that the reported outcomes are grounded in reliable data. Collaborative tools, such as shared digital platforms, ensure that documentation is not only comprehensive but accessible and searchable, allowing for easier cross-referencing during both internal reviews and external audits.

Good documentation also aids in traceability—a key aspect of agile projects—ensuring that data can be revisited for future audits, learning, and comparison. Having a detailed record of the reasoning behind decisions and the data that informed them allows the team to quickly identify any deviations or inconsistencies during the review process.

101.2.3. Monitoring and Review

Does everything fit together, and can we find our data easily?

Monitoring and review are essential processes for ensuring that the audit is progressing according to plan and that the data collected is accurate, complete, and relevant. Just like in agile methodologies, where frequent scrum reviews are held to check progress, the IMVS framework emphasizes ongoing internal monitoring and periodic reviews by independent team members. This allows the team to stay aligned with the original objectives and quickly identify any inconsistencies or gaps in the data.

A well-defined system of monitoring ensures that the audit does not become fragmented or disconnected from its goals. Monitoring is not only about tracking deliverables but about continuously aligning the process with the initial risk assessments and scope defined during the planning phase. For example, during an environmental audit, regularly reviewing the accuracy of carbon accounting or resource consumption data ensures that the audit is capturing the full scope of the company's environmental impact.

Incorporating real-time feedback loops—a core principle of agile management—ensures that any issues, misalignments, or missing data points can be addressed immediately, avoiding delays or inaccuracies in the final report. This iterative approach also helps the audit team remain agile and responsive, adapting the process to any new information or challenges that arise during the engagement.

101.2.4. Feedback and Continuous Improvement

Did we work efficiently, and how can we improve for next time?

Feedback is the engine of continuous improvement, a principle embedded in both agile practices and scientific methods. In the IMVS framework, feedback is collected from both the client and internal team members at the end of each audit, creating an opportunity for reflection and growth. This mirrors the retrospectives held at the end of agile sprints, where teams assess what worked well and what can be improved.

For instance, if communication challenges were encountered during the audit, collecting feedback on this specific issue ensures that it's addressed and incorporated into future engagements. This iterative feedback loop allows the audit process to evolve based on real-world experiences, making the team more adaptable

and efficient in handling future audits. Additionally, scientific principles like peer review play a role here, where the input from team members enhances the overall quality and robustness of the audit process.
Furthermore, by documenting lessons learned from each engagement, the audit team can refine its methodologies, streamline processes, and ensure that best practices are implemented consistently across future projects. This focus on continuous learning ensures that the audit team is always improving, delivering more accurate, efficient, and relevant audits with each iteration.

101.2.5. External Audits

Are we on track in the eyes of external reviewers as well?

External audits provide a critical layer of oversight, ensuring that internal quality control processes meet industry best practices and standards. In an agile framework, external audits are akin to external scrum reviews, where an outside perspective ensures that the team is adhering to the highest standards and that the methodologies in place are effective. These audits offer an objective review of how well the audit team adheres to internal protocols and professional standards, ensuring that biases or blind spots are identified and corrected.
By inviting external reviewers to audit the team's procedures, the IMVS framework ensures that the internal processes undergo the same level of scrutiny as the entities being audited. For example, an external review focusing on the team's adherence to IMVS protocols could reveal areas where documentation practices need to be tightened or where the audit team's approach to monitoring could be improved.
Moreover, external audits serve as a feedback mechanism for the audit team, offering independent insights that drive continuous process improvement. In the spirit of agile project management, this external input is not viewed as a final judgment but as part of an ongoing improvement cycle, ensuring that every audit is more refined and reliable than the last.

101.3. Ethics and Independence

Ethics and independence are fundamental in auditing, especially when evaluating social and environmental impact. Without these principles, the credibility of audit results can be compromised, leading to mistrust among stakeholders and the public. For example, auditors may face ethical dilemmas when clients pressure them to overlook certain negative impacts to present a more favourable report. To address such challenges, the IMVS framework implements strict guidelines requiring auditors to disclose any potential conflicts of interest and adhere to a code of conduct emphasizing integrity and objectivity.
A specific challenge in this field is the prevalence of "greenwashing," where organizations exaggerate or falsify their environmental achievements. The IMVS framework combats this by incorporating rigorous verification processes and requiring tangible evidence for any claimed impacts. Instead of accepting a company's assertion of reduced emissions at face value, auditors following the IMVS approach would examine data records, conduct site visits, and consult third-party sources to confirm the accuracy of these claims.
Moreover, the IMVS framework enhances independence by ensuring auditors are not financially dependent on the organizations they audit. This is achieved through measures like rotational audit assignments and independent funding mechanisms. Studies have shown that audits conducted under strict ethical guidelines and independent structures are more likely to uncover discrepancies and provide honest assessments, thereby increasing transparency and credibility.
By addressing specific ethical challenges and implementing concrete measures to ensure independence, the IMVS framework strengthens the audit process. This not only leads to accurate assessments of social

and environmental impacts but also builds trust among stakeholders by demonstrating a commitment to transparency and accountability.

101.3.1. Ethical Awareness

Does this assignment align with our ethical compass?

Promoting a strong ethical culture within the audit team is a foundational element of the IMVS framework. Ethical awareness is not just about following guidelines—it's about ensuring that every action aligns with the core values of the organization and the broader social and environmental goals it seeks to serve. This involves continuous reflection on whether the audit assignment itself fits within the team's value system. Agile principles emphasize the importance of retrospectives—frequent reflection on processes to ensure alignment with goals. Similarly, ethical awareness within auditing requires constant re-evaluation of the project's alignment with the team's ethical standards.

The audit team must also be equipped to handle real-world dilemmas in dynamic environments where ethical boundaries may be challenged. Regular training, focused on case studies and practical scenarios, helps auditors build the resilience to handle conflicts of interest, confidentiality issues, and pressure from clients. For example, auditors may face situations where clients push to downplay negative environmental impacts in their reports. Agile project management encourages adaptive problem-solving and flexibility, which is key here—team members must balance the demands of the client with the ethical responsibility to deliver objective and transparent reporting. This requires not only technical skills but also the moral clarity to make difficult decisions in high-pressure situations.

101.3.2. Independence Safeguards

How do we ensure we remain objective?

Objectivity is the cornerstone of any credible audit, and the IMVS framework enforces strict independence safeguards to protect this principle. Drawing from agile principles, where frequent team rotations and iterative roles help prevent biases, the audit process must similarly guard against auditors becoming too familiar with long-term clients. Role rotation policies, as well as mandatory conflict-of-interest checks at the outset of each project, ensure that team members approach each audit with a fresh, unbiased perspective.

This is particularly important in social and environmental audits, where long-term engagements with repeat clients may inadvertently erode objectivity. Just as scientific inquiry relies on peer review to maintain the impartiality of research, audits should employ peer auditing and external reviews to ensure neutrality. Rotating team members across different projects can also serve as a practical method to avoid bias, ensuring that no personal relationships or familiarity with a client's operations cloud judgment. By rigorously implementing these safeguards, the IMVS framework ensures that the audit findings remain based solely on the evidence and not influenced by external pressures.

101.3.3. Ethical Consultation

How do we handle an ethical dilemma?

Ethical dilemmas are inevitable in complex audit environments, and the key to resolving them lies in creating a culture of open communication and structured consultation. The IMVS framework recognizes that ethical issues may not always have clear-cut solutions, which is why it emphasizes the importance of

collaborative decision-making. Much like agile teams rely on stand-up meetings and scrum reviews to resolve project roadblocks quickly, audit teams must have immediate access to guidance when ethical issues arise.

This is facilitated by a formal consultation process where team members can confidentially discuss ethical concerns with designated ethics officers. Whether the dilemma is about handling sensitive client data, managing conflicts of interest, or ensuring that reporting remains free from manipulation, auditors must be empowered to seek advice without fear of reprisal. The scientific method's reliance on peer consultation when facing complex questions offers a parallel here—ethical dilemmas benefit from being approached as collective problems rather than isolated individual challenges. This consultation process ensures that auditors have the support needed to maintain the highest standards of integrity throughout the engagement.

101.3.4. Whistleblower Policy

How do we ensure that everything is done with integrity?

A strong whistleblower policy is essential for maintaining an open and transparent auditing environment, and the IMVS framework emphasizes this as a critical safeguard against ethical violations. Just as agile frameworks emphasize transparency and iterative improvements, a whistleblower policy allows for continuous monitoring of ethical behaviour within the organization. Team members must have the confidence that they can report unethical behaviour without fear of retaliation, and this requires a robust system of anonymous reporting channels.

For example, if a team member suspects that an audit report has been manipulated to conceal negative social or environmental impacts, they should be able to report this anonymously, ensuring that the integrity of the audit process is upheld. A strong whistleblower policy also plays a vital role in deterring unethical practices—knowing that there are safe, confidential avenues for reporting wrongdoing reinforces a culture of accountability. Like the scientific process, which relies on transparency and replicability to validate findings, audits must operate under a system where any unethical behaviour can be quickly identified and corrected, ensuring that the process remains trustworthy and reliable for all stakeholders.

B. IMVS 102: Conflict Management and Resolution

Effective conflict management is crucial for the success of social and environmental impact projects, where diverse stakeholder interests and complex sustainability goals often give rise to tensions. Conflicts in these contexts can be classified into active and passive conflict potentials, each requiring specific strategies for identification, prevention, and resolution. A strong conflict management approach ensures that both overt disputes and hidden tensions are addressed in ways that maintain the integrity of the project and foster trust among stakeholders.

Active and Passive Conflict Potential Explained

- **Active Conflict Potential** involves visible disputes or disagreements that are openly expressed. These include direct conflicts over issues such as project goals, resource allocation, timelines, or differing stakeholder priorities. Active conflicts are typically more disruptive, but also easier to detect since they are openly communicated.
- **Passive Conflict Potential** refers to latent or unexpressed conflicts that may not immediately surface as direct disputes. These conflicts arise from underlying tensions, such as misaligned expectations,

unspoken dissatisfaction, power imbalances, or perceived inequities within the project team or stakeholder group. Passive conflicts can be more dangerous as they may simmer under the surface, leading to disengagement, mistrust, or even the breakdown of collaboration if not addressed.

Both active and passive conflicts can severely impact the success of an impact project if left unchecked. Therefore, conflict management strategies must address both visible disputes and latent tensions to ensure long-term project harmony.

102.1. Conflict Identification and Analysis

The first step in effective conflict management is the early identification of both active and passive conflicts. The IMVS framework emphasizes a proactive approach to identifying conflict sources by leveraging structured methods that enable project teams to recognize and analyse conflict before it escalates.

- **Identifying Active Conflicts**: Active conflicts are easier to spot but need structured methods for early detection to prevent escalation. Clear communication channels and regular check-ins with stakeholders help to surface concerns early. Open forums, feedback sessions, and conflict escalation protocols should be part of the project's standard operations to ensure that active conflicts are addressed immediately.
- **Identifying Passive Conflicts**: Passive conflicts require more subtle detection methods. These conflicts often manifest through behavioural cues, such as withdrawal, non-participation in discussions, or reduced collaboration. Passive conflict identification tools include anonymous surveys, one-on-one meetings, and team dynamics monitoring. It's also crucial to perform stakeholder analysis to identify potential areas of unspoken tension based on differing interests or expectations.

Strategies for Identification:

⇒ **Stakeholder Mapping and Analysis**: Identify key stakeholders and analyse their interests, power dynamics, and potential sources of tension. This is crucial for predicting where passive conflicts may arise, particularly in projects involving diverse groups with competing priorities.

⇒ **Anonymous Feedback Mechanisms**: Implement regular anonymous surveys or suggestion boxes to gather feedback from team members and stakeholders who may not feel comfortable voicing concerns publicly.

⇒ **Behavioural Observation**: Managers and team leads should be trained to recognize early signs of passive conflict, such as disengagement, absenteeism, or drops in team morale. This can serve as an early warning system for hidden issues.

⇒ **Conflict Heat Maps**: Use conflict mapping tools to visualize areas of high tension within the project based on data gathered from feedback and behavioural observations. This helps pinpoint where both active and passive conflicts might emerge.

102.2. Preventive Conflict Management Strategies

Preventing conflicts before they escalate is a core component of successful conflict management. Prevention strategies must be tailored to address both active and passive conflict potentials, focusing on fostering transparency, communication, and inclusivity.

- **For Active Conflicts**: Proactively preventing active conflicts requires clear and transparent communication protocols. Teams must ensure that all stakeholders are aligned on project goals, deliverables, timelines, and resource distribution. Regular team and stakeholder alignment meetings, clear role definitions, and conflict escalation protocols can prevent misunderstandings that lead to active disputes.
- **For Passive Conflicts**: Preventing passive conflicts requires creating an open, inclusive culture where stakeholders feel comfortable raising concerns without fear of retaliation. It's important to foster an environment that encourages dialogue, particularly among less vocal team members. Passive conflicts often stem from perceived inequities or a lack of inclusion in decision-making, so establishing structured processes for inclusive participation and transparent decision-making can mitigate these risks.

Strategies for Prevention:

⇒ **Clear Communication Plans**: Develop structured communication protocols that outline how information is shared, who is responsible for decision-making, and how stakeholders can provide input. Ensuring everyone understands their role in the project and how they can raise concerns reduces the potential for active conflicts.

⇒ **Expectation Management Workshops**: Regularly conduct workshops to align team expectations with project goals. This helps clarify roles and responsibilities, reducing the likelihood of both active and passive conflicts stemming from misaligned expectations.

⇒ **Inclusive Stakeholder Engagement**: Create forums where all stakeholders, including marginalized or less vocal members, have opportunities to voice concerns. This ensures that passive conflicts don't fester due to unaddressed grievances.

⇒ **Conflict Sensitivity Training**: Train team members in conflict sensitivity and resolution techniques. This helps equip them to recognize the signs of passive conflict and address them before they escalate into active disputes.

⇒ **Mediation Training for Team Leads**: Equip team leaders with mediation skills to defuse active conflicts early and provide structured mechanisms for resolution that are perceived as fair and neutral by all parties.

102.3. Ethical Considerations in Conflict Management:

Ethical considerations must be integrated into every stage of conflict management to ensure fairness, transparency, and respect for all parties involved. Ethical conflict management not only mitigates risks but also strengthens stakeholder trust and project credibility.

- **Ethics in Active Conflict Resolution**: When resolving active conflicts, it is essential to apply ethical principles that ensure decisions are made impartially and transparently. This includes respecting all viewpoints, ensuring that no party is unfairly disadvantaged, and maintaining open, transparent communication throughout the resolution process.
- **Ethics in Passive Conflict Management**: Addressing passive conflicts ethically means creating safe spaces for stakeholders to express their concerns without fear of retaliation. This involves establishing confidential channels for reporting grievances and ensuring that any power imbalances are carefully managed during the resolution process. Ethical management of passive conflicts also means recognizing and addressing the often-hidden power dynamics that can contribute to these tensions.

Strategies for Ethical Conflict Management:

⇒ **Internal Ethical Guidelines**: Develop and implement a set of tailored internal ethical guidelines that dictate how conflicts, both active and passive, are to be managed. These guidelines should emphasize fairness, transparency, and accountability in all conflict-related interactions.

⇒ **Confidential Reporting Mechanisms**: Establish confidential systems for reporting concerns, particularly for passive conflicts where individuals may fear reprisal. This could include anonymous hotlines, feedback forms, or third-party mediators who can offer impartial advice.

⇒ **Ethical Review Panels**: Create an internal ethics panel responsible for overseeing conflict resolution processes, ensuring that decisions adhere to both ethical standards and legal requirements. The panel can provide guidance on complex conflict situations and ensure that all parties are treated fairly.

⇒ **Regular Ethical Audits**: Conduct regular ethical audits of conflict resolution processes to ensure compliance with ethical guidelines and identify areas for improvement. Audits should review both active and passive conflicts to ensure transparency and accountability are maintained.

102.4. Implementation of Conflict Management Strategies

To effectively manage both active and passive conflicts, a robust and structured approach must be followed. Each step of project execution, from planning to evaluation, should include tools and processes to proactively identify, manage, and resolve conflicts. Active conflicts, which are overt and easier to spot, require different strategies compared to passive conflicts, which are latent and often harder to detect. Below, we dive deeper into how these strategies can be practically implemented.

102.4.1. Integration with Project Processes

The key to successful conflict management lies in its seamless integration into the daily operations of a project. Both active and passive conflict management strategies need to be woven into every phase of the project lifecycle—this includes planning, execution, and evaluation.

- **Active Conflict Management Integration**: Active conflicts, such as disagreements over goals, timelines, or resources, can emerge quickly and must be dealt with in real-time. To manage these, project teams should establish clear escalation protocols that outline how and when conflicts should be raised and addressed. For example, project milestones should include conflict check-ins where the team reviews current issues or potential disputes. Mediation protocols should be in place to manage these conflicts impartially.
- **Passive Conflict Management Integration**: Passive conflicts are more subtle and arise from unvoiced concerns, power imbalances, or dissatisfaction that is not immediately apparent. To integrate passive conflict management into daily operations, projects should use anonymous feedback mechanisms, such as suggestion boxes or confidential surveys, at regular intervals. Incorporating stakeholder engagement practices where all voices—especially marginalized or less vocal ones—are heard ensures that silent conflicts do not go unnoticed. Additionally, team dynamics assessments should be part of routine evaluations to gauge underlying tensions.

Strategies for Integration:

⇒ **Active**: Establish regular “conflict review” meetings where open issues are discussed, ensuring transparency and encouraging open communication.

⇒ **Passive**: Use regular anonymous surveys to measure team morale and detect hidden dissatisfaction. Results should be reviewed by team leaders and acted upon before tensions escalate.

102.4.2. Regular Training and Development

Proactive conflict management, especially in impact projects, relies heavily on the preparedness and competence of the team. Effective conflict management is a skill that must be developed and continually refined, particularly for addressing both active and passive conflicts.

- **Training for Active Conflict Management**: Team members, especially those in leadership roles, need to be trained in conflict resolution techniques, such as negotiation and mediation. Active conflicts often require rapid, direct intervention to prevent escalation, so leaders must be skilled in de-escalating tense situations, facilitating discussions, and finding compromises that align with project goals. Role-playing exercises during training can simulate real-life conflict situations, preparing teams for managing active disputes.
- **Training for Passive Conflict Management**: Passive conflict management requires a more nuanced approach. Training should focus on conflict sensitivity—the ability to identify and respond to subtle signs of discontent before they develop into full-blown disputes. Team members should learn to interpret non-verbal cues, such as withdrawal from discussions or declining enthusiasm for the project. Additionally, training in inclusive leadership can help leaders ensure all voices are heard, particularly those that may not naturally come forward with concerns.

Strategies for Training:

⇒ **Active**: Implement scenario-based role-playing where team members practice managing active conflicts in realistic situations. Develop a toolkit for mediation and de-escalation techniques.

⇒ **Passive**: Provide workshops on emotional intelligence and conflict sensitivity. Teach team members to recognize early signs of disengagement or dissatisfaction and address them through informal one-on-one conversations.

102.4.3. Feedback and Continuous Improvement

Conflict management strategies must evolve over time, adapting to the unique dynamics of each project and stakeholder group. A **continuous feedback loop** is essential to refine both active and passive conflict management techniques, ensuring that the approach remains effective as the project progresses.

- **Active Conflict Feedback**: Feedback on active conflict resolution should be gathered through post-conflict debriefs. After resolving a conflict, the involved parties should evaluate the process—what worked, what didn't, and how future disputes could be better managed. This helps refine conflict escalation protocols and makes the team more resilient in handling future active disputes.
- **Passive Conflict Feedback**: For passive conflicts, feedback mechanisms must be more subtle. Anonymous feedback forms can help identify whether underlying tensions are being adequately addressed. Regularly revisiting team surveys, morale assessments, and stakeholder engagement feedback ensures that passive issues are surfaced and resolved. Furthermore, reviewing metrics such as project productivity or participation rates can offer clues to latent dissatisfaction that may not be overtly expressed.

Strategies for Continuous Improvement:

⇒ **Active**: Implement structured debriefs after significant conflicts, documenting lessons learned and updating conflict management protocols accordingly.

⇒ **Passive**: Regularly review trends from anonymous surveys and team dynamics assessments to detect patterns of dissatisfaction. Update passive conflict identification tools based on feedback to ensure hidden tensions are detected early.

Addressing Active and Passive Conflict Potentials

In practice, addressing both active and passive conflict potentials requires distinct approaches, but both can benefit from being part of a unified conflict management framework that integrates tools, training, and feedback mechanisms.

102.4.4. Active Conflict Management in Practice

Active conflicts typically present themselves through clear disagreements or confrontations, and they need to be managed swiftly to prevent project delays or breakdowns in collaboration.

- **Conflict Resolution Protocols**: Establish clear, predefined steps for conflict resolution, such as calling for a neutral mediator or escalating to higher management when necessary.
- **Open Communication Channels**: Foster an open culture where disagreements are viewed as part of the problem-solving process. Team members should feel encouraged to express their concerns in a structured environment, such as through facilitated meetings.
- **Rapid Response Teams**: For larger projects, designate team members who specialize in conflict resolution to intervene in active disputes quickly, ensuring they don't disrupt the broader project goals.

Passive Conflict Management in Practice

Passive conflicts, due to their hidden nature, require a more proactive approach, with constant monitoring and subtle interventions.

⇒ **Conflict Sensitivity Training**: Ensure that team leaders and project managers are trained to recognize the early warning signs of passive conflict, such as declining participation or enthusiasm. Equip them with skills to hold informal, non-confrontational conversations to address concerns before they escalate.

⇒ **Inclusivity and Transparency**: Ensure that decision-making processes are transparent and inclusive. Passive conflicts often arise when individuals feel marginalized or ignored. Providing multiple channels for input—such as anonymous feedback systems or small-group discussions—helps mitigate these tensions.

⇒ **Regular Team Assessments**: Schedule regular team assessments that focus on morale and engagement. Using metrics like participation rates, team cohesion, and individual well-being can reveal hidden areas of dissatisfaction.

By addressing both active and passive conflict potentials with targeted strategies, impact projects can foster a more collaborative and harmonious working environment. Incorporating ethical guidelines throughout the conflict management process ensures fairness, respect, and transparency, which in turn builds stakeholder trust and strengthens project outcomes.

III. Verification Framework

In the evolving landscape of business, a significant paradigm-shift towards recognizing impact as a crucial form of profit is becoming increasingly evident. This shift transcends the confines of traditional monetary systems, placing importance on environmental, social, and economic aspects. Central to this evolving understanding of profit is the notion that non-monetary gains often surpass their financial counterparts in significance. This approach expands conventional business success metrics to embrace a more holistic view, integrating non-monetary values into assessments.

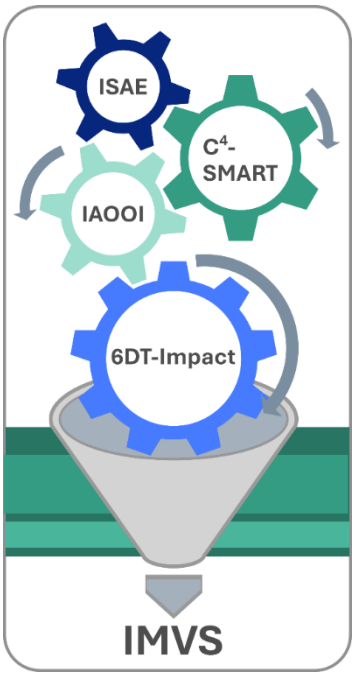


Figure 6: Visual representation of the Impact Model Verification Standard (IMVS), illustrating how various frameworks and methodologies (ISAE, C^4-SMART, IAOOI, 6Dt-Impact) are integrated into the IMVS process.

IMVS epitomizes this shift, showcasing a commitment to precision in impact verification and addresses this need by integrating a variety of methodologies and frameworks. These components collectively ensure a comprehensive and reliable approach to assessing and validating the impacts organizations have on society and the environment. This detailed introduction explores the key methodologies of the IMVS and their roles in facilitating thorough and credible impact assessments.

Dynamic and Evolving Impact Certification Framework

This document set, tailored to individual impact inquiries, evolves continuously, adapting to new insights and standards in impact assessment. It is anchored in audited principles and a dedicated direct framework, ensuring that each certification accurately reflects the specific impact it seeks to validate. The strength of the IMVS methodology lies in its systematic checks, forming a cohesive structure built upon evidence-based impact verification.

Theory of Change & IAOOI Framework: The Strategic Backbone of IMVS

At the forefront of the IMVS lies the Theory of Change (ToC) (Weiss et al. 1997 & Leeuw et al. 2012), a comprehensive and strategic approach to planning and evaluating impact. Within the IMVS, the ToC is intertwined with the IAOOI (Inputs, Activities, Outputs, Outcomes, and Impact) model. This model helps to intricately detail the journey from activities to long-term goals, laying out the necessary conditions and measurable objectives to be met. The Theory of Change, complemented by the IAOOI model, offers organizations a robust framework for mapping out and understanding the pathway of their actions towards the intended impacts, thus serving as a foundational guide for impact assessment within the IMVS.

ISAE Framework: Establishing Rigorous Standards

The International Standard on Assurance Engagements (ISAE) plays a pivotal role in the IMVS, establishing a uniform and rigorous standard for the verification process. This framework ensures that all impact assessments under the IMVS adhere to the highest global standards in auditing, lending credibility and consistency to the evaluation processes. The inclusion of ISAE in the IMVS underscores a commitment to the integrity and reliability of impact assessments.

C⁴-SMART Methodology: Targeted Evaluation within IMVS
The C⁴-SMART methodology is a refined extension of the C-SMART framework, emphasizing concise, specific, measurable, achievable, relevant, and time-bound evaluations. Within the IMVS, the C⁴-SMART approach is particularly applied in the fifth step of the ten-step verification process, known as "Evaluate Process & Context". This crucial step employs C⁴-SMART to conduct a thorough and targeted evaluation of impact models, scrutinizing their operational contexts and processes to ensure their effectiveness and relevance in achieving the desired impacts.

Six Dimensions of Impact: A Multifaceted Approach in IMVS
The Six Dimensions of Impact, an expansion of the original 5-Dimensions, is an integral part of the IMVS framework. These dimensions encompass various critical aspects of impact assessment, including the nature, target beneficiaries, scale, contribution, risks, and timeframe of the impact. These dimensions are particularly utilized in the seventh step of the IMVS process, "Analyse Impact Model". In this phase, a comprehensive examination of the impact model is conducted using these dimensions, enabling an in-depth and multifaceted evaluation of the model's effectiveness in achieving the desired impacts.

Conclusion: Paving the Way for Ethical and Sustainable Business Practices The integration of the Theory of Change and IAOOI framework, ISAE standards, C⁴-SMART methodology, and the Six Dimensions of Impact within the IMVS forms a comprehensive and structured approach for impact verification. This framework empowers organizations to conduct detailed evaluations and validate their impacts, fostering a culture of accountability and transparency in their sustainability efforts. In today's business environment, where ethical and sustainable practices are increasingly valued, the IMVS stands as a crucial tool for organizations committed to making a positive and measurable impact on society and the environment.

A. IMVS 103: Framework Structure

The components of the IMVS Framework operate as a cohesive system, working together to ensure a rigorous and precise verification process. Designed with a modular structure, each module addresses a specific phase of the verification journey, from initial engagement to final impact certification. These modules are sequentially interconnected, with data collected and verified in the early stages informing deeper analyses and evaluations in subsequent phases.
Importantly, the IMVS Framework builds upon established frameworks and tools from project management and impact assessment, such as the Theory of Change, the SMART model, and the Five Dimensions of Impact. Some of these methodologies have been expanded and adapted within the IMVS to enhance their applicability and effectiveness. By integrating these proven approaches, the IMVS brings together the best of all worlds, enabling organizations to systematically conduct impact model audits with confidence.
This inherently adaptable and flexible structure allows for customization to meet the unique needs of various sectors, ensuring that the IMVS Framework is suitable across all areas. For instance, it can scale the depth of data analysis for large-scale projects—handling extensive datasets and complex requirements—or streamline processes for more agile operations like smaller organizations with fewer resources. This flexibility enables tailoring without compromising the integrity or accuracy of the verification process.
One of the IMVS Framework's defining features is its ability to align with the specific requirements of different sectors related to social and environmental impact. By adjusting verification methods to suit sector-specific needs—whether in renewable energy, sustainable agriculture, community development, or non-profit initiatives—the framework remains not only compliant but also contextually relevant. For

example, in renewable energy projects, it can accommodate metrics for carbon reduction and energy efficiency; in sustainable agriculture, it can adapt to measure soil health and biodiversity impacts.
Moreover, the framework evolves alongside technological advancements and changing industry practices, ensuring it stays current and applicable in rapidly shifting environments. This adaptability means it can incorporate new impact measurement tools, data collection technologies, or updated sustainability standards as they emerge.
The adaptability and integration of established methodologies within the IMVS Framework ultimately provide users with a robust, flexible, and future-proof system. This design ensures it can handle a wide range of verification challenges while offering the precision and rigor needed to meet stakeholder expectations and regulatory demands, particularly in the realm of social and environmental impact.

103.1. The Theory of Change and the IAOOI Framework Foundation of IMVS

At the core of our understanding of social programs and initiatives is the Theory of Change, as outlined by Weiss et al. (1997) and Leeuw et al. (2012). This theory provides a conceptual framework that helps us grasp the causal relationships and assumptions integral to these initiatives. It maps out a journey from the resources inputted to the subsequent short-term, medium-term, and long-term outcomes, leading finally to the desired impact. This theory is either visually represented or explained in writing, demonstrating the expected process of change.

Within the realm of Social Entrepreneurship and related funding initiatives, the Theory of Change is a crucial strategic tool. It clearly lays out cause-and-effect sequences and exposes the assumptions they're based on. It simplifies complex systemic conditions into understandable linear sequences, offering a roadmap for transformation. A common model used in this context is the "IAOOI" (Inputs/Incomes, Actions, Outputs, Outcomes, and Impacts), preferred for its clear depiction of linear causality in intervention mapping.
We have adopted and modified the Research Impact Pathway, originally proposed by Fryirs et al. in 2019, applying it to social, environmental, and economic models. This adaptation aims to capture the intricate interplay within these areas, offering a more nuanced understanding and application of the original framework.

In this adapted model, we observe a cyclical relationship between Resources and Impact. This cycle interlinks Activities, Outcomes, and Outputs, emphasizing the dynamic nature of Impact in contributing to solutions and influencing available resources. It's important to note that definitions of these terms can vary as per the OECD DAC (2002, updated in 2010). Different organizations might use varying terminologies, leading to inconsistencies.

Here's how we define them in our context:

1. **Input:** The initial resources and assets utilized for the project, including financial, human, and material resources. They form the foundation upon which actions are taken to achieve desired outcomes.
2. **Actions:** The specific activities undertaken using the inputs, encompassing tasks, processes, and operations to generate outputs. They are the practical execution of strategic plans, needing management to ensure alignment with goals.

3. **Outputs:** These are the immediate, tangible results of activities, measurable and quantifiable. Examples include trained individuals, produced goods, or provided services, serving as initial indicators of a project's trajectory towards its outcomes.

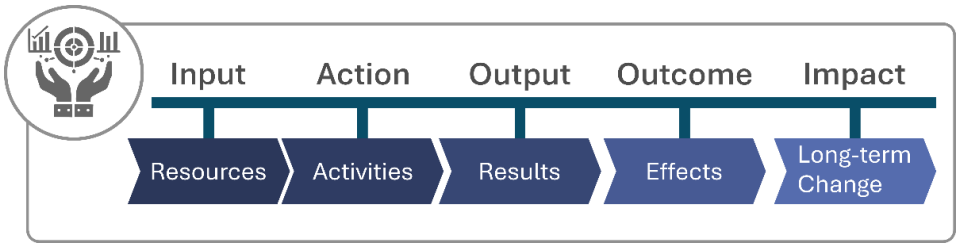


Figure 7: Diagram illustrating the process from input to impact, detailing how resources (input) lead to activities (action), which produce results (output), resulting in effects (outcome), and ultimately creating long-term change (impact).

4. **Outcomes:** Outcomes refer to the short-term effects that result from the outputs of activities. They represent the immediate benefits or changes that occur due to the project's activities, such as increased knowledge, changes in behaviour, or policy adjustments. Outcomes are essential as they indicate whether the project is moving towards achieving its goals and can be seen as intermediate steps leading to long-term impacts
5. **Impact**: This is the long-term, sustained change brought about by the outcomes, reflecting the initiative's overall effects on communities, environments, or societies. Impacts, challenging to measure, are the broader effects of an organization's work, contributing to larger societal changes.

Our approach with the IAOOI model is to create a clear, measurable path from inputs to impactful societal change, ensuring accountability and effectiveness in social, environmental, and economic initiatives.

103.1.1. IMVS Interconnections within IAOOI:

- The progression from inputs to impact is not linear but rather cyclical and dynamic.
- Activities transform inputs into outputs but are guided by the intended outcomes and impacts.
- Outputs feed into outcomes, and these outcomes gradually lead to broader impacts.
- Feedback loops exist where impacts can influence future inputs and activities, leading to a continuous cycle of improvement and adjustment.

Economic Model:

In the economic model, IMVS focuses on Goods & Services, Property, and Measurable Economic Progress. It measures economic growth, development, and prosperity enhancement as crucial aspects of impact verification.

Social Model:

The social model encompasses Awareness, Participation, and Assistance, with a focus on people and social progress. IMVS emphasizes community empowerment, transformation, and egalitarianism as significant elements in this dimension.

Environmental Model:

Within the environmental model, the standard assesses ecosystem influences and their effects on the planet. This includes measurable environmental improvements, such as enhancing renaturation and ecosystem preservation.

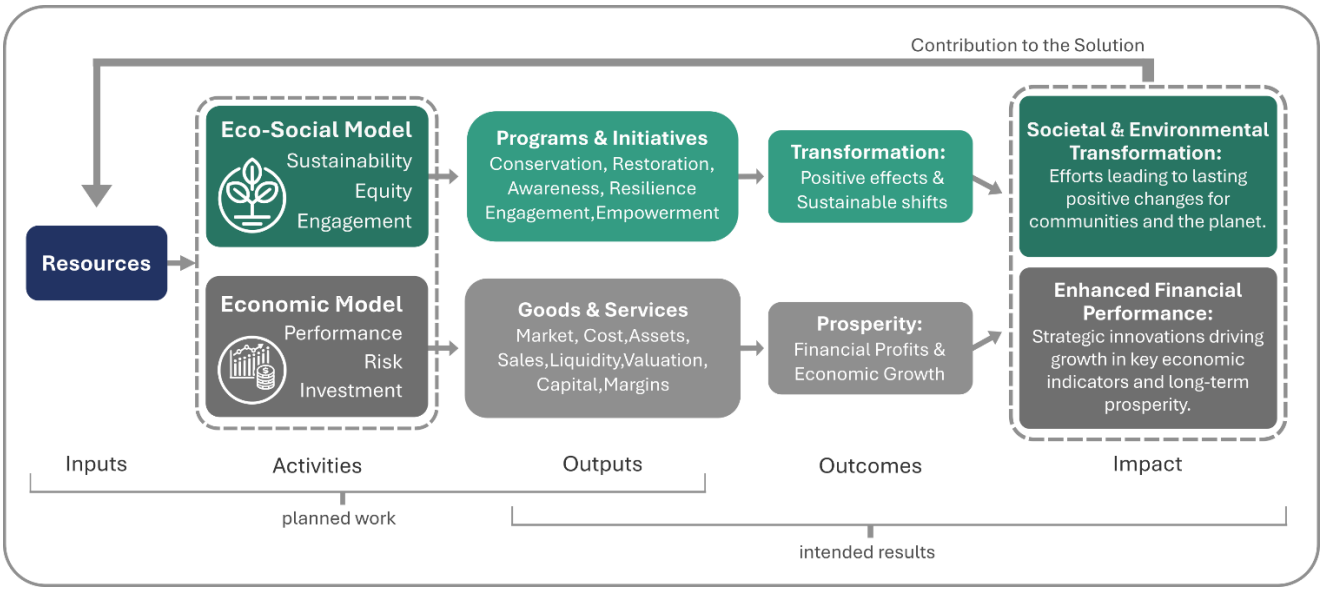


Figure 8: Flowchart illustrating the pathway from resources to impact, combining eco-social and economic models. Inputs (resources) lead to activities, such as sustainability programs and economic performance, resulting in outputs like goods, services, and initiatives. These outputs drive outcomes, including prosperity and positive transformations, ultimately contributing to societal, environmental, and financial impacts.

Incorporating these resource models into impact verification allows for a comprehensive assessment of the initiative's effectiveness. By considering resources, economic implications, social dynamics, and environmental aspects, organizations can gain a holistic understanding of their impact and make informed decisions to optimize their outcomes. This approach not only fosters transparency but also helps in achieving sustainable and meaningful change.

103.1.2. The Role of ISAE 3000 in IMVS's Approach

The integration of the International Standard on Assurance Engagements (ISAE) 3000 (revised) into the Impact Measurement and Verification Standard (IMVS) reflects a deliberate decision to leverage a well-established and versatile framework for non-financial assurance engagements. Adopting ISAE 3000 in the IMVS harnesses a robust approach noted for its ethical standards, quality control, and comprehensive documentation and reporting. This structured foundation is ideal for the unique challenges of impact verification, facilitating the evaluation of a wide spectrum of environmental, social, and governance (ESG) impacts. The flexibility of ISAE 3000 allows it to dynamically accommodate the objectives outlined in the United Nations Sustainable Development Goals (SDGs), enhancing its applicability to broader sustainability concerns.

Application in Impact Verification

In applying this adapted framework, the IMVS showcases remarkable versatility designed to accommodate diverse verification scenarios across various sectors and themes. This adaptability is crucial in responding to the evolving landscape of sustainability and social responsibility, enabling the IMVS to tailor its methodologies to specific organizational goals, operational scales, and unique impact domains. The integration of ISAE 3000 provides the IMVS with a solid yet adaptable foundation, essential for the nuanced task of impact verification. By incorporating methodologies better suited for assessing complex and non-quantifiable impacts, and by emphasizing objective evidence collection and thorough reporting, the

standard ensures credible and relevant impact assessments aligned with specific sustainability goals of different entities.

Enhancing Impact Assessment Integrity

By integrating ISAE 3000 (revised) into its framework, the IMVS not only capitalizes on a well-established assurance standard but also adapts it innovatively to suit the dynamic and complex field of sustainability impact assessment. This strategic fusion emphasizes a commitment to rigor, transparency, and continuous improvement in measuring and communicating the impact, enhancing the trust and confidence of stakeholders in the credibility of reported sustainability achievements.

Refining Impact Verification Methodologies

The IMVS builds upon the principles of ISAE 3000 with advanced methodologies that stress precise measurement and robust validation. This refined approach introduces iterative evaluations to foster transparency and accountability, ensuring that the verification processes exceed traditional assurance standards. By integrating enhanced professional competencies and ethical standards, the IMVS deepens its alignment with internationally recognized benchmarks.

Further distinguishing itself, IMVS incorporates dynamic risk management strategies and a certification stage that confirms the accuracy and reliability of the reported impacts. This tailored approach not only aligns with but also expands upon ISAE 3000, establishing a new standard in the dynamic field of impact verification, perfectly suited to the evolving demands of sustainability assessment and reporting.

103.1.3. IAOOI Advantages: Systematic Transition from Input to Impact

- **Methodical Impact Assessment**: Utilizing the IAOOI framework, IMVS provides a systematic approach to impact evaluation, ensuring clarity and organization throughout the assessment process.
- **Integrated Evaluation Frameworks**: The incorporation of economic, social, and environmental dimensions within the IAOOI framework enhances the comprehensiveness and relevance of impact assessments, facilitating a multifaceted understanding of impact across diverse sectors.
- **Focused Outcome Realization**: IMVS prioritizes the achievement of specific, intended results—outputs, outcomes, and impacts—emphasizing their importance in catalysing substantive societal change.
- **Facilitated Impact Communication**: The systematic structure and comprehensive nature of the IAOOI framework aid organizations in effectively communicating complex impact data, simplifying stakeholder engagement.
- **Value Enhancement of Impact**: By applying the IAOOI model, IMVS not only tracks but also amplifies the societal and environmental value of impacts, ensuring broader and more significant benefit realization.

103.1.4. The Impact+ Model – The Foundation for Verifying Impact

An impact model plays a critical role in both corporate and nonprofit sectors by providing a structured method for measuring and verifying social and environmental outcomes. Such a model ensures that each action undertaken by an organization is translated into concrete, measurable outcomes, allowing for transparency, accountability, and alignment with broader goals such as the Sustainable Development Goals (SDGs). Without such a model, it is difficult to demonstrate the tangible effects of any initiative, leaving room for ambiguity and uncertainty in impact reporting.

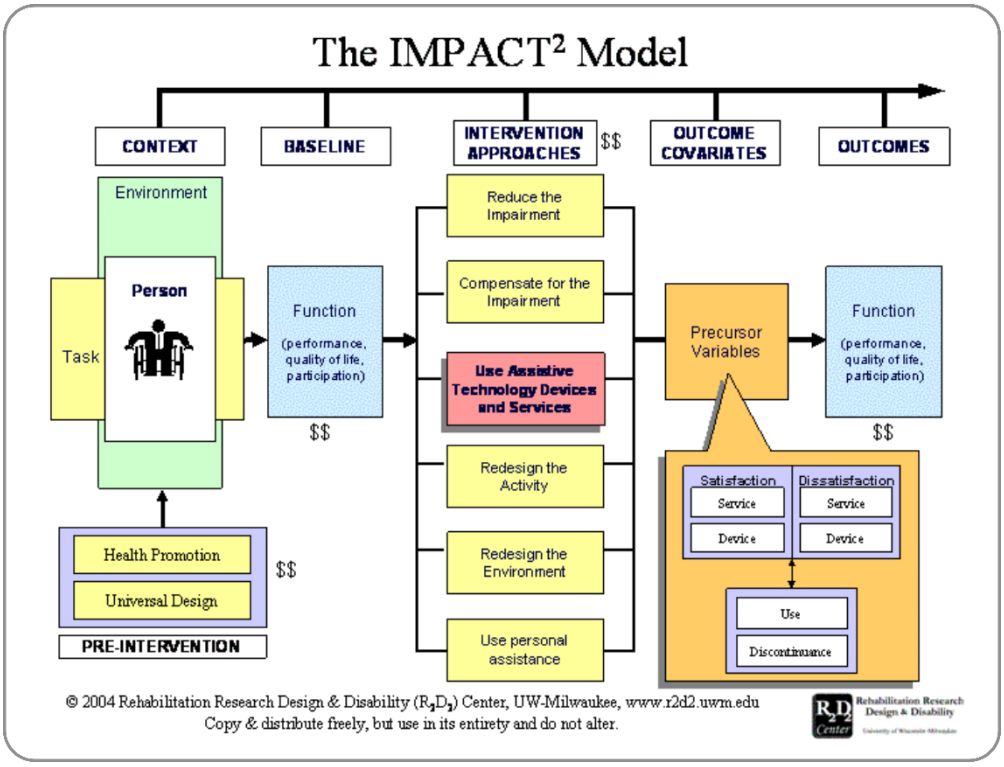


Figure 9: The IMPACT² Model illustrates a comprehensive framework for addressing rehabilitation interventions. Starting with an assessment of the environment, task, and baseline function, it moves through various intervention strategies, such as assistive technology or personal assistance, to enhance function. The outcomes are measured using variables like user satisfaction, service effectiveness, and device use, aiming for improved performance, quality of life, and participation.(Source: R2D2 Center, University of Wisconsin-Milwaukee)

In this context, the model we introduce is based on the well-established IMPACT² Model by Dr. Roger O. Smith. Initially designed to assess outcomes for interventions aimed at people with disabilities, the IMPACT² model provides a systematic, evidence-based framework for tracking progress across several stages: from understanding the context and setting baseline values, to implementing interventions and measuring outcomes. It includes stages such as context (environment, person, task), baseline (function), intervention approaches, outcome covariates, and outcomes, measuring the effect on performance, quality of life, and participation. The model focuses on how assistive technologies reduce impairments, compensate for limitations, and redesign activities or environments to enhance user outcomes. The satisfaction, device usage, and overall function are tracked, ensuring a comprehensive view of the intervention's effectiveness. It meticulously breaks down interventions into key stages, making it an ideal foundation for broader applications. The core strength of the IMPACT2 model lies in its ability to create a traceable path from input to measurable outcomes, ensuring that every step in the process contributes meaningfully to the overall goals of the intervention.

Our adapted model, the impact+ model, builds on the principles of IMPACT2 by extending its scope to include broader environmental and social dimensions. The new model integrates additional layers, such as value chain dynamics, KPIs, and company-specific goals, which are essential for businesses aiming to measure both direct and indirect impacts across complex systems. Furthermore, it aligns these with external frameworks such as the SDGs, ensuring that any impact aligns with global sustainability benchmarks.

While it retains the structured, phased approach, the adapted model introduces additional layers, including operational setting (vision, mission, strategy), KPIs, and the integration of value chain layers (product, manufacturing, logistics, suppliers). This broader scope allows for the measurement of direct and indirect impacts across a company's operations, aligning with external frameworks such as the Sustainable Development Goals (SDGs).

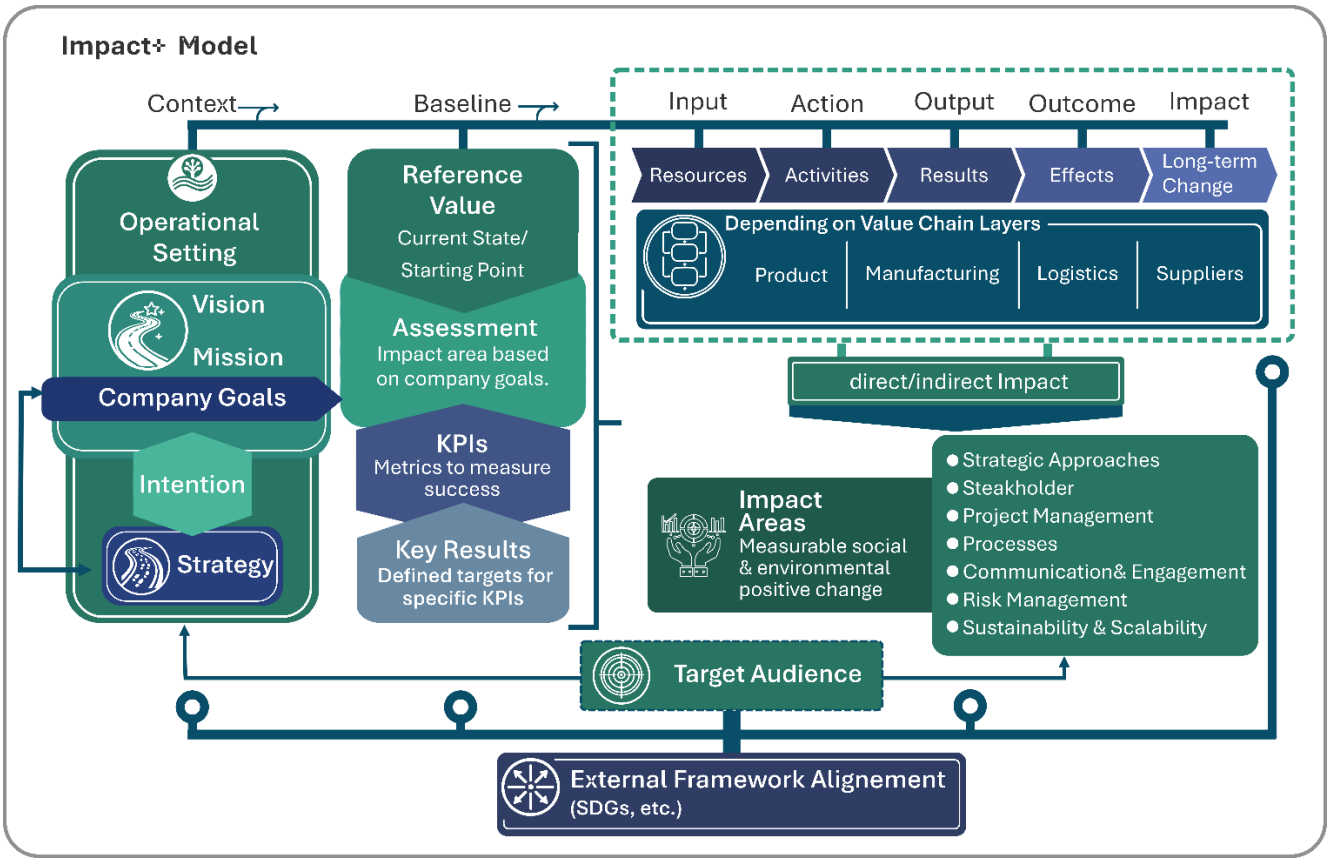


Figure 10: Impact+ Model: This model outlines a structured approach to achieving measurable social and environmental outcomes. It connects company goals and strategy with key performance indicators (KPIs), aligning with external frameworks such as the SDGs. The process moves through inputs (resources), actions (activities), and outputs (results) to achieve long-term impacts, while considering different value chain layers like product, manufacturing, and logistics for both direct and indirect effects. The model is flexible, allowing impact to be assessed from any angle, ensuring a comprehensive evaluation

The adapted model also places a strong emphasis on baseline assessment (reference values) and target audience alignment. This ensures that social and environmental goals are not just internal metrics but are aligned with the broader needs of stakeholders and global sustainability objectives. The impact areas defined in the model focus on measurable positive changes, ranging from strategic approaches and project management to communication, risk management, and scalability.

In essence, the transition from the IMPACT^2 model to the adapted impact+ model reflects a shift from specific interventions for disability and health outcomes to a holistic model that can evaluate the sustainability, scalability, and long-term change across multiple domains. This transformation underscores the universality of Dr Smith's structured methodology, making it applicable in larger, more complex settings, where a variety of factors—ranging from internal company operations to external global goals—must be measured and tracked effectively.

103.1.4.1 Understanding the Impact+ Model

The Impact+ Model is designed to be flexible, allowing for different entry points depending on the structure of the project, organization, or the existing efforts in the realm of social and environmental impact. Whether a company has already begun initiatives in sustainability or is starting fresh, the model can be adapted to fit its specific needs. This adaptability makes it possible to pick up from where the organization has already

made progress and further develop its strategy, ensuring that the impact is both measurable and scalable for future growth.

The Impact+ Model is designed to accommodate different starting points, ensuring flexibility based on an organization's specific structure, goals, or the progress of its social and environmental initiatives. This model allows for entry at multiple scientifically grounded points, each serving as a foundational building block for measurable impact. The primary entry points are:

- **Context:** This refers to the analysis of the organization's current operating environment, including its vision, mission, and strategic goals. Context analysis helps to identify where the organization stands in relation to its intended social and environmental outcomes. By understanding the existing internal and external conditions, organizations can establish a meaningful starting point for impact measurement.

- **Baseline:** The model emphasizes the importance of setting a baseline, which refers to the establishment of current performance or conditions against which future impact will be measured. Baseline data can include quantitative or qualitative metrics, depending on the focus of the project. Establishing a clear starting point is essential for evaluating progress and determining the effectiveness of interventions over time.

- **Theory of Change:** The Theory of Change is a logical framework that connects activities to their intended social or environmental outcomes. It outlines the specific steps and assumptions that lead to long-term change, helping organizations map out how their actions contribute to broader goals. This entry point is crucial for projects that aim to have a clear cause-and-effect relationship between interventions and measurable impact.

- **External Framework Alignment:** Aligning with external frameworks such as the Sustainable Development Goals (SDGs) Sustainable Development Goals (SDGs), Global Reporting Initiative (GRI), United Nations Guiding Principles on Business and Human Rights (UNGPs), Carbon Disclosure Project (CDP), and ISO 26000 for Social Responsibility., industry standards, or governmental regulations ensures that the organization's impact aligns with global priorities. This entry point facilitates external validation and comparability, helping to benchmark the organization's progress against widely accepted goals and criteria.

- **Assumed Impact Areas:** Organizations may also begin by identifying assumed impact areas, which are general social or environmental focus areas aligned with their core mission or strategic objectives. These areas could include sustainability efforts, community engagement, social equity, or carbon reduction, depending on the organizational focus. By starting here, companies can refine their strategies and identify specific metrics for tracking progress.

By starting with the SDGs or other external frameworks, companies can clearly outline where they aim to make an impact. This approach allows businesses to first set their sights on broader, globally recognized goals, and then map out the necessary steps and strategies within their own operations to ensure alignment. As a result, the impact model not only serves the company's goals but also fits within an

established global framework, offering credibility and a clear direction for measuring progress. From here, internal KPIs and processes can be shaped to ensure the company is genuinely contributing to these external objectives.

KPIs and Key Results: Scientific and Practical Necessities

KPIs and Key Results are fundamental to any scientific approach to impact measurement.

- **KPIs**: These are quantitative or qualitative metrics that track specific aspects of a company's activities and their outcomes. KPIs must be chosen carefully, based on the company's goals and the impact areas identified. They offer a standardized method for measuring whether actions are effective, and their results can be compared across time or even between organizations. KPIs help translate abstract goals into concrete, actionable metrics.
- **Key Results**: These are the specific outcomes that a company aims to achieve in relation to each KPI. Where KPIs offer a broad overview, Key Results focus on granular targets, providing clarity on what success looks like at various stages. For instance, if a company's KPI is "reduce carbon emissions," a Key Result might specify "reduce emissions by 10% within 12 months." Key Results help guide strategic decisions and adjustments, ensuring that every step is aligned with the broader impact goals.

Both KPIs and Key Results ensure that the impact model is not only measurable but also actionable. By continuously tracking these metrics, companies can evaluate whether their strategies are effective, adjust as necessary, and provide transparent reporting to stakeholders.

Value Chain and Holistic Measurement

A complete impact model must also consider the entire value chain of a company, including product development, manufacturing, logistics, and suppliers. Each stage in the value chain presents opportunities to generate impact, whether direct (through production processes) or indirect (through suppliers or logistics). By considering the entire value chain, companies ensure that no potential impact is overlooked. Scientific methodologies demand that every link in the chain is accounted for, offering a thorough and precise understanding of where and how impact occurs. This is essential for ensuring that impact is both meaningful and verifiable.

Long-Term Change, Adaptability in Impact Frameworks and Alignment with External Frameworks

Finally, the impact model must not only deliver immediate results but also contribute to long-term, sustainable change. By aligning with external frameworks such as the SDGs, companies ensure that their impact efforts are globally relevant and contribute to broader societal and environmental goals. Alignment with such frameworks provides scientific legitimacy, as these goals are built on internationally recognized standards and metrics.

Organizations face the challenge of responding to rapidly changing global conditions, including new regulations, scientific developments, or socio-economic shifts. For an organization's impact framework to be effective, it must be adaptable, allowing organizations to adjust their strategies as new priorities arise. A rigid framework would quickly become obsolete, making it harder for organizations to remain relevant and

responsive. This adaptability is crucial because global challenges like poverty or climate change are dynamic and require ongoing adjustments in approach.
This is where the SDGs shine. Developed by the United Nations, the SDGs provide a universal framework of 17 interconnected goals that tackle critical global issues. What makes the SDGs particularly valuable is their ability to evolve alongside global priorities, enabling organizations to refine their strategies without losing focus on overarching objectives. The SDGs are also comprehensive, addressing a broad range of issues, from environmental sustainability to social equity, ensuring that organizations can contribute to a variety of global priorities simultaneously.

Why the SDGs are the Ideal Framework for Adaptability
The SDGs stand out because of their flexibility and universal applicability across industries, sectors, and geographic regions. Key reasons for this include:

1. **Comprehensive and Interconnected**: The SDGs are designed to work in tandem, allowing progress in one area to contribute to others. For instance, advances in education (SDG 4) can help reduce inequality (SDG 10), while improvements in energy sustainability (SDG 7) directly affect climate action (SDG 13). This interconnectedness allows organizations to address multiple challenges and shift priorities without losing focus.
2. **Flexibility Across Sectors**: Unlike frameworks that are specific to certain industries or regions, the SDGs can be applied universally. This versatility makes them an ideal framework for organizations in diverse sectors, whether they focus on healthcare, environmental conservation, or economic development. The ability to adapt to local contexts while aligning with global objectives makes the SDGs particularly useful for addressing complex, multifaceted issues.
3. **Global Credibility and Endorsement**: The SDGs enjoy widespread recognition and endorsement from the United Nations. This credibility encourages governments, NGOs, businesses, and investors to collaborate toward shared goals. As a result, organizations aligning their impact strategies with the SDGs gain legitimacy and access to broader networks for collaboration and resource sharing.
4. **Balance Between Immediate and Long-Term Impact**: The SDGs effectively balance the need for quick wins (such as improving access to clean water or reducing hunger) with long-term goals (like achieving climate neutrality or systemic poverty reduction). This balance ensures that organizations remain adaptable while maintaining a focus on sustainable change over time.

The IMVS Impact Model+: A Structured Approach to Impact Measurement
While the SDGs offer a flexible and adaptable framework, organizations also need a structured model to measure their progress effectively. The IMVS Impact Model+ builds on the SDGs by providing a clear methodology for assessing and reporting impact. By aligning its measurement systems with the SDGs, the IMVS Impact Model+ ensures that organizations' efforts are both locally relevant and globally impactful.
A scientifically grounded impact model is much more than a tool for documentation—it is a holistic system that captures the social and environmental effects of a company from every possible angle. Whether the starting point is context analysis, Theory of Change, or alignment with the SDGs, it is crucial that all parts of the model work together in a coherent, integrated manner. The careful selection of KPIs and Key Results ensures that impact is not only measurable but also actionable and transparent. By considering the full value chain and aiming for long-term change, companies can develop impact models that are not only effective but also scientifically rigorous, driving real, sustainable impact.

B. IMVS 104: Impact+ Model: A Detailed Breakdown

The Impact+ Model is a comprehensive framework designed to help organizations systematically measure, manage, and optimize their social and environmental impacts. By integrating key elements such as operational strategy, performance metrics, and impact assessments, it ensures that efforts to generate positive change are both measurable and scalable. The model is highly adaptable, allowing organizations of all sizes and industries to tailor it to their specific needs while maintaining alignment with global standards.

This guide provides a detailed examination of each component within the model, explaining how they interact to drive meaningful, long-term impact. Through its modular and flexible structure, the Impact+ Model offers a structured approach to defining, managing, and scaling impact initiatives, helping organizations maximize their contributions to social and environmental goals.

Please be aware that some content in this chapter may overlap with other sections. This is done to ensure that each topic area is thoroughly explained and can stand on its own.

104.1. Context

The Context provides the broader framework in which an organization operates. It encompasses the foundational elements that guide the organization's efforts to achieve its social and environmental impact. Each component within this context helps to define the organization's purpose, direction, and actions. These components include the **Operational Setting**, **Vision**, **Mission**, **Company Goals**, **Intention**, and **Strategy**, all of which are essential for shaping the organization's approach to its impact initiatives.

104.1.1. Operational Setting

The Operational Setting outlines the practical, everyday environment in which the organization operates. It defines the organizational structure, resources, processes, and systems that are in place to support the achievement of the organization's impact goals. The operational setting ensures that the organization's actions are aligned with its mission and that it has the capacity to achieve its vision.

How to Define the Operational Setting:

i. **Assess Organizational Structure:** Evaluate the internal structure, including departments, teams, and roles. Ensure that the organization is equipped to carry out its impact strategy.
ii. **Examine Available Resources:** Review financial, human, and technological resources to ensure the organization has the tools and capabilities needed to pursue its goals.
iii. **Establish Processes and Systems:** Define the operational workflows, data management systems, and accountability structures that guide day-to-day actions.
iv. **Ensure Alignment with Mission and Goals:** Confirm that the operational setup supports the organization's mission and long-term goals.

Examples:

⇒ **Social Sector:** "Our operational setting includes a network of local offices in underserved regions, where community-based staff manage healthcare outreach programs."
⇒ **Environmental Sector:** "We have established an operations team dedicated to overseeing the implementation of renewable energy projects, with specialists in solar, wind, and energy storage."

104.1.2. Vision

The Vision is the long-term, aspirational goal that the organization aims to achieve. It serves as a guiding principle that drives strategic decision-making and shapes the organization's efforts toward creating positive social or environmental impact. The vision looks ahead to the future, describing what the organization hopes the world will look like as a result of its work.

How to Define the Vision:

i. **Identify Core Values:** What are the fundamental beliefs and values that guide the organization?
ii. **Define the Long-Term Desired Impact:** What lasting change does the organization aim to bring about in the world or specific communities?
iii. **Engage Stakeholders:** Involve leadership, employees, and external partners in discussions to refine the vision.
iv. **Ensure It Is Inspirational and Realistic:** The vision should motivate the team and stakeholders while being attainable through diligent efforts.

Examples:

⇒ **Social Sector:** "To create a world where every child has access to quality education, regardless of their socio-economic background."
⇒ **Environmental Sector:** "To lead the global transition to sustainable energy, ensuring a future where all energy is clean and renewable."

104.1.3 Mission

The Mission defines the organization's core purpose—why it exists and what it aims to achieve in the short and medium term. It focuses on the present and explains the specific actions the organization is taking to solve social or environmental challenges. The mission connects the organization's daily operations with its broader vision.

How to Define the Mission:

i. **Clarify the Organization's Purpose:** What problem is the organization addressing, and why is this important?
ii. **Identify Key Activities:** What specific actions, programs, or services does the organization offer to address the identified problem?
iii. **Determine Beneficiaries:** Who benefits from the organization's work? Are these individuals, communities, or ecosystems?
iv. **Ensure the Mission Is Actionable:** The mission should be clear and concise, providing guidance for the organization's daily activities.

Examples:

⇒ **Social Sector:** "To provide accessible, high-quality healthcare services to underserved populations, improving health outcomes and fostering community well-being."
⇒ **Environmental Sector:** "To restore degraded ecosystems and protect biodiversity through conservation initiatives and sustainable resource management."

104.1.4 Company Goals

Company Goals are the specific, measurable objectives that drive the organization toward fulfilling its mission and achieving its vision. These goals break the broader mission into actionable steps, providing a clear path for the organization to follow and measurable outcomes to track progress.

How to Define Company Goals:

i. **Break Down the Mission into Specific Objectives:** Translate the mission into concrete, measurable actions.
ii. **Use the SMART Framework:** Ensure that each goal is Specific, Measurable, Achievable, Relevant, and Time-bound.
iii. **Align with Resources:** Ensure that the goals are feasible based on the organization's current capabilities and resources.
iv. **Prioritize Goals**: Focus on goals that will have the most significant impact and advance the mission.

Examples:

⇒ **Social Sector:** "Train 2,000 community health workers by 2025 to improve healthcare access in rural regions."
⇒ **Environmental Sector:** "Reduce company-wide energy consumption by 30% over the next five years by transitioning to renewable energy sources."

104.1.5. Intention

The Intention reflects the ethical and moral motivations behind the organization's actions. It expresses the deeper reason why the organization is committed to social or environmental change. Intention gives authenticity to the organization's efforts, showing that its actions are rooted in values and not just profitability.

How to Define Intention:

i. **Reflect on Core Values:** What ethical principles guide the organization's decisions and actions?
ii. **Define the Deeper Motivation:** Why does the organization want to make a social or environmental impact? What drives its leadership and staff?
iii. **Align with Stakeholders' Values:** Ensure that the intention reflects the values and expectations of the communities, partners, and beneficiaries involved.
iv. **Clearly Communicate the Intention:** The intention should be a simple, authentic reflection of why the organization is pursuing its mission.

Examples:

⇒ **Social Sector:** "Driven by our belief in social justice, we are committed to providing equal opportunities for education, healthcare, and economic advancement."
⇒ **Environmental Sector:** "Inspired by a deep respect for nature, we aim to conserve ecosystems and promote biodiversity for the benefit of all living beings."

104.1.6. Strategy

The Strategy outlines the specific plan for how the organization will achieve its goals and fulfill its mission. It provides a roadmap for the organization's actions, resources, partnerships, and initiatives, ensuring that the organization's efforts are structured, efficient, and focused on achieving measurable results.

How to Define Strategy:

i. **Assess Organizational Resources:** Take stock of the financial, human, and technological resources available to the organization.
ii. **Define Key Initiatives:** Identify the specific programs or initiatives that will help achieve the organization's goals.
iii. **Engage Internal and External Stakeholders:** Ensure that employees, partners, and beneficiaries are aligned with the strategy and committed to its success.
iv. **Adapt and Iterate:** Continuously assess the strategy's effectiveness and be prepared to make adjustments as needed.

Examples:

⇒ **Social Sector:** "Establish partnerships with local governments to open 10 new community healthcare clinics by 2024, providing services in underserved areas."

⇒ **Environmental Sector:** "Implement a sustainable sourcing program by 2025, ensuring that 100% of raw materials come from renewable or recycled sources."

104.2. Baseline

The Baseline establishes the starting point from which an organization can measure its progress toward social and environmental goals. This phase is critical for setting realistic targets, tracking improvements, and demonstrating the effectiveness of impact initiatives. By defining the current state and assessing areas of focus, the baseline provides a solid foundation for future impact measurement and evaluation.

104.2.1. Reference Value

The Reference Value is the initial data point or starting condition that serves as a benchmark for measuring progress. It represents the organization's current state in terms of social or environmental impact and helps track improvements over time. By establishing a reference value, organizations can set realistic and meaningful targets, assess progress, and quantify the impact of their efforts.

How to Define the Reference Value:

i. **Assess the Current State:** Conduct an internal evaluation to determine the organization's existing impact. This could include measuring CO2 emissions, resource consumption, community engagement, or other relevant metrics.

ii. **Collect Baseline Data:** Gather accurate data that reflects the organization's starting position. This might involve internal audits, surveys, or third-party assessments.

iii. **Ensure Data Completeness:** Make sure the baseline data is comprehensive and covers all critical areas where the organization plans to measure future progress.

iv. **Document and Record:** Keep detailed records of the baseline so it can be compared against future impact measurements.

Examples:

⇒ **Social Sector:** "The reference value for our literacy program is based on current educational access in rural areas, where only 30% of children have regular access to school resources."

⇒ **Environmental Sector:** "Our baseline CO2 emissions for the year 2020 were measured at 10,000 metric tons across all facilities."

104.2.2 Assessment

The Assessment phase is where the organization identifies specific Impact Areas that are directly aligned with its goals and mission. This phase ensures that the organization focuses on the most important areas for creating measurable change. Through careful analysis, the organization determines where it can make the most meaningful contribution and what outcomes are most critical.

How to Conduct the Assessment:

i. **Identify Impact Areas:** Determine the key social or environmental issues that the organization aims to address, such as waste reduction, water conservation, improving healthcare access, or supporting economic development.

ii. **Align with Organizational Goals:** Ensure that each impact area aligns with the organization's broader mission and strategic goals, guaranteeing that efforts are focused and purposeful.

iii. **Involve Stakeholders:** Engage internal teams and external stakeholders to gain insights into the most relevant areas for impact and ensure buy-in.
iv. **Set Priorities:** Prioritize impact areas based on the organization's capacity, available resources, and potential for significant, measurable outcomes.

Examples:

⇒ **Social Sector:** "We have identified access to education and clean drinking water as key impact areas for our work in underserved regions."
⇒ **Environmental Sector:** "Our focus areas include reducing energy consumption, improving waste management, and promoting biodiversity conservation."

104.2.3. KPIs (Key Performance Indicators)

Key Performance Indicators (KPIs) are measurable metrics that organizations use to track their success in achieving their impact goals. KPIs allow organizations to monitor their performance over time, providing clear indicators of whether the efforts in each impact area are progressing as intended. By defining KPIs, organizations can ensure accountability and facilitate continuous improvement.

How to Establish KPIs:

i. **Determine the Metrics for Success:** Define the specific quantitative or qualitative measures that indicate progress in each impact area. KPIs should reflect critical outcomes tied to the organization's goals.
ii. **Ensure Alignment with Impact Areas:** Make sure that each KPI directly corresponds to one or more of the identified impact areas and contributes to the overall mission.
iii. **Set Clear Targets:** For each KPI, establish measurable targets that are achievable within a defined timeframe.
iv. **Track and Adjust:** Regularly monitor KPI performance and adjust strategies as necessary to stay on track toward achieving the goals.

Examples:

⇒ **Social Sector:** "A KPI for our education program is the increase in literacy rates among participating students, measured annually."
⇒ **Environmental Sector:** "A KPI for our waste reduction initiative is the percentage reduction in non-recyclable materials used in our supply chain."

104.2.4. Key Results

Key Results are the specific, measurable targets tied to each KPI. They represent the milestones and outcomes that indicate whether the organization is meeting its impact objectives. Key results provide a clear benchmark for success and ensure that the organization is making measurable progress toward its broader goals.

How to Define Key Results:

i. **Set Specific Targets:** Define concrete, measurable outcomes for each KPI, such as percentage reductions, increases in service delivery, or numerical targets.
ii. **Ensure Relevance:** Each key result should be directly tied to its corresponding KPI and reflect progress toward the organization's overall mission.
iii. **Use Timeframes:** Establish clear deadlines for achieving each key result, ensuring that they are time-bound and realistic.
iv. **Monitor and Evaluate:** Regularly assess performance against key results, adjusting tactics or timelines as needed to stay aligned with impact goals.

Examples:

⇒ **Social Sector:** "Achieve a 25% increase in student attendance in rural schools by the end of 2023 as a key result for our education program."

⇒ **Environmental Sector:** "Reduce carbon emissions by 20% by the end of the year as a key result for our climate change mitigation initiative."

104.3. Theory of Change (IAOOI)

The Theory of Change provides a structured framework for understanding how resources and activities lead to long-term social or environmental impact. It outlines the sequential phases—Input, Action, Output, Outcome, Impact—which allow organizations to track and measure their effectiveness in creating change. By following this logic, organizations can link their activities to meaningful, long-lasting results, ensuring that resources are used efficiently and strategically.

104.3.1. Input

Input refers to the resources that are allocated to a project or initiative. These resources can be financial, human, or technological, and they are the essential starting points for any impact-driven activity. Inputs are the foundation upon which actions are built.

How to Define Input:

i. **Identify Necessary Resources:** Determine the specific resources required to carry out the project. This may include funding, personnel, technology, or materials.

ii. **Allocate Resources:** Ensure that resources are efficiently distributed to maximize impact. Consider how much funding is needed or the number of staff required to complete each task.

iii. **Track Inputs:** Keep detailed records of the resources committed to the initiative for transparency and future evaluation.

Examples:

⇒ **Social Sector:** "A $500,000 grant allocated to building schools in rural areas, along with a team of 20 volunteers."

⇒ **Environmental Sector:** "Allocating $1 million in funding and 15 engineers to develop solar-powered irrigation systems."

104.3.2. Action

Action refers to the specific activities that are carried out using the inputs. These activities are designed to implement the organization's goals and create the intended impact. Actions are the concrete steps that move an organization from planning to execution.

How to Define Action:

i. **Plan Specific Activities:** Identify what needs to be done to achieve the project's objectives. Actions should be clearly defined and linked to the input provided.

ii. **Execute the Plan:** Ensure that all team members understand their roles and responsibilities in carrying out the actions.

iii. **Monitor Activity Progress:** Continuously track the progress of activities to ensure they stay on schedule and are executed as planned.

Examples:

⇒ **Social Sector:** "Conducting teacher training programs and distributing educational materials in newly built schools."
⇒ **Environmental Sector:** "Installing solar-powered irrigation systems in drought-prone agricultural areas."

104.3.3. Output

Output refers to the immediate results of the actions taken. These are typically short-term, measurable outcomes that provide a clear indication of what has been achieved through the organization's activities. Outputs are the direct product of the resources and actions applied.

How to Define Output:

i. **Quantify the Immediate Results:** Determine what measurable changes or deliverables have been produced by the activities.
ii. **Ensure Outputs Are Linked to Goals:** Make sure that each output directly supports the organization's broader impact goals.
iii. **Document the Results:** Keep detailed records of outputs to assess performance and guide future initiatives.

Examples:

⇒ **Social Sector:** "Trained 200 teachers and distributed 5,000 textbooks to rural schools."
⇒ **Environmental Sector:** "Installed 50 solar-powered irrigation systems, benefiting 1,000 small-scale farmers."

104.3.4. Outcome

Outcome represents the medium-term effects that result from the outputs. These are the changes that occur as a result of the organization's activities and are typically more substantial than immediate outputs. Outcomes provide insight into whether the organization's actions are achieving the desired impact.

How to Define Outcome:

i. **Identify Medium-Term Effects:** Assess the changes in behaviour, knowledge, or conditions that have resulted from the outputs.
ii. **Track Progress Toward Goals:** Monitor whether the outcomes are moving the organization closer to its long-term impact objectives.
iii. **Adjust Strategy as Needed:** Based on the outcomes, make any necessary adjustments to improve the effectiveness of future actions.

Examples:

⇒ **Social Sector:** "Improved literacy rates among children in rural schools by 15% within two years."
⇒ **Environmental Sector:** "Increased agricultural yields by 20% due to more efficient water use from solar-powered irrigation systems."

104.3.5. Impact

Impact refers to the long-term, sustainable changes that result from the organization's actions. Impact is the ultimate goal, reflecting the broad societal or environmental improvements that the organization aims to achieve. These changes often occur over a longer period of time and are more difficult to measure than outputs or outcomes.

How to Define Impact:

⇒ **Assess Long-Term Changes:** Determine what lasting differences the organization's work has made. This might include improvements in social conditions or environmental recovery.

⇒ **Measure Sustainability:** Evaluate whether the changes are long-lasting and can be sustained without ongoing intervention.

⇒ **Reflect on Mission Fulfilment:** Assess whether the impact aligns with the organization's mission and long-term vision.

Examples:

⇒ **Social Sector:** "Reduced the educational gap between rural and urban children, leading to a 25% increase in high school graduation rates in rural areas over a decade."

⇒ **Environmental Sector:** "Restored local ecosystems and achieved a 30% reduction in carbon emissions in agricultural communities due to sustainable irrigation practices."

104.4. Value Chain Layers

The Value Chain Layers refer to the different stages within the organizational or production process where impact can be measured. Depending on the organization's role and operations, various value chain layers can generate direct or indirect social and environmental outcomes. By examining the impact at each stage, organizations can optimize their processes for maximum positive effect.

104.4.1. Product

Product impact relates to the design, development, and lifecycle of the organization's products or services. This layer examines how products are made, used, and disposed of, and their broader impact on society and the environment.

How to Define Product Impact:

i. **Evaluate Product Lifecycle:** Assess the sustainability of the product from raw material sourcing to disposal or recycling.

ii. **Examine Usage Impact:** Consider how the product affects users or communities during its lifetime.

iii. **Look for Improvement Opportunities:** Identify ways to improve product design to reduce environmental or social harm.

Examples:

⇒ **Social Sector:** "Designing educational materials that are accessible to children with disabilities."

⇒ **Environmental Sector:** "Developing biodegradable packaging to reduce waste."

104.4.2. Manufacturing

Manufacturing impact looks at the production processes and how they affect the environment and society. This layer includes factors such as energy use, waste production, labour practices, and the sustainability of materials used in manufacturing.

How to Define Manufacturing Impact:

i. **Assess Resource Use**: Review the amount of energy, water, and raw materials consumed during production.

ii. **Examine Environmental Footprint**: Evaluate waste output, emissions, and environmental degradation caused by manufacturing.

iii. **Consider Labor Practices**: Ensure that fair labour practices are followed and that manufacturing processes do not exploit workers.

Examples:

⇒ **Social Sector:** "Implementing fair labour practices in manufacturing educational tools."

⇒ **Environmental Sector:** "Reducing energy consumption in factories by adopting renewable energy sources."

104.4.3. Logistics

Logistics impact focuses on the transportation, distribution, and delivery of goods and services. This includes the carbon footprint associated with transportation and the overall efficiency of supply chain processes.

How to Define Logistics Impact:

i. **Assess Transportation Emissions**: Measure the carbon footprint of transporting goods from production to end-users.
ii. **Optimize Distribution**: Look for ways to reduce transportation distances or improve fuel efficiency.
iii. **Examine Supply Chain Efficiency**: Identify bottlenecks or inefficiencies in the supply chain that contribute to negative social or environmental impacts.

Examples:

⇒ **Social Sector:** "Improving the distribution network to ensure timely delivery of educational materials to remote areas."

⇒ **Environmental Sector:** "Reducing transportation emissions by optimizing routes and using electric vehicles for local deliveries."

104.4.4. Suppliers

Suppliers impact focuses on the social and environmental practices of an organization's supply chain. This layer examines how materials are sourced and whether suppliers adhere to ethical and sustainable standards.

How to Define Supplier Impact:

i. **Assess Supplier Practices**: Evaluate whether suppliers follow sustainable and ethical practices, including fair labour and environmentally friendly production.
ii. **Build Partnerships**: Work with suppliers who share the organization's commitment to social and environmental responsibility.
iii. **Monitor Compliance**: Ensure that suppliers adhere to agreed-upon ethical standards through audits and regular assessments.

Examples:

⇒ **Social Sector:** "Sourcing textbooks from suppliers that support fair trade practices."

⇒ **Environmental Sector:** "Partnering with suppliers that use sustainably harvested raw materials for product manufacturing."

104.5. Impact Areas (Strategic Approaches)

To manage impact effectively, organizations must adopt Strategic Approaches that guide their efforts across different operational and impact areas. These approaches ensure that every aspect of the organization's work is aligned with its goals, enabling a structured, sustainable, and scalable path to achieving meaningful impact. By taking a holistic view and addressing key strategic pillars, organizations can optimize their actions to maximize positive social and environmental outcomes.

Several of these strategic pillars will be explored further in other chapters, providing deeper insights into how these principles can be applied in practice.

104.5.1. Stakeholder Engagement

Stakeholder Engagement refers to the active involvement of individuals or groups who are impacted by or have an interest in the organization's activities. Engaging stakeholders ensures that their needs, concerns, and insights are incorporated into the planning and execution of impact initiatives. This approach fosters collaboration, builds trust, and increases the likelihood of success by aligning organizational efforts with stakeholder expectations.

How to Implement Stakeholder Engagement:

i. **Identify Key Stakeholders**: Determine who the organization's primary stakeholders are, including employees, customers, communities, and investors.
ii. **Involve Stakeholders Early**: Engage stakeholders at the beginning of the impact planning process to gather input and ensure their priorities are reflected.
iii. **Foster Ongoing Dialogue**: Maintain regular communication with stakeholders throughout the project lifecycle, gathering feedback and adjusting strategies as needed.
iv. **Ensure Transparency**: Be open about the organization's goals, challenges, and progress to maintain trust and accountability.

Examples:

⇒ **Social Sector:** "Involving local community leaders in the design and implementation of a healthcare initiative to ensure it addresses the most pressing needs."
⇒ **Environmental Sector:** "Collaborating with environmental advocacy groups to align sustainable resource management practices with community goals."

104.5.2. Project Management

Project Management ensures that impact initiatives are properly planned, executed, and monitored. Effective project management structures allow for clear timelines, defined roles, budget allocation, and tracking progress toward the organization's impact objectives. It is a systematic approach to coordinating resources and tasks to ensure projects stay on track and achieve their desired outcomes.

How to Implement Project Management:

i. **Develop a Detailed Plan**: Break down the project into specific tasks, assign roles, set deadlines, and allocate resources.
ii. **Monitor Progress**: Use project management tools to track milestones and ensure the project stays on schedule.
iii. **Adjust as Needed**: Continuously assess the project's progress and make adjustments to improve efficiency or address challenges.
iv. **Evaluate Results**: After the project is completed, evaluate its success in meeting goals and gather lessons learned for future initiatives.

Examples:

⇒ **Social Sector:** "Launching a community education project with a clear plan for curriculum development, resource distribution, and teacher training over a two-year period."
⇒ **Environmental Sector:** "Managing a reforestation project by setting planting targets, assigning forestry teams, and monitoring progress through satellite imagery."

104.5.3. Processes

Processes refer to the workflows and methodologies that ensure impact initiatives are sustainable, effective, and repeatable. Well-defined processes create consistency in operations and allow for continuous improvement by establishing clear guidelines on how tasks should be carried out.

How to Implement Processes:

i. **Define Workflows**: Establish clear, step-by-step workflows that outline how each stage of an impact project will be completed.
ii. **Standardize Best Practices**: Create process documentation that reflects best practices and ensures consistency across teams.
iii. **Regularly Review and Improve**: Continuously review and refine processes based on feedback and performance data.
iv. **Train Staff**: Ensure all team members understand the processes and follow them consistently.

Examples:

⇒ **Social Sector**: "Implementing a standardized process for managing educational outreach programs, from initial engagement to student assessment and program evaluation."
⇒ **Environmental Sector**: "Developing a repeatable process for managing waste reduction initiatives in manufacturing facilities."

104.5.4. Communication & Engagement

Communication & Engagement focuses on ensuring clear, transparent, and meaningful dialogue with stakeholders throughout the impact journey. This includes sharing the organization's goals, progress, challenges, and successes, while also encouraging active participation from stakeholders to co-create solutions and ensure alignment with broader community or environmental goals.

How to Implement Communication & Engagement:

i. **Develop a Communication Strategy**: Plan how and when to communicate with stakeholders, ensuring clarity, transparency, and consistency.
ii. **Encourage Two-Way Communication**: Create opportunities for stakeholders to provide feedback and participate in the conversation.
iii. **Tailor Communication to Audience**: Customize messaging based on the stakeholder group, ensuring it is relevant and engaging for each audience.
iv. **Maintain Regular Updates**: Keep stakeholders informed of progress through reports, meetings, and updates to foster trust and accountability.

Examples:

⇒ **Social Sector**: "Regularly updating local communities on the progress of a housing development initiative through public meetings and newsletters."
⇒ **Environmental Sector**: "Engaging corporate partners in a sustainability initiative by providing quarterly reports on resource use reductions and new green technologies implemented."

104.5.3. Risk Management

Risk Management involves identifying, assessing, and mitigating potential risks that could hinder the organization's ability to achieve its impact goals. This proactive approach ensures that risks are anticipated and managed before they escalate, protecting the organization's resources, reputation, and ability to deliver positive outcomes.

How to Implement Risk Management:

i. **Identify Potential Risks**: Conduct a risk assessment to determine internal and external factors that could negatively impact the organization's initiatives.
ii. **Evaluate Risk Impact**: Prioritize risks based on their likelihood and potential impact.
iii. **Develop Mitigation Strategies**: Create action plans for mitigating each identified risk, ensuring that contingency plans are in place.

iv. **Monitor Risks Continuously**: Regularly review and update risk assessments to stay ahead of emerging threats.

Examples:

⇒ **Social Sector**: "Mitigating financial risks in a social enterprise project by securing diversified funding streams and creating contingency budgets."

⇒ **Environmental Sector**: "Managing environmental risks by monitoring changes in government regulations related to emissions and adjusting operations accordingly."

104.5.4. Sustainability & Scalability

Sustainability & Scalability ensures that the organization's impact initiatives can be maintained over the long term and expanded to reach a broader audience or have a larger effect. Sustainability focuses on ensuring that initiatives are built to last without exhausting resources, while scalability involves the capacity to grow and extend successful initiatives to new regions, sectors, or populations.

How to Implement Sustainability & Scalability:

i. **Design for Longevity**: Ensure that initiatives are structured in a way that they can continue without ongoing high levels of support, using local resources and capacities.

ii. **Assess Scalability Potential**: Evaluate which projects have the potential to be scaled up based on success factors and replicability.

iii. **Create a Scaling Plan**: Develop strategies for expanding successful initiatives, including resource allocation and partnerships.

iv. **Measure Impact Consistently**: Ensure that both the sustainability and scalability of initiatives are evaluated through ongoing performance metrics.

Examples:

⇒ **Social Sector**: "Expanding a successful youth mentoring program to new communities after demonstrating its effectiveness in improving employment outcomes."

⇒ **Environmental Sector**: "Scaling a solar energy program from one region to a national level, ensuring financial sustainability by involving local partners and governments."

104.6. Target Audience

The Target Audience refers to the primary beneficiaries of an organization's impact initiatives. Identifying and understanding the target audience is critical because it ensures that the organization's efforts are aligned with the needs, expectations, and priorities of those directly affected by its work. By clearly defining the target audience, organizations can tailor their programs and actions to create more meaningful and relevant impact, maximizing the positive outcomes for the people, communities, or ecosystems they aim to serve.

104.6.1. Communities

Communities encompass groups of people living or working within a specific geographic area or sharing common interests who are directly impacted by the organization's operations or initiatives. Communities are often the focus of social impact projects, particularly in areas like health, education, or economic development.

How to Identify and Engage Communities:

i. **Define the Geographic or Interest-Based Scope**: Determine whether the organization is targeting specific regions, towns, neighbourhoods, or interest groups (such as indigenous communities, low-income areas, or environmentally vulnerable zones).
ii. **Understand Community Needs**: Engage with local leaders and members of the community to identify their priorities and concerns. Surveys, focus groups, and public meetings can be helpful tools for this process.
iii. **Tailor Programs to Local Contexts**: Customize impact initiatives to fit the specific cultural, social, and economic dynamics of the community.
iv. **Build Trust and Relationships**: Foster long-term relationships with community members through consistent engagement and collaboration.

Examples:

⇒ **Social Sector**: "Developing a healthcare initiative focused on rural communities where access to medical facilities is limited."
⇒ **Environmental Sector**: "Launching a reforestation project in coastal communities affected by deforestation and soil erosion."

104.6.2. Customers

Customers are individuals or organizations who purchase or use the organization's products or services. For socially and environmentally focused organizations, customers can also be key beneficiaries if the product or service directly addresses social or environmental needs. Identifying customers as part of the target audience ensures that the organization's offerings are aligned with the values and expectations of consumers seeking ethical, sustainable, or socially responsible products.

How to Identify and Engage Customers:

i. **Segment the Customer Base**: Define the demographic, geographic, or psychographic characteristics of the customers who benefit most from the organization's products or services.
ii. **Assess Customer Needs and Preferences**: Use market research, customer feedback, and data analytics to understand what customers value, especially in terms of sustainability or social impact.
iii. **Communicate Impact Benefits**: Clearly communicate the social or environmental benefits of the products to customers, highlighting how purchasing supports a positive cause.
iv. **Build Loyalty through Engagement**: Engage customers through impact-driven messaging, creating a sense of connection and loyalty based on shared values.

Examples:

⇒ **Social Sector**: "A social enterprise selling fair-trade products that support artisans from underserved regions, positioning customers as active contributors to economic empowerment."
⇒ **Environmental Sector**: "A company producing biodegradable packaging, helping eco-conscious customers reduce their environmental footprint through responsible purchasing."

104.6.3. Stakeholders

Stakeholders include any group or individual who is directly or indirectly impacted by the organization's operations or initiatives. This can include employees, investors, local governments, suppliers, and partners, as well as the communities and customers the organization serves. Understanding the full range of stakeholders ensures that impact efforts take into account the diverse needs and interests of all groups involved.

How to Identify and Engage Stakeholders:

i. **Map Stakeholders**: Identify all individuals and groups who have a stake in the organization's operations or who can influence its success. This may include internal stakeholders (employees, investors) and external ones (suppliers, regulators, customers).
ii. **Assess Stakeholder Expectations**: Understand what each stakeholder group expects from the organization's impact initiatives. Surveys, interviews, or workshops can help uncover their concerns and priorities.
iii. **Foster Ongoing Engagement**: Establish regular communication with stakeholders to ensure their perspectives are considered in decision-making processes and to build long-term relationships.
iv. **Align Impact Goals with Stakeholder Needs**: Ensure that the organization's impact efforts address the most critical concerns of its stakeholders, balancing business objectives with social and environmental responsibilities.

Examples:

⇒ **Social Sector**: "Partnering with local governments and NGOs to implement a clean water project, ensuring stakeholder input is integrated into planning and execution."
⇒ **Environmental Sector**: "Working closely with suppliers to ensure that all raw materials are sustainably sourced, addressing both stakeholder concerns and environmental impact goals."

104.6.4.Understanding and Tailoring Impact to the Target Audience

Understanding the Target Audience is essential for crafting initiatives that are responsive, effective, and meaningful. By carefully identifying the key groups that benefit from the organization's work—whether they are communities, customers, or stakeholders—organizations can ensure their impact efforts are designed with the audience's needs and expectations in mind. Engaging these groups in the planning and execution phases helps organizations build trust, increase the relevance of their programs, and ultimately drive greater positive social or environmental outcomes.

Examples of Target Audience Tailoring:

- **Social Sector**: "Tailoring a vocational training program to meet the specific needs of unemployed youth in urban areas, after conducting local assessments of job market demands."
- **Environmental Sector**: "Designing an energy conservation initiative specifically for businesses with high energy consumption, ensuring that the strategies are both scalable and aligned with the operational realities of target customers."

The **Target Audience** represents the core beneficiaries of an organization's impact initiatives, whether they are **communities**, **customers**, or broader **stakeholders**. By clearly understanding who these groups are and what their needs and expectations are, organizations can tailor their impact initiatives to be more effective, relevant, and sustainable. Engaging the target audience in a meaningful way not only helps the organization achieve its goals but also ensures that the impact created is valued and appreciated by those who benefit most from it.

104.7. External Framework Alignment

The External Framework Alignment ensures that an organization's impact efforts are aligned with established global standards and frameworks. By aligning its initiatives with recognized frameworks, such

as the Sustainable Development Goals (SDGs), Global Reporting Initiative (GRI), or other sector-specific standards, an organization can ensure its impact is both credible and measurable on a global scale. This alignment strengthens the organization's approach, enhances transparency, and helps benchmark success against internationally recognized criteria, ultimately contributing to its legitimacy and scalability.

104.7.1. Aligning with Global Standards

External Framework Alignment refers to the process of structuring an organization's impact initiatives to comply with, or contribute to, established international standards and goals. These frameworks provide a common language and set of criteria that help organizations measure their contributions to global challenges, such as poverty alleviation, environmental sustainability, or social equity.

How to Align with Global Standards:

i. **Identify Relevant Frameworks**: Determine which global frameworks are most relevant to the organization's mission and impact areas. Examples include the **SDGs**, **Paris Agreement** targets, **ISO standards**, or industry-specific guidelines.

ii. **Map Organizational Goals to External Standards**: Link the organization's impact goals with specific targets within the external framework to ensure that internal efforts contribute to broader global objectives.

iii. **Ensure Compliance with Best Practices**: Follow the guidelines or recommendations of the framework to align the organization's operations and reporting practices with global benchmarks.

iv. **Track Progress Against International Targets**: Regularly measure the organization's progress using the metrics provided by the global framework and report outcomes in a standardized, internationally recognized format.

Examples:

⇒ **Social Sector**: "Aligning a poverty reduction program with SDG 1: No Poverty, ensuring that the organization's initiatives contribute to measurable reductions in poverty levels in targeted regions."

⇒ **Environmental Sector**: "Aligning sustainability efforts with SDG 13: Climate Action, implementing practices to reduce carbon emissions and support global climate goals."

104.7.2. Measuring Success Against Global Benchmarks

Aligning with external frameworks allows organizations to measure their success against globally recognized benchmarks. These frameworks provide specific targets and indicators that organizations can use to gauge their impact in a broader context. By doing so, the organization can demonstrate its contributions to solving global challenges and compare its performance with other organizations operating within the same space.

How to Measure Success Against Global Benchmarks:

i. **Use Standardized Metrics:** Implement the indicators or metrics outlined by global frameworks, such as the SDG indicators or World Bank development indicators, to measure the organization's progress.

ii. **Set Benchmark-Driven Goals:** Establish organizational goals that directly align with international targets, ensuring that progress is meaningful on both a local and global scale.

iii. **Track and Report on Progress:** Regularly track the organization's performance against these benchmarks and report findings in a standardized format that is widely recognized by global stakeholders.

iv. Adjust Initiatives to Meet Global Targets: Continuously assess how the organization's efforts are contributing to global benchmarks and make adjustments to enhance impact where necessary.

Examples:

⇒ **Social Sector:** "Using SDG indicators to measure the success of a gender equality initiative, ensuring progress contributes to SDG 5: Gender Equality."

⇒ **Environmental Sector:** "Measuring reductions in carbon emissions against the Paris Agreement goals to ensure that the organization's environmental initiatives contribute to global climate action."

The IMVS framework stresses the need to tailor the verification process to each organization's unique characteristics. By accounting for differences in size, structure, industry, culture, and stakeholder expectations, IMVS ensures its verification approach remains effective and relevant across diverse contexts, from startups to large multinational corporations.

C. IMVS 105: Customizing Organizational Profiles

Organizations differ in size, structure, industry, legal form (e.g., nonprofit vs. for-profit), and governance structure, all of which influence how verification should be approached. Additionally, aligning the verification process with an organization's long-term strategy is crucial. The IMVS framework respects these variations, ensuring that the verification process is tailored to reflect each organization's unique profile and goals.

Practical Suggestions:

☝ Conduct initial assessments to classify organizations by size, industry, legal form, and governance structure.

☝ Adapt the verification process to reflect each organization's long-term strategic vision and governance model.

☝ Regularly update organizational profiles to capture changes in structure, operations, or strategy.

105.1. Balancing Quantitative and Qualitative Assessments

IMVS profiling involves more than quantitative data (e.g., financial metrics); it also considers qualitative factors such as organizational culture, stakeholder expectations, and social and environmental impact. These dimensions are essential in assessing an organization's overall influence and operational approach. For startups and SMEs, adaptability and innovation capacity are critical, while larger corporations may focus more on sustainability and compliance.

Practical Suggestions:

- Use a mixed-methods approach, combining quantitative surveys with qualitative interviews, to provide a comprehensive understanding of the organization.
- Include evaluations of social and environmental impact, which can be captured through case studies or qualitative reports.
- Tailor performance metrics to each organization's cultural and operational context, including its capacity for innovation and adaptability to market changes.

- Engage stakeholders in defining success criteria that reflect both internal goals and broader societal impacts.

105.2. Practical Application

In practice, the IMVS framework adapts its verification approach to highlight different key performance indicators (KPIs) and risk assessments for various types of organizations. Startups and SMEs should focus on agility, scalability, and innovation, while multinational corporations need more emphasis on compliance, sustainability practices, and comprehensive risk management. Integrating each organization's profile into the verification strategy ensures the process reflects true operational health and impact.

Additionally, stakeholder satisfaction and engagement should be a key focus. The extent to which an organization meets the expectations of its stakeholders—through interviews or satisfaction surveys—can provide valuable insights into operational alignment and long-term success.

Another crucial aspect is adaptability and crisis resilience—the ability of an organization to respond to unexpected challenges such as economic crises or environmental risks. Evaluating this aspect helps assess the long-term stability and resilience of the organization.

Practical Suggestions:

- For startups and SMEs, focus on KPIs related to agility, innovation potential, and adaptability to new technologies and regulatory environments.
- For multinational corporations, emphasize compliance with global regulations, data privacy standards, sustainability practices, and risk management.
- Use verification results to identify gaps in technological capabilities or innovation opportunities, enhancing long-term competitiveness.
- Continuously refine organizational strategies based on verification outcomes to improve both operational performance and sustainable growth.

105.3. Continuous Adaptation and Improvement

The IMVS framework must remain flexible and adaptive to keep pace with an organization's evolution over time. Organizational growth, market shifts, regulatory changes, and technological advancements all necessitate ongoing adjustments in the verification process. By incorporating continuous feedback loops and regular re-assessments, the IMVS framework can ensure that the verification remains relevant and valuable throughout the lifecycle of an organization.

This dynamic approach is particularly important in industries that are rapidly evolving, such as tech startups, where business models, regulatory environments, and competitive landscapes can change quickly. It is also crucial for large enterprises, which may face shifting compliance requirements and sustainability expectations on a global scale.

Practical Suggestions:

- **Regular Reassessments:** Schedule regular re-verifications or mid-term reviews to ensure that the verification process remains aligned with any significant changes in organizational structure, strategy, or external environment.

- **Feedback Loops:** Implement feedback mechanisms that allow organizations to provide input on the verification process, enabling continuous improvement and customization based on evolving needs.
- **Technological Integration:** Leverage technology to automate parts of the verification process where possible, ensuring faster and more accurate adaptations to changes in data or operations.
- **Benchmarking and Learning:** Encourage organizations to benchmark their verification results against industry peers and incorporate learnings from best practices, ensuring continuous improvement in both performance and sustainability efforts.

D. IMVS 106: Framework Tools in detail

In this section, we focus on the key tools used to audit critical components of an organization's impact model: the C⁴-SMART Criteria and the Six Dimensions of Impact plus timeframe (6D Impact). These tools play a vital role in verifying and refining various elements of an organization's impact strategy, ensuring that both the metrics and broader outcomes are accurately audited for relevance and effectiveness.

The C⁴-SMART Criteria are used to evaluate and audit Key Performance Indicators (KPIs) within the impact model. By enhancing the traditional SMART principles (Specific, Measurable, Achievable, Relevant, Time-bound) with the C⁴ principles—Clear, Concise, Consistent, and Complete—this tool ensures that KPIs are rigorously defined and actionable. This allows organizations to verify that their KPIs provide a credible and measurable basis for assessing impact, ensuring that the metrics align with the organization's goals and can be consistently applied.

In parallel, the Six Dimensions of Impact plus timeframe (6D Impact) framework is used to audit the overall impact model by assessing outcomes across six key dimensions: Effectiveness, Efficiency, Equity, Sustainability, Relevance, and Scalability. This tool helps organizations analyze both social and environmental impacts while considering how these impacts evolve over time. It provides a comprehensive view of the organization's long-term impact and enables a thorough assessment of how well the impact model addresses key societal and environmental issues.

By integrating these tools, organizations can conduct a thorough audit of their impact model. The C⁴-SMART Criteria ensure that the KPIs used to track performance are robust and reliable, while the 6D Impact framework offers deeper insights into the broader outcomes and timeframes of the impact. Together, they create a structured, adaptable verification process that ensures transparency, accountability, and continuous improvement.
Understanding and applying these tools enables organizations to not only verify their current impact but also refine and enhance their overall impact model, ensuring that they deliver meaningful, credible, and lasting results.

106.1. C⁴-SMART Criteria

Introduction to the SMART Model

The SMART model, an acronym for Specific, Measurable, Attainable, Relevant, and Time-bound, originates from Peter Drucker's Management by Objectives approach. In 1981, George T. Doran formalized this concept in his article "There's a S.M.A.R.T. way to write management's goals and objectives." Doran highlighted that setting clear and measurable goals is essential for creating accountability and improving outcomes in strategic planning. SMART has since become a widely used framework across industries such as business, project management, and personal development, enabling organizations and individuals to set goals that are not only aspirational but also achievable and trackable.

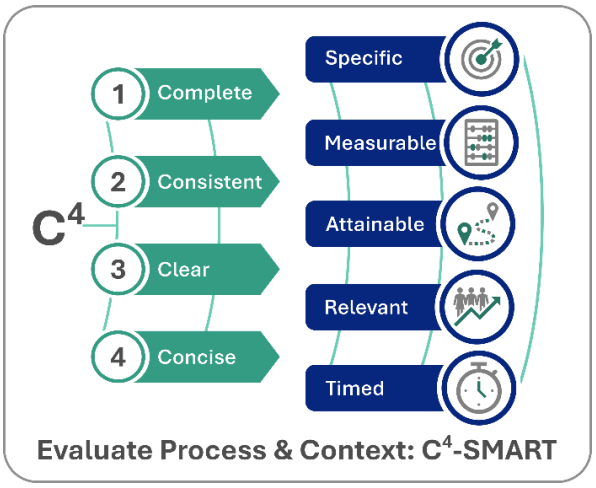


Figure 11: Evaluation framework C⁴-SMART, highlighting the importance of being Complete, Consistent, Clear, and Concise (C⁴), while ensuring objectives are Specific, Measurable, Attainable, Relevant, and Timed.

Development of the C⁴-SMART Model

The C⁴-SMART model represents an evolved version of the traditional SMART framework, addressing the increasing complexity of modern projects and the need for greater clarity and coherence in goal setting. While the SMART model provides a solid foundation, complex organizational environments often require a more nuanced approach. The C⁴ principles—Clear, Concise, Consistent, and Complete—are designed to overcome potential gaps in the traditional SMART model, offering a refined method for defining and auditing goals.

- **Clear:** This principle ensures that objectives are explicitly defined, leaving no room for ambiguity. Clear objectives provide stakeholders with a unified understanding of the project's purpose, outcomes, and activities, minimizing miscommunication and enhancing focus.

- **Concise:** Being concise involves distilling goals down to their most essential elements, such as key outcomes and critical activities. This helps avoid unnecessary complexity, streamlining communication and decision-making, which is particularly valuable in fast-moving or resource-constrained environments.

- **Consistent:** Consistency ensures that objectives are aligned with the broader mission and long-term strategy of the organization. This alignment fosters sustainable outcomes and prevents the pursuit of goals that might stray from the organization's core values or priorities.

- **Complete:** Complete goals are those that address all critical aspects of the project, from key deliverables to resource allocation and target beneficiaries. This thoroughness ensures that no important detail is overlooked, reducing the risk of project delays or failures due to missing elements.

For example, applying the Complete principle helps organizations ensure that all necessary resources are in place before launching a project, which reduces the likelihood of disruptions caused by unexpected

resource gaps. Similarly, Clear objectives prevent confusion during execution, as everyone involved has a clear understanding of the expectations.
By integrating the C^4 principles into the SMART framework, organizations can establish goals that are not only aligned with strategic priorities but also actionable, measurable, and fully supported by all necessary resources.
Together, these principles provide a structured approach that improves the effectiveness of strategic planning, enhances communication, and ensures that goals are both attainable and sustainable. The C^4-SMART model is particularly suited to complex, multi-stakeholder environments, where clarity, coherence, and completeness are crucial for success.

106.1.1. Enhancing the SMART Framework - The C^4 Principles:

The C^4 principles—**Clear, Concise, Consistent, and Complete**—enhance the traditional SMART framework by addressing common project management challenges, such as miscommunication, scope creep, and lack of strategic alignment. These principles work together to improve the clarity, alignment, and completeness of project goals.

106.1.1.1. Clear:

Is the goal easily understood by all stakeholders?

- **Objective**: To ensure that the project's purpose, scope, outcomes, and activities are communicated in a way that is easily understood by all stakeholders.
- **Advantages:** The "Clear" principle ensures that everyone involved in the project has a mutual understanding of what the project aims to achieve and how it will be executed. Clarity reduces misunderstandings, miscommunication, and ambiguity, which can often derail projects. For example, if a project's goal is to improve customer satisfaction, the "Clear" principle ensures that all stakeholders understand exactly what "improving customer satisfaction" entails—whether through faster response times, better product quality, or another specific area.

106.1.1.2. Concise:

Is the plan focused and to the point?

- **Objective**: To ensure that project summaries and plans are streamlined, focusing only on essential elements such as objectives, key outcomes, activities, and timelines.
- **Advantages:** A concise project plan allows stakeholders to grasp key details quickly and avoid being bogged down by unnecessary information. This not only improves decision-making but also reduces the likelihood of scope creep—where the project gradually expands beyond its original objectives—because the plan stays focused on core priorities.

106.1.1.3. Consistent:

Does the goal align with the organization's strategy?

- **Objective**: To ensure that the project's objectives are aligned with the organization's broader mission and strategic goals.
- **Advantages:** Consistent objectives reinforce the project's strategic alignment with long-term organizational goals. For example, a project aimed at reducing carbon emissions should fit within the company's sustainability strategy, ensuring that resources and efforts are aligned with the overall vision.

This coherence ensures the project is not only relevant now but also contributes to the company's long-term success.

106.1.1.4. Complete:

Is everything necessary included?

- **Objective**: To ensure all essential project elements, including deliverables, beneficiaries, resources, and risks, are fully covered in the planning phase.
- **Advantages**: Complete project plans prevent essential details from being overlooked, which can lead to delays or resource shortages. For instance, a project with a comprehensive resource plan and risk assessment is less likely to encounter unexpected problems, ensuring smoother execution. Failing to consider key elements upfront can cause projects to stall, increasing costs and reducing overall effectiveness.

106.1.2. Enhancing Insight into SMART Criteria

The SMART criteria—**Specific, Measurable, Attainable, Relevant, and Timed**—are essential for defining clear, actionable, and achievable project goals. They help ensure that objectives are not only well-defined but also realistic and measurable, providing a roadmap for success.

106.1.2.1. Specific:

Is the goal well-defined?

- **Objective**: To define the project's goal in a precise and detailed manner, focusing on a particular outcome or result.
- **Advantages:** Specificity means breaking down broad or vague goals into clear, actionable objectives. This allows team members to know exactly what is expected. For instance, setting a goal like "Reduce energy consumption by 10% within one year" is specific, as opposed to saying, "Improve energy efficiency." Specific goals guide the project more effectively because they focus on a clear, measurable result.

106.1.2.2. Measurable:

Can progress be tracked?

- **Objective**: To establish quantifiable indicators that allow for tracking progress and evaluating the success of the project.
- **Advantages:** Measurable goals enable objective evaluation of progress. For example, tracking a target to "reach 1,000 beneficiaries within six months" gives a clear benchmark for success. Measurement allows teams to track performance over time and make necessary adjustments to stay on target. Without measurable goals, it's hard to know whether progress is being made.

106.1.2.3. Attainable:

Is the goal realistic?

- **Objective**: To ensure that the project's goals are realistic and achievable within the given resources, time, and constraints.

- **Advantages**: Attainable goals help avoid overambitious expectations that could lead to failure. A goal like "Increase sales by 5% in six months" is attainable within reasonable resources, whereas aiming to double sales in the same period may be unrealistic. Setting attainable goals boosts team morale and ensures that targets are challenging yet feasible.

106.1.2.4. Relevant:
Does the goal matter?

- **Objective**: To ensure that the project's goals directly address the identified challenges and meet the needs of the target audience.
- **Advantages**: Relevant goals ensure that the project is aligned with the needs of stakeholders and addresses the most important challenges. For instance, a project focused on improving healthcare access in underserved rural areas is relevant because it targets a critical need. Irrelevant goals, on the other hand, may waste resources on issues that don't contribute to significant outcomes.

106.1.2.4. Timed:
Is there a clear deadline or milestones?

- **Objective**: To establish clear deadlines and timelines for achieving key milestones.
- **Advantages**: Timed goals foster accountability by providing specific deadlines. For example, setting a six-month timeline for the project's first phase ensures that tasks are prioritized, and resources are allocated efficiently. Without clear deadlines, projects may suffer from delays or become unmanageable, leading to wasted resources and missed opportunities.

106.1.3. Impact Verification: Applying C⁴-SMART for Strategic Fit and Context Assessment
The C⁴-SMART tool is a powerful tool used to ensure that projects are aligned with an organization's strategic goals and are designed to deliver measurable, meaningful results. This method goes beyond simple project execution, focusing on the strategic relevance of a project and its potential to generate lasting impact.

The purpose of applying C⁴-SMART in impact verification is to assess whether projects are not only aligned with organizational priorities but also structured to achieve significant outcomes. This framework ensures that projects are designed with the capacity to create measurable change and add real value to the organization's mission.

The process involves evaluating three critical areas:

1. **Strategic Fit**: Does the project contribute to the long-term goals and mission of the organization? This assessment ensures that the project is relevant and meaningful within the organizational context, preventing misalignment with broader objectives.
2. **Scope and Boundaries**: Are the project's objectives, deliverables, and desired outcomes clearly defined? By establishing well-defined boundaries, C⁴-SMART prevents scope creep and ensures that all stakeholders are focused on the project's core goals.
3. **Risk Management**: Have potential risks been identified and adequately addressed? Effective risk management ensures that the project can adapt to unforeseen challenges and maintain its course toward achieving intended results.

Through this structured approach, C⁴-SMART provides a comprehensive evaluation that not only aligns projects with strategic priorities but also prepares them to handle real-world complexities and risks.

The outcome of applying C⁴-SMART is twofold. First, it ensures that projects are aligned with the organization's broader strategy and capable of delivering measurable impacts. Second, it enhances accountability by providing concrete, quantifiable evidence that the project is achieving its intended goals. This structured verification process builds confidence among stakeholders, who can trust that the project is contributing positively to the organization's mission and generating real, trackable results.

By incorporating C⁴-SMART, impact models strengthen the impact verification process. It offers more than just project monitoring—it ensures that each initiative is strategically aligned, rigorously assessed, and poised to deliver meaningful results. This approach not only increases the likelihood of success but also reinforces stakeholder trust and transparency by demonstrating that the organization is meeting its goals in a measurable and accountable way.

106.2. Six Dimensions of Impact plus timeframe (6Dt Impact)

The Six Dimensions of Impact plus Timeframe (6Dt Impact) approach, a core component of the Impact+ model, provides a detailed framework for assessing interventions within the context of a project's theory of change. It evaluates the goals the project aims to achieve, the stakeholders involved, and the methods used to bring about change. By analysing both the scale of impact and the extent to which it is sustained over time, the framework allows for a thorough understanding of how much change has occurred and how deeply it affects those involved.

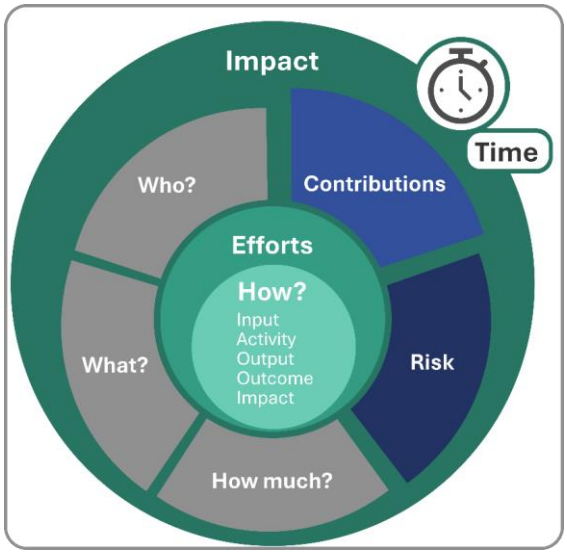


Figure 12: Illustration of the components of impact assessment over time, focusing on contributions, risk, and efforts. It answers key questions such as 'Who?', 'What?', 'How much?', and 'How?' by examining inputs, activities, outputs, outcomes, and impacts. Diagram illustrating the components of impact assessment over time, focusing on contributions, risk, and efforts. It answers key questions such as 'Who?', 'What?', 'How much?', and 'How?' by examining inputs, activities, outputs, outcomes, and impacts.

Moreover, the 6Dt Impact approach enables the identification of both direct and indirect impacts, offering a complete view of an intervention's ripple effects. It incorporates risk factors that could potentially undermine success and considers the full timeline of impact, from initial outcomes to long-term durability. Applied across the entire value chain, this method ensures a comprehensive assessment of each stage of the intervention, highlighting how all components contribute to the overall effectiveness and sustainability of the project within the Impact+ model.

Background of defining and measuring impact

The Six Dimensions of Impact plus Timeframe (6Dt Impact) framework was developed in response to growing demands for consistency and accountability in measuring social, environmental, and governance outcomes. To understand its background, we must explore the challenges in impact measurement that led to its creation and the efforts to standardize and improve the process.

Historically, impact measurement was inconsistent and fragmented, with organizations and investors lacking clear guidelines on how to assess and compare the effects of their social and environmental initiatives. This created difficulties in demonstrating true value, particularly as **environmental, social, and governance (ESG)** considerations became more central to global business and investment decisions. The growing need for transparency and comparability drove the development of more structured frameworks.

A major step in addressing these challenges was the creation of the **Impact Management Project (IMP)**, which later evolved into **Impact Frontiers** (Impact Frontiers link). The IMP helped create a global consensus on how to define and measure impact, understanding it as any change—whether intentional or unintentional—brought about by an organization. To enable more structured impact assessments, the IMP developed a framework based on five key dimensions:

1) **What**: Identifies the outcomes or results of actions.
2) **Who**: Determines who is affected by these outcomes.
3) **How much (Extent)**: Measures the scale and scope of the impact.
4) **Contribution**: Evaluates the organization's role in facilitating the impact.
5) **Risk**: Assesses potential risks associated with the outcomes.

To further enhance consistency in impact reporting, the **Common Impact Data Standard (CIDS)** (CIDS link) developed by the Common Approach to Impact Measurement, offered a structured way to represent impact models across different sectors. It aligns closely with the principles established by **Impact Frontiers**, and its primary aim is to provide a flexible yet consistent framework for social purpose organizations (SPOs) to measure and report on their impacts.
The standard helps organizations communicate their outcomes and activities in a way that is clear and comparable across various contexts.

It was introduced to expand this framework by adding another dimension, **How** (programs, services, or activities).
The **CIDS** framework uses the following key dimensions to assess impact:

1) **What**: Identifies the outcomes and changes driven by an organization's activities.
2) **Who**: Determines the stakeholders affected by these outcomes, including both direct beneficiaries and broader groups.
3) **How Much**: Measures the scale and significance of the impact, including its depth and reach.
4) **Contribution**: Evaluates the organization's role in achieving the impact, particularly in relation to other contributing factors.
5) **Risk**: Assesses the risks and uncertainties that could affect the success or sustainability of the outcomes.
6) **How (Methods)**: Focuses on the programs, services, and activities implemented to achieve the intended outcomes.

The **CIDS** structure also accommodates additional information such as inputs, activities, outputs, and outcomes, providing a holistic representation of an organization's impact model, embracing the theory of change. This allows for better data organization and sharing, which supports interoperability between various organizations and systems.

By integrating **CIDS** (Common Approach to Impact Measurement), organizations can improve their transparency and comparability, aligning their impact reporting with recognized frameworks like the UN SDGs (SDG link) IRIS+, and SROI. This makes it easier for funders, investors, and other stakeholders to understand and compare impact performance across different projects and organizations.

Temporal Analysis in Impact Measurement: Why Time Matters in 6Dt Impact

A key enhancement introduced by the Six Dimensions of Impact plus Timeframe (6Dt Impact) framework is the integration of the temporal dimension—the "T" component. This addition recognizes that impact is not static but evolves over time. Incorporating a temporal dimension is crucial for gaining deeper insights into how impacts unfold and whether they endure.

The **6Dt Impact framework** evaluates impact through seven interconnected dimensions:

1) **What**: What specific outcomes or changes are caused by the organization's actions?
2) **Who**: Who are the stakeholders affected by these changes, both directly and indirectly?
3) **How**: How are the changes brought about through programs, services, or activities?
4) **How Much**: What is the scale and intensity of the impact?
5) **Contribution**: How much of the change can be attributed to the organization, considering other contributing factors?
6) **Risk**: What risks might threaten the achievement or sustainability of the outcomes?
7) **Time**: When do the impacts occur, and how long do they last?

This temporal dimension adds significant value by enabling organizations to:

→ **Track Timing of Impact**: Some impacts may take years to materialize, especially in areas like environmental sustainability or education. By measuring when changes happen, organizations can better allocate resources and plan for both short-term and long-term goals.

→ **Assess Sustainability**: The duration of an impact is a critical measure of success. Short-term gains may signal progress, but the true value of an intervention is often measured by how long its effects last. The temporal dimension ensures that organizations track not just immediate results but also whether their impacts have lasting value.

→ **Adapt and Evolve**: Impacts are dynamic, and organizations need to be able to adapt their strategies over time. This is especially important when aligning with the SDGs, which require ongoing efforts to address evolving global challenges. The time dimension allows organizations to monitor how their contributions change and grow, ensuring they stay aligned with shifting global priorities.

By integrating the Impact Timeline and Duration within the 6Dt Impact framework, organizations gain a more comprehensive view of their contributions. This ensures that they not only track immediate results but also maintain focus on sustained, long-term impact—a key requirement for achieving global goals like the SDGs.

106.2.1. Detailed Exploration of the Six Dimensions and Time

In evaluating an impact model, it is essential to systematically explore the six critical dimensions that shape its effectiveness, scope, and sustainability. These dimensions—**What**, **Who**, **How**, **How Much**, **Contribution**, **Risk**, and **Time**—provide a comprehensive framework for understanding the intricacies of how a project creates and sustains impact. Each dimension addresses a key question, guiding the analysis of outcomes, stakeholders, methods, metrics, contributions, potential risks, and the temporal dynamics of

change. By examining these dimensions in detail, organizations can ensure their interventions are goal-oriented, inclusive, and resilient, while continuously adapting to challenges and maximizing long-term benefits. The following sections offer a deeper insight into how each question shapes the overall impact model and its ability to generate meaningful, measurable, and lasting results.

106.2.1.1. What (Outcome and Impact)

Definition: The "What" dimension addresses what specific changes or results the organization aims to achieve. It includes both outcomes (short- to medium-term effects) and impacts (long-term, systemic changes) resulting from the organization's activities.

Analytical Significance: This dimension is crucial because it lays the foundation for the entire impact model. Understanding what outcomes and impacts are desired helps to determine whether the project's activities are aligned with the organization's goals. Importantly, it distinguishes between immediate outcomes (e.g., improved literacy rates) and broader impacts (e.g., increased economic mobility), providing a comprehensive picture of the change being pursued. This distinction helps ensure that the model is both actionable and measurable, while also allowing for long-term evaluation.

Impact on Model: The "What" dimension influences both the scope and the direction of the impact model. It determines the key goals that will guide the entire evaluation process, shaping how interventions are designed, and which metrics are selected. The outcomes defined here serve as the benchmark for measuring success and guide the adaptation of the model over time to remain aligned with evolving objectives.

106.2.1.2. Who (Stakeholders)

Definition: The "Who" dimension focuses on who is impacted by the organization's activities. This includes direct stakeholders (e.g., beneficiaries, program participants) as well as indirect ones (e.g., communities, partners, supply chains).

Analytical Significance: Identifying who is impacted is essential for understanding the scope, reach, and equity of the intervention. It is not enough to list stakeholders; a nuanced analysis is needed to determine how different groups experience the impact and whether certain populations benefit more or less than others. For example, while one group might experience direct benefits (e.g., improved health), another may experience unintended negative consequences (e.g., economic displacement). Addressing these discrepancies ensures that the model captures the diversity of impact across stakeholder groups.

Impact on Model: The "Who" dimension ensures that the model is inclusive and equitable. It shapes the model's ability to assess whether the project meets the needs of all stakeholders, particularly vulnerable or marginalized groups. Additionally, stakeholder analysis can reveal power dynamics that influence project outcomes, enabling the model to account for both intended and unintended effects on various groups. The diversity of stakeholder experiences directly informs the structure of the model's feedback loops and engagement strategies.

106.2.1.3. How (Programs, Services, or Activities)

Definition: The "How" dimension examines **how** the organization's programs, services, or activities are implemented to achieve the desired outcomes. It covers the specific interventions and methods used to drive change.

Analytical Significance: Evaluating **how** interventions are delivered is essential to determine their effectiveness and appropriateness for the target population and context. The methods must not only be efficient but also contextually relevant, ensuring that they address the specific needs and challenges of the

stakeholders involved. This dimension also explores the logical connection between activities and outcomes, ensuring that the methods are well-grounded in evidence or experience. If the activities are not directly linked to the expected outcomes, the impact model may fail to achieve its objectives.

Impact on Model: The "How" dimension affects both the **design** and **flexibility** of the impact model. It ensures that the interventions are adaptable and capable of evolving in response to feedback or changing circumstances. This adaptability is key to maintaining effectiveness over time. Additionally, this dimension ensures that the operational side of the model is grounded in **evidence-based practices**, linking the chosen methods to measurable outcomes and allowing for continuous improvement.

106.2.1.4. How Much (Indicator)

Definition: The "How Much" dimension focuses on quantifying the impact through measurable indicators. It asks how much change has been achieved as a result of the organization's activities, relying on both quantitative and qualitative data.

Analytical Significance: Measuring how much impact has occurred is critical for understanding the effectiveness of the intervention. Quantitative data (e.g., the number of people served, percentage reduction in emissions) provides clear, empirical evidence of progress, while qualitative insights (e.g., stakeholder satisfaction, changes in quality of life) capture the depth and context of that progress. This dimension should balance both types of data to offer a complete picture of the intervention's success. Additionally, it must compare the observed results against baselines or control groups to determine the degree of attribution to the project's efforts.

Impact on Model: The "How Much" dimension sets the benchmarks for success and influences how progress is tracked and adjusted over time. By combining quantitative metrics with qualitative insights, the model ensures that a wide range of outcomes, from tangible results to lived experiences, are captured. The indicators chosen in this dimension must align with the What (outcomes) to ensure that the measurements reflect the actual goals of the project.

106.2.1.5. Contribution (Impact Scale, Depth, Duration)

Definition: The "Contribution" dimension assesses how much the organization's efforts contribute to the observed outcomes, focusing on the scale (reach), depth (intensity), and duration (sustainability) of the impact.

Analytical Significance: Understanding how much the organization has contributed to the observed changes involves evaluating additionality—whether the impact would have occurred without the organization's intervention. This is critical for determining the true value of the project. Analysing the scale of impact assesses how widely the intervention reaches across different populations or regions. The depth evaluates how significantly individuals or communities are affected, and duration focuses on whether the changes are sustainable over time. Together, these factors provide a full picture of the project's long-term contribution.

Impact on Model: The "Contribution" dimension enhances the model's ability to measure sustainability and systemic change. It ensures that the impact is not only widespread but also meaningful and enduring. This dimension also highlights the organization's role in a broader ecosystem of change, assessing whether its efforts contribute to larger societal or systemic shifts. Understanding contribution is essential for strategic planning, as it helps the organization determine whether to scale, replicate, or adjust its interventions based on the depth and sustainability of the impact.

106.2.1.6. Risk (Impact Risk)

Definition: The "Risk" dimension identifies what risks could prevent the organization from achieving its desired outcomes, covering both internal and external risks that could derail success.

Analytical Significance: Evaluating risk is critical for understanding the fragility of the impact model and anticipating challenges that could undermine its success. This dimension must account for both predictable risks (e.g., funding shortages, logistical issues) and emergent risks (e.g., political instability, unforeseen societal changes). A well-rounded risk analysis also evaluates the organization's risk tolerance—its ability to manage uncertainty and navigate high-risk, high-reward opportunities. By incorporating risk into the model, the organization can develop mitigation strategies and contingency plans that safeguard the project's outcomes.

Impact on Model: The "Risk" dimension strengthens the resilience of the impact model by embedding adaptive mechanisms that allow for flexibility in the face of challenges. It ensures that the project can adjust its strategies when faced with disruptions, protecting both short-term progress and long-term sustainability. Integrating risk management into the model also helps the organization prioritize which risks mitigating and which to tolerate, aligning its risk management approach with its strategic goals.

106.2.1.7. Time (The Temporal Dimension of Impact Achievement)

Definition: The "Time" dimension considers when the impacts will be realized and how long they will last. It assesses both the short-term, medium-term, and long-term outcomes, ensuring that the intervention's effects are sustained over time.

Analytical Significance: Time is a key factor in determining the sustainability of impact. While short-term gains may indicate immediate success, the true value of an intervention lies in its ability to produce long-lasting effects. This dimension also acknowledges that impact does not always follow a linear timeline—there may be delays, accelerations, or even regressions at different stages of the project. Recognizing this variability is crucial for setting realistic expectations and for tracking progress over both immediate and extended time horizons.

Impact on Model: The "Time" dimension affects how the model evaluates outcomes over different periods, ensuring that both quick wins and long-term goals are considered. It also informs the project's resource allocation and strategic planning, highlighting the need for continuous evaluation beyond the project's implementation phase. By incorporating long-term monitoring, the model ensures that sustainability remains a priority, allowing the organization to track not only the immediate effects but also the enduring impacts of its interventions.

The analysis of impact models requires a thorough understanding of multiple interconnected elements, each playing a vital role in determining the effectiveness and sustainability of a project. By clearly defining the outcomes and impacts, organizations can align their activities with their broader goals, ensuring that their interventions are purposeful and measurable. Understanding the diverse range of stakeholders and how they are affected helps ensure that efforts are equitable and inclusive. The methods chosen to implement these activities must be carefully evaluated for their effectiveness and flexibility in responding to changing circumstances. Measuring progress through both quantitative and qualitative indicators provides a complete picture of how much impact has been achieved. Assessing the depth, scale, and sustainability of the contribution helps in determining the long-term value of the project. Managing risks proactively allows for greater resilience, ensuring that potential obstacles are anticipated and addressed. Finally, considering the temporal dimension ensures that both short-term and lasting outcomes are monitored, ensuring the project's impact endures beyond its initial implementation.

IV. Implementing IMVS - A Bridge from Theory to Practice

A. IMVS Audit Process: A Quick Overview

In this chapter, we present a concise overview of the IMVS framework, summarizing its structure, methodology, and importance in maintaining the integrity of impact assessments. Our aim is to highlight how IMVS offers a robust system for verifying the authenticity and reliability of social, economic, and environmental impact data. In the next chapter, we will delve into the core components of IMVS in detail, providing a comprehensive analysis of its framework and discussing its implications for enhancing impact assessment practices.

The seven Steps of Certification: Ensuring Rigor and Authenticity

The certification process of IMVS is meticulously structured, comprising seven steps designed to verify the authenticity and reliability of data concerning social, economic, and environmental impacts. Each step is carefully crafted to uphold international standards, fostering trust and reinforcing the framework's utility in effectively addressing global sustainability challenges.

1) Onboarding & Data Collection

Comprehensive Data Gathering: This phase is critical for setting a solid foundation. Organizations must collect all necessary data related to operations, stakeholders, and impact goals. Background checks ensure the legitimacy of data sources, and detailed profiling enables precise tracking of inputs and outcomes, creating a reliable base for future analysis.

2) Process & Context Evaluation

Strategic Context Assessment: The success of impact verification hinges on how well the project aligns with the organization's goals and broader industry standards. This phase ensures that the project's relevance and legitimacy are checked, considering external factors such as market, community, or environmental conditions that may affect the project's strategic fit and potential impact.

3) Impact Model Analysis

Detailed Model Evaluation: Here, the project's theory of change and logic model are examined to ensure that the link between activities and outcomes is valid and achievable. This includes an in-depth review of the impact model and indicators used, ensuring the organization's approach to achieving its impact goals is coherent and backed by strong logic.

4) Impact-KPI Evaluation

Robust KPI Analysis (C4-SMART): This step focuses on the integrity and relevance of the Key Performance Indicators (KPIs). By ensuring KPIs are SMART (Specific, Measurable, Achievable, Relevant, Time-bound), organizations can track the tangible outcomes of their initiatives. The evaluation uses evidence-based methods to ensure that the metrics are valid and reflect actual progress toward impact goals.

5) External Benchmarking

Conformity and Best Practices: To guarantee relevance and competitiveness, projects are compared against industry peers and international standards. This benchmarking ensures that the organization's sustainability efforts align with best practices and remain credible, helping them stay on par with or exceed established sustainability norms and guidelines.

6) Adaptive Risk Management
Proactive Risk Mitigation: Effective impact verification requires a risk management framework that identifies potential threats to achieving desired outcomes. By planning for multiple scenarios and conducting ongoing threat analysis, organizations can proactively adjust strategies to mitigate risks, ensuring that unforeseen obstacles do not compromise impact results.

7) Certify Impact & Quality
Verified Impact Certification: The final step is the verification and certification of the project's impact results. This involves stringent checks for quality control and independent verification to ensure that the reported outcomes are accurate, credible, and trustworthy. Certification strengthens stakeholder confidence in the project's claims and impact achievements.

Beneath the main process steps, three foundational pillars are emphasized, each playing a crucial role in supporting the integrity and effectiveness of the entire framework. These pillars serve as guiding principles that ensure assessments are not only technically sound but also aligned with the highest standards of professionalism, quality, and ethics. Together, they form the bedrock upon which reliable, transparent, and impactful assessments are built:

I. Competence and Professionalism
Expertise and Commitment: Effective impact verification rests on the expertise and professionalism of those involved. This requires auditors and verifiers to not only adhere to established standards but also stay current with evolving best practices and methodologies. Continuous professional development ensures that they possess the necessary skills and knowledge to accurately assess and verify impacts across diverse sectors.

II. Quality Control and Assurance
Rigorous Oversight and Documentation: Achieving high levels of assurance demands a structured approach, beginning with detailed planning that anticipates challenges. Comprehensive documentation of processes and data ensures transparency and accountability. Continuous monitoring throughout the project ensures that deviations are quickly identified and corrective measures can be implemented to maintain the integrity and reliability of the verification process.

III. Ethics and Independence
Integrity and Objectivity: Ensuring the credibility of impact verification hinges on a firm commitment to ethical practices. Auditors must maintain their independence from the entities they assess, avoiding conflicts of interest to preserve objectivity. Fostering a culture of integrity encourages open dialogue and transparency, enabling honest evaluations and promoting trust between stakeholders and the auditing team.

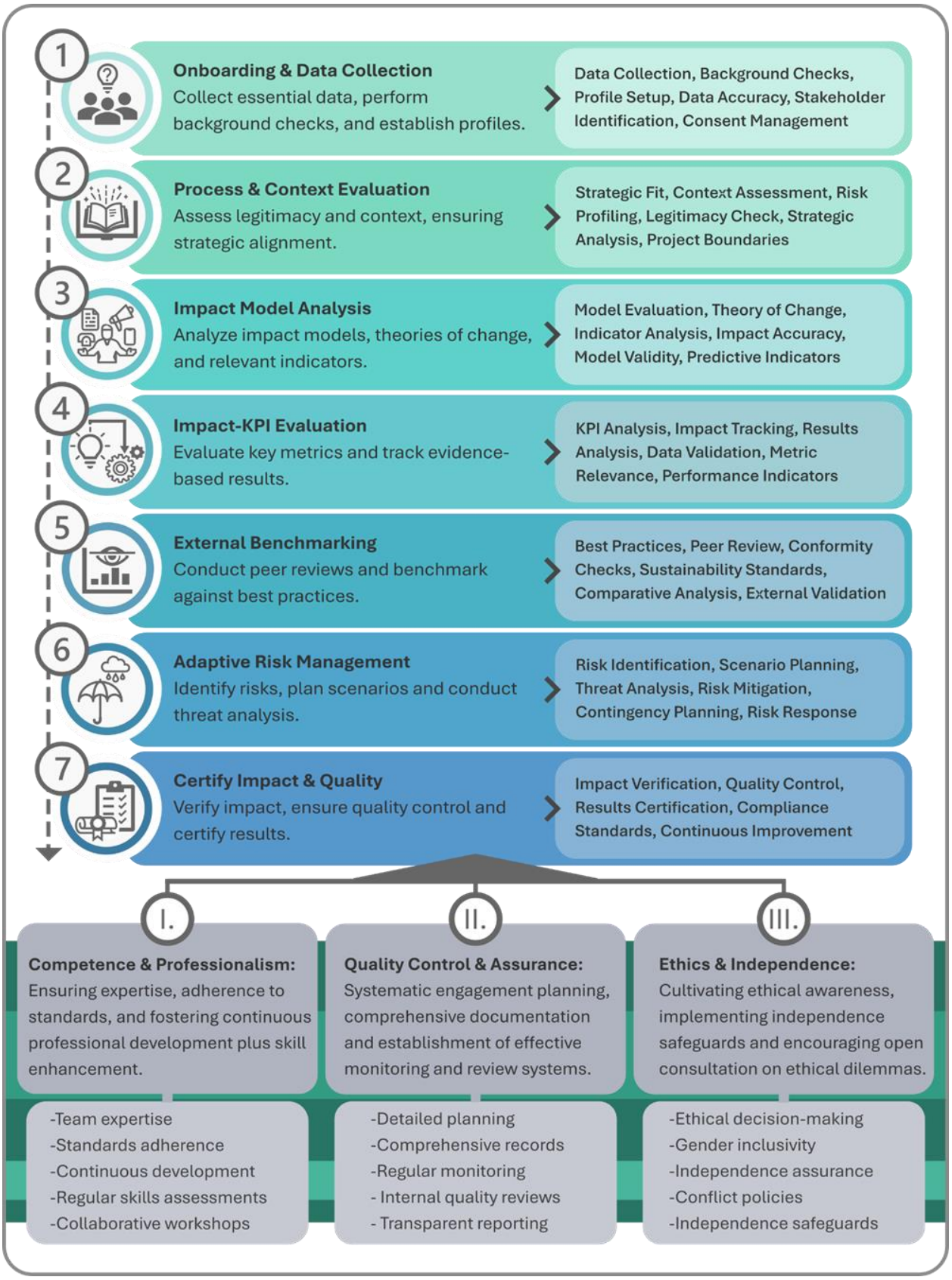


Figure 13: Overview of the IMVS (Impact Model Verification Standard) process, detailing seven key steps: onboarding and data collection, process and context evaluation, impact model analysis, KPI evaluation, external benchmarking, adaptive risk management, and certifying impact and quality. The IMVS framework emphasizes competence and professionalism, quality control and assurance, as well as ethics and independence at every stage of the process."

B. IMVS 107: Comprehensive Insight into the Key Stages and Steps of the IMVS Process

In the following section, we will delve deeper into the intricacies of the IMVS framework, offering a comprehensive and detailed explanation of its sequential steps. This exploration will not only break down each step of the process but also provide insights into the underlying principles and foundational structure that guide its implementation. Through this detailed analysis, we aim to offer a clearer understanding of how the IMVS framework ensures a systematic, transparent, and reliable approach to impact verification, from its core concepts to its practical application in real-world scenarios.

107.1. The three constraints of IMVS:

The IMVS framework is built on three core pillars: **Competence and Professionalism**, **Quality Control and Assurance**, and **Ethics and Independence**. These principles ensure the integrity of assurance engagements while fostering a collaborative and adaptive environment.

Inspired by agile methodologies, Competence and Professionalism emphasize continuous learning and responsiveness, allowing the team to adapt to complex challenges efficiently. Quality Control and Assurance incorporate iterative feedback and reviews, ensuring transparency and accountability at every stage. Ethics and Independence safeguard objectivity, ensuring that decisions are made with integrity. Together, these pillars promote both internal agility and external trust, ensuring high-quality, ethical outcomes.

107.1.1. Competence and Professionalism:

a) **Subject Matter Expertise:** The team consistently ensures that all members possess deep expertise in the relevant area of engagement. This is achieved through targeted training programs, professional certifications (e.g., specialized knowledge in environmental standards), and the assignment of senior experts to key projects. To maintain this expertise, regular peer reviews and internal knowledge assessments are conducted, ensuring the team stays up to date with industry developments.

Be curious, and bring together information from science, politics, and business.

Practical Approach:

i. **Research Integration**: Encourage team members to draw from a wide array of sources—scientific journals, political analyses, and business reports—on relevant topics like environmental science, social equity, and market trends.
ii. **Interdisciplinary Workshops**: Organize regular workshops with experts from different fields (science, policy, business) to explore how cross-sector insights can inform audits.
iii. **Cross-functional Learning**: Pair team members from different backgrounds to collaborate on audits, encouraging cross-discipline knowledge-sharing.
iv. **Scientific Methodology Application**: Apply scientific principles during the audit by utilizing **hypothesis testing** to predict potential impacts and verify outcomes with evidence. This ensures that findings are based on robust data, allowing auditors to draw accurate conclusions from complex data sets.

Guidelines:

(1) Set up a knowledge database where team members can contribute the latest findings and research from various fields.

(2) Schedule monthly knowledge-sharing sessions where team members present new trends or case studies from across industries.
(3) Always ensure that the team's understanding of a subject is updated before each audit, particularly in complex areas like climate impact or social responsibility.
(4) Incorporate bi-weekly review sessions to discuss recent developments in the sustainability landscape and assess their implications for ongoing audits.
(5) Integrate a research cycle into each audit, where the team identifies key knowledge gaps and allocates time to fill these using the latest data from scientific, policy, and business sources.
(6) Create a learning roadmap for each team member, ensuring they stay updated on both scientific and industry trends through a mix of coursework, certifications, and peer learning.

b) Adherence to Standards: Adherence to relevant professional and legal standards (such as IFRS, ISO regulations) is ensured through a structured and manual process of compliance monitoring. The team regularly uses detailed checklists and conducts internal audits at critical points during the engagement to verify that all necessary standards are met. Compliance is tracked by dedicated team members responsible for overseeing regulatory adherence and ensuring that all procedures align with current professional guidelines. Additionally, periodic reviews are carried out to ensure that evolving standards are incorporated into ongoing projects (e.g., conducting internal audits midway through the engagement to ensure all legal requirements are being followed). This approach ensures that no critical steps are missed, and that professional integrity is maintained throughout the engagement.

Always build on existing knowledge. What has already been established, and how can we build upon it?

Practical Approach:

i. **Standard Review Checklists**: Use detailed checklists based on previously established standards to guide audits but leave space for notes on emerging trends or deviations needed for specific cases.
ii. **Adaptive Frameworks**: Apply an agile approach where the audit standards are flexible enough to accommodate real-time adjustments based on new data, client needs, or project discoveries.
iii. **Baseline Audits**: Begin each audit by reviewing the client's adherence to well-established benchmarks (e.g., energy use, emissions standards) before exploring new opportunities for improvement.

Guidelines:

(1) Prior to each audit, review the most recent standards relevant to the client's industry.
(2) Build a dynamic audit template that allows standards to be easily updated or customized without compromising the audit's core structure.
(3) Use pre-audit meetings to confirm how standard frameworks will be applied or adapted for each client's needs.
(4) Schedule a post-audit reflection meeting to identify areas where standards could be adjusted to better meet future audit needs.
(5) Establish a dynamic checklist for each audit, where standards are pre-set but can be adapted based on real-time insights and data.

c) **Continuous Professional Development:** The team prioritizes ongoing development through an annual training plan that includes participation in industry conferences, completion of online courses, and internal workshops. This ensures that team members remain well-versed in emerging trends and updates in industry standards. Cross-functional knowledge-sharing sessions are held to foster learning across different teams, enhancing the team's overall adaptability and responsiveness to new challenges.

Stay up to date, keep learning, and link past experiences with new information.

Practical Approach:

i. **Annual Training Plans**: Create personalized development plans for each team member that include attending conferences, earning certifications, or participating in industry events.
ii. **Cross-industry Learning**: Encourage team members to engage with professionals from other industries to understand how different sectors tackle sustainability issues.
iii. **Post-project Learning Sessions**: After each audit, hold debrief sessions where team members discuss what they've learned, both in terms of client-specific insights and new industry knowledge.

Guidelines:

(1) Ensure that all team members are allocated dedicated time for professional development (e.g., attending one conference per quarter).
(2) Implement a continuous learning policy where team members complete a set number of hours of professional development each year.
(3) After every major audit, conduct a lessons-learned session to document key insights for future use.
(4) Develop a 12-month development plan for each auditor, outlining specific certifications, conferences, or workshops to attend.
(5) Create a knowledge-sharing platform where team members can post updates from training sessions and apply them to active audits.

d) **Client-Specific Expertise:** Tailored expertise relevant to the client's specific industry is developed and applied throughout the engagement. This allows the team to provide more targeted and relevant solutions, particularly in highly specialized sectors (e.g., a focus on data privacy regulations in technology-sector audits). Such customization enhances the precision of the verification process and the overall quality of the outcomes.

What does the client want, need, and what do they bring to the table?

Practical Approach:

i. **Client Briefing Meetings/Workshops**: Before each audit, organize sessions with the client to understand their specific industry, challenges, and long-term sustainability goals.
ii. **Tailored Audit Templates**: Develop customized audit templates that reflect the client's industry-specific needs (e.g., carbon credits for energy companies, data privacy for tech firms).
iii. **Collaborative Goal setting**: Work closely with the client to define measurable impact goals that align with both their sustainability strategies and industry standards.

iv. **Scenario Planning**: Work with clients to develop what-if scenarios, where different sustainability outcomes (e.g., achieving net-zero emissions or reducing waste) are explored. This enables the client to visualize the impact of various strategies and helps the audit team provide more targeted recommendations.

v. **Iterative Feedback Loops**: In keeping with agile methodology, establish continuous feedback **loops** with the client during the audit process. This allows the audit team to adjust the focus or scope based on evolving needs or challenges the client may not have foreseen at the beginning of the process.

vi. **Persona Development**: Create client personas to capture the unique characteristics of different industries and businesses. For example, a renewable energy company may prioritize emissions reductions and regulatory compliance, while a tech company may focus on data privacy and energy efficiency in data centres. These personas can help the audit team anticipate client-specific issues during the process.

Guidelines:

(1) Create a **client-specific onboarding process** that includes in-depth discussions about the client's operations and goals.

(2) Use a **customized audit approach** that adjusts based on the sector-specific challenges and regulatory requirements of the client.

(3) Schedule **mid-audit check-ins** with clients to ensure alignment and address any emerging needs.

e) Industry Engagement: The team maintains active engagement with the broader industry through participation in seminars, workshops, and collaborative forums. This provides access to cutting-edge insights and best practices, enabling the team to stay at the forefront of industry developments. Regular participation in these events ensures that the team remains informed of new regulations, standards, and innovations that could impact client engagements.

Only those who know what is happening in the industry can make informed evaluations.

Practical Approach:

i. **Industry Conferences**: Ensure the team regularly attends key conferences, forums, and workshops to stay informed on emerging trends, technologies, and regulations in their specific sectors.

ii. **Peer Networking**: Establish relationships with other auditors and sustainability professionals through industry organizations, creating opportunities for knowledge exchange.

iii. **Market Reports**: Subscribe to and review the latest market analysis reports to ensure that the audit process is informed by up-to-date data on sustainability efforts across industries.

iv. **Agile Industry Engagement**: Treat industry engagement as an **iterative process**, where the audit team regularly attends industry events but also re-evaluates the relevance of these events after each attendance. For example, if a conference on carbon credits yields little new information, pivot towards newer, more focused events in that area.

Guidelines:

(1) Each team member should attend at least two industry events per year to keep pace with changes and advancements.

(2) Designate a team member to **track and circulate industry reports** that may affect future audits.
(3) Create an **internal forum** where team members share key takeaways from conferences, ensuring that insights are applied in real-time audits.
(4) Foster **interdisciplinary learning circles** within the audit team to discuss cross-industry trends that may impact future sustainability audits.

107.1.2. Quality Control and Assurance:

a) Engagement Planning: Engagement planning is performed comprehensively, with detailed risk assessments (such as SWOT analysis) and a clear definition of scope and resource allocation. Client acceptance reviews are conducted before each engagement to assess the client's risk profile and align expectations. This process ensures that potential challenges are identified early and mitigated, resulting in more structured and predictable outcomes.

Who is the client? Can and do we want to work with them?

Practical Approach:

i. **Assess client fit**: Evaluate the client's objectives, alignment with the audit team's expertise, and potential risks before committing.
ii. **Stakeholder mapping**: Identify who the key internal and external stakeholders are and plan how to communicate with them throughout the audit.
iii. **Define scope and risks**: Use a structured approach like a risk matrix to evaluate potential environmental, social, and operational risks relevant to the audit.
iv. **Client Readiness Assessment**: Assess whether the client is organizationally ready for an audit. This involves determining if they have the necessary data, systems, and personnel available to collaborate effectively with the audit team.

Guidelines:

(1) Conduct a thorough pre-engagement evaluation to determine if the client's values align with the audit team's expertise and capacity.
(2) Clearly define the scope and objectives of the audit, including key risks.
(3) Align the team's capabilities with the client's industry-specific challenges for a tailored approach.
(4) Regularly revisit scope and risk throughout the audit to ensure alignment with original planning.
(5) Ensure that the client understands the roles and responsibilities of all involved, including what resources they will need to allocate (time, personnel, data).
(6) Define clear objectives in collaboration with the client, ensuring that both sides understand the scope and expected outcomes.

b) Documentation: The team uses a manual but systematic documentation process to record all engagement procedures, key decisions, and significant judgments. This documentation is consistently maintained throughout the project to ensure transparency and clarity. Regular reviews of the documentation ensure that all necessary steps are followed, creating a clear audit trail for future reference and accountability. For example, decisions made during early planning phases are carefully documented for later verification.

How do we ensure everything is documented accurately?

Practical Approach:

i. **Use structured templates**: Develop clear templates for documenting key decisions, data points, and processes.
ii. **Real-time documentation**: Ensure that the team updates documents continuously as the audit progresses.
iii. **Collaborative platforms**: Utilize shared tools like Google Drive, Asana, or other project management software to keep documentation accessible and organized.
iv. **Audit Trail Creation**: Ensure that every decision, change, or deviation from the plan is logged systematically to create a transparent audit trail that can be reviewed during internal or external audits.
v. **Version Control Systems**: Use version control to track changes and ensure that all documentation remains up to date, reducing confusion between versions.
vi. **Documentation Templates**: Develop standardized documentation templates tailored to different aspects of the audit, such as environmental, social, and governance (ESG) metrics.

Guidelines:

(1) Document every decision and action using predefined templates to maintain consistency.
(2) Ensure that documentation is updated in real-time, not as an afterthought.
(3) Use version control and collaborative tools to maintain an organized, transparent record of all audit procedures.
(4) Regularly review documentation to ensure it is complete, accurate, and searchable for internal and external stakeholders.
(5) Encourage the use of cloud-based storage to allow real-time collaboration, ensuring that all team members have access to the most recent documents.
(6) Ensure that every key decision or deviation is recorded in a decision log, which can be reviewed later if questions arise.
(7) Use standardized templates for different audit categories (e.g., emissions, labour practices), ensuring consistency and ease of review.

c) **Monitoring and Review:** A structured system of internal monitoring is in place, with regular reviews at key milestones of the engagement. Teams from different areas are encouraged to review each other's work, providing fresh perspectives and ensuring that all critical aspects of the project are covered. External reviews may also be conducted periodically to ensure that internal standards align with industry best practices.

Does everything fit together, and can we find our data easily?

Practical Approach:

i. **Establish checkpoints**: Set clear milestones at critical stages for reviewing progress and data accuracy.
ii. **Assign independent reviewers**: Ensure objectivity by having team members not directly involved in the audit perform reviews.

iii. **Use automated tools**: Implement technology where possible to assist in monitoring key metrics (e.g., carbon accounting software for environmental audits).
iv. **Daily Standups**: Implement daily or weekly standup meetings where the team can discuss progress, challenges, and next steps, drawing from agile principles.

Guidelines:
(1) Break the audit into phases, with regular internal reviews at key milestones.
(2) Use data tracking software to automate the collection and monitoring of key metrics where applicable.
(3) Immediately correct inconsistencies or gaps identified during the review process to maintain data integrity.
(4) Ensure that each phase of the audit aligns with the initial plan and risk assessment to minimize surprises or scope creep.
(5) Establish clear milestones and define specific data or metrics that need to be verified at each milestone to avoid delays.

d) Feedback and Continuous Improvement: At the conclusion of each engagement, feedback is collected from both clients and internal stakeholders. This input is used to conduct post-engagement reviews, identifying strengths and areas for improvement. These insights are integrated into the firm's processes to ensure continuous quality enhancement. For instance, a client may provide feedback on communication efficiency, prompting adjustments in future engagements to improve client relations.

Did we work efficiently, and how can we improve for next time?

Practical Approach:
i. **Post-audit retrospectives**: Conduct retrospectives after each audit to discuss what worked, what didn't, and how to improve.
ii. **Client feedback sessions**: Hold debriefs with clients to gather insights on what could be improved in communication, methodology, or reporting.
iii. **Update best practices**: Continuously refine audit methods and templates based on lessons learned.

Guidelines:
(1) Hold a post-audit review meeting where both team members and clients provide feedback on the process.
(2) Collect specific, actionable feedback on methodology, communication, and reporting.
(3) Integrate lessons learned into updated best practices for future audits.
(4) Implement improvements immediately, ensuring the audit process is always evolving and getting more efficient.
(5) Document and regularly review KPIs for audit performance, focusing on accuracy, timeliness, and client satisfaction.

e) **External Audits:** External audits are periodically conducted to assess the effectiveness of internal quality control processes. These audits provide an independent evaluation of the team's adherence to professional standards and help identify areas where internal procedures can be refined. The results of these audits are incorporated into internal review cycles, further strengthening the firm's quality assurance practices.

Are we on track in the eyes of external reviewers as well?

Practical Approach:

i. **Schedule external reviews**: Regularly engage independent auditors to assess your team's processes.
ii. **Benchmark against standards**: Ensure that external audits are aligned with current industry best practices, such as ISO standards.
iii. **Use external feedback for internal improvement**: Treat external audits as opportunities for growth and use their findings to enhance internal processes.

Guidelines:

(1) Schedule periodic external audits to assess your team's adherence to professional standards and audit protocols.
(2) Benchmark your procedures against industry best practices, ensuring that your methods stay up to date.
(3) Incorporate feedback from external audits into internal reviews and continuous improvement cycles.
(4) Ensure that external auditors have full access to necessary documentation and team members for a thorough review.

107.1.3. Ethics and Independence:

a) **Ethical Awareness:** The firm maintains a strong ethical culture through a formal code of ethics, which is reinforced through regular training sessions and workshops. Practical case studies, based on real-world scenarios, are frequently used to ensure that team members can apply ethical principles in complex situations. For example, workshops may address conflicts of interest or issues related to confidentiality, guiding team members on how to navigate these challenges effectively.

Does this assignment align with our ethical compass?

Practical Approach:

i. **Continuous Training**: Schedule regular ethical training sessions focused on real-world case studies. These should involve discussions around common ethical dilemmas (e.g., conflicts of interest, pressure to adjust data, and confidentiality breaches).
ii. **Agile Retrospectives for Ethics**: At the end of each project or audit, hold a retrospective focused on ethical challenges faced and how they were resolved. Encourage team reflection on whether the audit process and outcomes aligned with the team's core values.

iii. **Ethical "Checkpoint" Meetings**: Before starting any audit, hold a team meeting to review if the project aligns with the company's broader value system and any ethical concerns that need to be addressed.

iv. **Ethical Risk Mapping**: During the planning phase, create a risk map of potential ethical issues specific to each audit, such as conflicts of interest or areas where transparency might be compromised. This helps auditors anticipate ethical challenges before they arise.

Guidelines:

(1) Ensure all team members are familiar with the ethical guidelines and core values of the organization.
(2) Encourage open dialogue about potential conflicts or value misalignments before starting an audit.
(3) Require mandatory participation in ethical training sessions every quarter.
(4) Integrate ethical risk assessment as a formal part of every audit's planning process.

b) Independence Safeguards: Independence is rigorously maintained through formal conflict-of-interest checks at the start of each engagement. Team members are required to declare any potential conflicts, ensuring objectivity throughout the engagement. Furthermore, rotation policies are implemented for key team roles, preventing over-familiarity with long-term clients. This ensures that objectivity and impartiality are preserved, especially in recurring engagements.

How do we ensure we remain objective?

Practical Approach:

i. **Conflict-of-Interest Declarations**: Before initiating each audit, all team members must complete a conflict-of-interest declaration. This should cover both direct and indirect relationships with clients or industries being audited.

ii. **Role Rotation System**: Create a policy where team members are rotated between audits regularly to avoid developing too close a relationship with repeat clients.

iii. **Peer Auditing**: Introduce a peer review system where different teams audit each other's work to ensure objectivity and offer fresh perspectives.

Guidelines:

(1) Complete conflict-of-interest checks for all team members at the start of every audit.
(2) Implement a rotation policy where auditors do not audit the same client for more than two consecutive cycles.
(3) Introduce peer reviews at key milestones during the audit process to cross-check for bias.

c) Ethical Consultation: A formal ethical consultation process is available to all team members. They are encouraged to seek guidance from an ethics officer or use a confidential hotline if ethical dilemmas arise during the engagement. Regular discussions around past ethical challenges help to foster a proactive approach to identifying and resolving issues. For example, team members might consult on how to handle a perceived conflict of interest with a long-standing client.

How do we handle an ethical dilemma?

Practical Approach:

i. **Create an Ethics Officer Role**: Appoint a dedicated ethics officer or ethics committee that team members can approach for guidance when ethical issues arise.
ii. **Confidential Consultation Channels**: Set up a formal, confidential process (either via internal communication platforms or a helpline) where auditors can consult with the ethics officer on ethical dilemmas, such as conflicts between client demands and audit integrity.
iii. **Workshops on Ethical Decision-Making**: Organize scenario-based workshops where team members simulate handling common ethical issues they might face in the auditing process.

Guidelines:

(1) Establish a clear chain of command for addressing ethical concerns, starting with team leads and escalating to an ethics officer if needed.
(2) Ensure all auditors have access to a confidential consultation process.
(3) Hold at least one workshop per quarter focused on ethical decision-making skills.

d) Whistleblower Policy: A robust whistleblower policy ensures that team members can report any unethical behaviour or practices without fear of retaliation. Anonymous reporting channels are available, allowing individuals to raise concerns safely and confidentially. This policy strengthens the firm's commitment to maintaining the highest ethical standards by encouraging transparency and accountability at all levels.

How do we ensure that everything is done with integrity?

Practical Approach:

i. **Anonymous Reporting Tools**: Implement anonymous online reporting tools (via third-party services, if necessary) where employees can report unethical behaviour without fear of retaliation.
ii. **Whistleblower Training**: Conduct training for all employees on how to identify and report unethical behaviour, ensuring they understand the whistleblower protections in place.
iii. **Regular Whistleblower Audits**: Conduct internal audits to review the effectiveness of the whistleblower system, adjusting as needed to ensure it remains a safe and accessible channel.
iv. **Clear Communication on Outcomes**: After a whistleblower report has been investigated, provide clear and transparent communication (while maintaining confidentiality) to the team about the outcome. This reinforces the effectiveness of the policy and promotes trust in the system.

Guidelines:

(1) Provide a clear, anonymous mechanism for reporting unethical behaviour, including access to external reporting platforms.
(2) Ensure the team knows that all reports will be investigated thoroughly and fairly, with strong protection against retaliation.
(3) Conduct annual audits of the whistleblower system to ensure it remains effective and is trusted by the team.

107.2. The seven steps of IMVS:

The seven steps of the Impact Model Verification Standard (IMVS) follow a rigorous, methodical process designed to ensure transparency and reliability in impact audits. The process begins with a comprehensive analysis of the business model, providing critical insights into the organization's operational logic, value creation mechanisms, and strategic objectives. From this foundation, the impact model is systematically derived, mapping the anticipated social, environmental, and economic outcomes to the business activities. Each step builds sequentially, allowing for the early identification of inconsistencies or gaps in data, enabling proactive adjustments or requests for additional information. The impact model undergoes a multi-dimensional analysis, where key components are reviewed from various angles to ensure robustness and accuracy. This iterative review process not only validates the claimed impacts but also ensures that the verification results are communicated clearly and consistently, thereby enhancing stakeholder trust and the overall credibility of the audit process.

107.2.1. Onboarding & Data Collection:

1

The onboarding and data collection phase is fundamental for establishing detailed client profiles and ensuring the credibility of the verification process. This phase involves meticulous data gathering, comprehensive background checks, and thorough validation of all provided information.

⇒ **Who drives the impact, and does it all align?**

107.2.1.1. Systematic Onboarding

Implement a structured and systematic approach to onboarding by collecting essential data through client questionnaires (e.g., detailed project descriptions, target impact areas). This ensures a comprehensive understanding of the client's project details, goals, and requirements, laying a robust foundation for subsequent verification steps.

107.2.1.2. Detailed Background Checks

Background checks are conducted to verify the legitimacy and credibility of clients and their projects. This process involves gathering and analysing information from available online sources and official records to ensure accuracy and reliability:

a) **Registration Status:** Verification of the company's legal registration and compliance status is performed by accessing official online business registries and government databases. This includes checking the company’s registration details and compliance certificates on government or official business registry websites to ensure that the company is legally established and operating in accordance with local regulations (e.g., validating registration details on the relevant government business registry website).
b) **Ownership Structure:** The ownership and management structure of the company are examined through publicly accessible records and filings available online. This involves reviewing business registry entries and corporate filings to understand the ownership distribution and key management roles. Information such as shareholder agreements or organizational charts may be available through

business registry sites or financial transparency platforms (e.g., analysing corporate filings or business registry entries to confirm ownership and management structure).

c) **Historical Performance:** The company's historical performance is assessed by examining publicly available project reports, client testimonials, and online reviews. This includes researching any past project outcomes and client feedback on review platforms or industry-specific forums. It is important to gather as much information as possible from credible sources to evaluate the company's reliability and past performance (e.g., reviewing project outcomes and feedback on business review platforms and industry forums).

d) **Legal and Regulatory Compliance:** The company's adherence to legal and regulatory standards is verified by accessing online legal databases and public court records. This involves checking for any records of legal disputes, regulatory violations, or compliance issues that may impact the company's credibility. Publicly available court records and regulatory filings provide insights into the company's legal standing (e.g., examining court records and regulatory databases for any legal or compliance issues).

e) **Reputation and Industry Standing:** The company's reputation within its industry is evaluated by consulting online reviews, industry publications, and feedback from industry peers. This includes reviewing any industry awards, recognitions, or mentions in industry news to gauge the company's standing and credibility within its sector (e.g., checking industry publications and professional networking sites for feedback and recognitions).

f) **Ethical Practices:** The company's commitment to ethical practices is reviewed through online resources such as corporate social responsibility (CSR) reports and news articles. This involves examining publicly available CSR reports and news articles that highlight the company's ethical standards or any reported ethical issues (e.g., reviewing CSR reports and news articles for information on the company's ethical practices).

These background checks, relying on online and publicly available sources, help ensure a thorough evaluation of the client's legitimacy, performance, and adherence to ethical and regulatory standards.

107.2.1.3. Profile Establishment

Developing detailed client profiles involves integrating data and results from background checks into a comprehensive and accessible format. This process includes the following components:

a) **Data Integration:** All collected data is systematically combined into a centralized profile to ensure a complete and coherent overview of the client. This includes synthesizing information from various sources, such as client questionnaires, background check results, and supplementary documentation. For example, merging responses from detailed client questionnaires (e.g., project scope, target outcomes) with results from background checks (e.g., verified business registration details, compliance certificates) creates a thorough profile that outlines both the client's project objectives and verification results.

b) **Documentation:** Accurate and organized documentation of all relevant details is crucial for easy access and reference. This involves creating a digital client profile that includes sections for different types of information, such as client contact details, project descriptions, legal and regulatory compliance, and verification outcomes. For instance, setting up a digital profile that organizes client data into categories like "Business Registration" (e.g., registration documents, corporate tax filings),

"Ownership Structure" (e.g., shareholder agreements, organizational charts), "Historical Performance" (e.g., past project reports, client testimonials), and "Legal Compliance" (e.g., compliance certificates, regulatory approvals) ensures that each section is clearly labelled and easily accessible.

c) **Historical Context:** Providing historical context can enhance the understanding of the client's background and offer a more comprehensive view. This may involve summarizing past projects, noting significant milestones or achievements, and tracking any notable changes in the client's business operations or reputation over time. For example, documenting a client's past successful projects (e.g., major initiatives completed in the last five years, notable contracts won) and highlighting any significant awards or recognitions received (e.g., industry awards, certifications such as ISO standards).

d) **Verification of Sources:** Ensuring that the information included in the profile is verified by cross-referencing multiple sources adds credibility and accuracy. This involves validating details obtained from online sources and official records against each other. For example, cross-checking business registration details from government databases (e.g., official company registration records, local business registries) with information found on industry-specific platforms (e.g., business directories, trade association listings) to ensure consistency and accuracy.

e) **Ongoing Updates:** Regularly updating client profiles to reflect new information or changes is crucial for maintaining accuracy. This includes periodic reviews and updates based on new data from follow-up background checks, client communications, or changes in the client's status. For example, updating the profile to include recent changes in the client's ownership structure (e.g., new management team, changes in board members) or any new regulatory compliance status (e.g., new certifications, updated compliance documents).

f) **Confidentiality and Security:** Handling all client information with confidentiality and securing it appropriately is essential. This involves implementing measures to protect sensitive data from unauthorized access and ensuring that only authorized personnel have access to the client profiles. For instance, using secure digital storage solutions (e.g., encrypted databases, secure cloud services) and implementing access controls (e.g., role-based access permissions, multi-factor authentication) to safeguard client information.

By incorporating these detailed steps, client profiles are established in a manner that is comprehensive, accurate, and secure, providing valuable insights and facilitating effective management of client information.

107.2.1.4. Data Integrity and Security

Ensuring the integrity and security of collected data is critical throughout the onboarding and audit process. This involves several key components:

a) **Data Validation:** Rigorous validation protocols are implemented to confirm that all data is accurate, reliable, and free from errors. This process includes verifying data against original sources (e.g., cross-checking client-submitted documents with official records), ensuring consistency across multiple data points (e.g., comparing information from client questionnaires with background check results), and addressing any discrepancies promptly (e.g., resolving mismatched data between different verification sources). By applying multiple layers of validation, organizations can significantly reduce the risk of inaccuracies that could compromise the audit's integrity.

b) **Security Measures:** Protecting sensitive client data from unauthorized access and breaches is crucial. Advanced security protocols are employed to ensure data remains secure throughout its lifecycle. This includes using secure data storage solutions (e.g., encrypted databases, secure cloud services), conducting regular security audits (e.g., vulnerability assessments, penetration testing), and implementing strict access controls (e.g., role-based permissions, multi-factor authentication) to restrict data access to authorized personnel only. The IMVS reference number system further enhances data protection by facilitating secure tracking of audits and maintaining audit traceability.

c) **Reference Number Format:** The reference number system for audits is designed to be clear and structured, making tracking and categorization straightforward. Each reference number is composed of several elements (e.g., audit code, category, initials, date, KPI count, impact area, sequential number, revision number). This format ensures that each reference number provides essential details for easy identification and management of audits:

Audit Code: "A" denotes an audit.
Category: "P" for Projects or "B" for Businesses.
Initials: The first two letters of the project or company name.
Date: The start date of the audit in MMYY format (e.g., 0824 for August 2024).
KPI Count: Two digits indicating the number of Key Performance Indicators (KPIs) audited (e.g., 05 for five KPIs).
Impact Area: One letter representing the impact area, such as "E" for Environmental, "S" for Social, or "G" for Governance.
Sequential Number: A three-digit number showing the order of the audit for the year (e.g., 001 for the first audit).
Revision Number: Two digits indicating the version of the audit (e.g., 01 for the initial audit, 02 for subsequent revisions).

Examples of Reference Numbers:
Initial Audit for a Project: AP-XY-0824-05-E-001-01
Repeat Audit for a Business: AB-ZE-0824-10-S-002-02

Format Explanation:
Each segment of the reference number provides specific information:

- **AP:** Indicates an audit of a project.
- **XY:** The first two letters of the project or company name.
- **0824:** Shows the audit started in August 2024.
- **05:** Represents the number of KPIs audited.
- **E:** Denotes the environmental impact area.
- **001:** Marks this as the first audit in this category for the year.
- **01:** Indicates this is the initial audit (02 would denote a subsequent audit).

This format ensures quick and accurate identification of the audit type, the project or company, the focus area, and its sequence.

Sequential Number Explanation
The sequential number tracks the order of audits within a given year:

- 001: Represents the first audit for the year.
- 002: Denotes the second audit, and so forth.

This numbering system ensures a clear record of audit progression throughout the year.

Examples of Reference Numbers:

- **Initial audit for Project** "Xylon" in August 2024, with 5 KPIs, focusing on the environmental area: AP-XY-0824-05-E-001-01
- **First repeat audit for Business** "ZetaCorp" in August 2024, with 10 KPIs, focusing on the social area: AB-ZE-0824-10-S-002-02

These examples illustrate how the reference number system provides a detailed and structured way to track and categorize audits efficiently, making it easy to retrieve specific information.

Table d: Examples of Structured Reference Number System for Audit Tracking

Category	Initials	Date	KPI Count	Impact Area	Sequential Number	Revision Number	Reference Number
Project	XY	824	5	E	1	1	AP-XY-0824-05-E-001-01
Business	ZE	824	10	S	2	2	AB-ZE-0824-10-S-002-02

The standardized reference number system ensures that each audit is uniquely identifiable, structured, and easy to track. This system enhances transparency, accountability, and the management of audits by providing critical details briefly. By prioritizing data integrity and security throughout the process, organizations can ensure that their audit practices meet the highest standards of reliability and accuracy.

107.2.1.5. Data Verification and Cross-Referencing

To ensure the accuracy and reliability of the client's impact data, it is crucial to perform thorough data verification and cross-referencing. This process involves:

a) **Authoritative Sources:** Data is validated by cross-referencing with reliable and authoritative sources. This involves comparing client information against industry databases (e.g., business directories, trade association records), verifying registration details with official government records (e.g., national business registries, company registration databases), and confirming compliance with regulatory standards through relevant databases (e.g., compliance status from regulatory bodies).
b) **Third-Party References:** Additional insights into the client's reputation and reliability are obtained by consulting external references. This includes feedback from previous clients (e.g., references from past business partners, customer testimonials), engagement with industry partners (e.g., information from joint venture collaborators, industry associations), and checking for any historical issues or sanctions with regulatory bodies (e.g., records from industry watchdogs, compliance agencies).
c) **Due Diligence:** Thorough due diligence is conducted to ensure all information is accurate and trustworthy. This involves reviewing legal records (e.g., court records for legal disputes, legal filings),

assessing financial statements (e.g., audited financial reports, financial health assessments), and verifying compliance with contractual obligations (e.g., adherence to terms in previous contracts, fulfilment of past commitments).

2

107.2.2. Evaluation of Process & Context

Evaluating a project's process and contextual factors is crucial for ensuring its strategic alignment, operational integrity, and adherence to environmental and legal standards. This comprehensive assessment facilitates informed decision-making, enhances project feasibility, and ensures regulatory compliance. By conducting a detailed evaluation of process and contextual factors, projects can ensure they are strategically aligned, operationally sound, and compliant with necessary regulations, leading to successful and sustainable outcomes.

⇒ **What is the impact, and where does it occur?**

107.2.2.1. Strategic Alignment Verification and contextual Analysis

Strategic alignment verification involves ensuring that the project is congruent with the organization's overarching goals and strategic direction. To assess the validity and feasibility of a project's claimed impact, strategic alignment verification involves ensuring that the project's objectives and outcomes are consistent with the company's overall impact goals and operational capabilities. This process includes several crucial aspects:

a) **Operational Setting:** Evaluate if the project's implementation is feasible within the company's existing operational framework and constraints. This involves analysing whether the project can be effectively integrated into the company's current processes, resource allocations, and operational capacities. Consider aspects such as operational feasibility, resource availability, and integration with existing processes (e.g., technology infrastructure, staff expertise, production capacity).
b) **Mission and Vision Consistency:** Ensure that the project's impact objectives align with the company's mission and vision. This means comparing the project's goals with the company's long-term aspirations to confirm that the project's intended impact supports and enhances the company's stated mission and strategic vision. Evaluate the alignment of project goals with broader organizational values and strategic priorities (e.g., environmental sustainability, social equity, innovation).
c) **Contribution to Strategic Goals:** Analyse how the project's outcomes contribute to the company's strategic impact objectives. This involves mapping the project's specific actions and results to the company's broader impact targets and strategic goals. Assess whether the project is designed to advance key organizational objectives and if it will deliver measurable benefits that support the company's overall strategy (e.g., market leadership, revenue growth, community impact).
d) **Boundary and Condition Identification:** Identify and assess constraints and conditions that may affect the project's ability to achieve its intended impact. This includes understanding financial, regulatory, and operational limitations that could influence the project's success. Evaluate how these boundaries and conditions could affect the alignment between the project's claimed impact and its actual outcomes (e.g., budget limitations, compliance with regulations, market entry barriers).

107.2.2.2. Situational Analysis of External and Internal Influences on Project Impact

A thorough situational analysis involves examining both the external factors and internal dynamics that influence the project's impact. This analysis is conducted using information available online or provided by the client, focusing on how these factors affect the project's ability to achieve its goals.

a) **Market Conditions:** Analyse publicly available data or client-provided insights to understand the project's market landscape. This includes evaluating industry trends (e.g., growth patterns, emerging technologies), competitive positioning (e.g., market share, competitive advantages), and economic factors (e.g., cost fluctuations, market demand).
b) **Stakeholder Insights:** Collect and review information from clients and publicly accessible sources to gauge stakeholder expectations and attitudes. This encompasses analysing customer feedback (e.g., satisfaction ratings, reviews), investor perspectives (e.g., funding trends, investor interests), and regulatory considerations (e.g., compliance standards, industry regulations).
c) **Risk Assessment:** Identify and evaluate potential risks based on information from the internet or provided by the client. Consider various types of risks such as market volatility (e.g., economic downturns, industry disruptions), social risks (e.g., public perception, community concerns), technological risks (e.g., system failures, tech adoption challenges), and political risks (e.g., policy changes, regulatory shifts). Developing mitigation strategies for these risks ensures the project remains resilient and adaptable.

107.2.2.3. Regulatory and Ethical Compliance Evaluation

Ensuring compliance with legal, environmental, and ethical standards is essential for maintaining the project's legitimacy and long-term viability. This evaluation relies on information available online or provided by the client to confirm adherence to relevant regulations and practices.

a) **Legal Status Verification:** Confirm the project's adherence to applicable laws and regulations through a comprehensive review of legal documentation. This includes examining official documents, permits, and licenses provided by the client or accessible through regulatory bodies (e.g., building permits, business licenses, zoning regulations).
b) **Environmental Standards Compliance:** Assess the project's alignment with environmental regulations and sustainability practices. This involves reviewing available environmental impact assessments, waste management strategies, and resource optimization practices (e.g., emissions reports, recycling protocols, resource efficiency).
c) **Ethical Practices Evaluation:** Evaluate the project's commitment to ethical business practices and corporate social responsibility based on client-provided information and public records. This includes assessing policies and practices related to labour rights, community engagement, and transparency (e.g., labour standards, community involvement, corporate transparency).

107.2.2.4. Operational Soundness Check

Evaluating the efficiency and feasibility of a project's impact involves analysing its operational processes and resource management based on available data and client-provided information:

a) **Process Efficiency Analysis:** This assessment focuses on how effectively the project's processes support its impact objectives. It involves examining operational workflows and performance metrics to ensure they align with the intended impact outcomes (e.g., workflow optimization, performance reviews, impact metrics).
b) **Resource Allocation Review:** This review evaluates how well resources are allocated to meet the project's impact goals. It includes analysing the management and distribution of financial, human, and material resources to ensure their effective use in achieving desired outcomes (e.g., budget efficiency, staffing adequacy, resource utilization).
c) **Execution Plans Evaluation:** This evaluation examines the feasibility and alignment of the project's execution plans with its impact objectives. It involves reviewing project planning, scheduling, and resource management to confirm that these elements are practical and effectively contribute to the achievement of impact goals (e.g., project timelines, planning documentation, resource allocation strategies).

107.2.2.5. Continuous Monitoring and Adjustment

Maintaining project alignment with strategic goals and adapting to evolving conditions requires systematic monitoring and flexible adjustment strategies.

a) **Timelines and Milestones Setting:** Establishing specific timelines and milestones is crucial for tracking the progress of the project. This involves defining clear deadlines for key deliverables and consistently reviewing progress against these milestones to ensure timely completion (e.g., quarterly progress reviews, milestone achievement).
b) **Performance Metrics Development:** Developing performance metrics and key performance indicators (KPIs) is essential for measuring project success. This includes defining objectives that can be quantified, monitoring performance against these objectives, and identifying areas for enhancement (e.g., customer satisfaction scores, financial performance indicators).
c) **Adaptive Management Implementation:** Implementing adaptive management practices allows the project to respond effectively to monitoring feedback and changes. This involves creating mechanisms for feedback collection, conducting regular reviews of progress, and making informed adjustments based on data (e.g., feedback loops, periodic evaluations).

107.2.3. Impact Model Analysis

3

A comprehensive analysis of a project's impact model is crucial for ensuring the accuracy and transparency of its impact evaluation. This process utilizes a multifaceted framework to thoroughly understand and quantify the project's effects, providing a dependable foundation for future evaluations. Emphasizing robust data quality and source credibility is essential in the impact assessment process. By performing a detailed impact model analysis, organizations can ensure their projects are evaluated accurately and transparently, leading to credible and reliable impact assessments.

⇒ **What stands behind the claimed impact?**

107.2.3.1. Impact Model Analysis Using the 6DT Framework

A thorough examination of the impact model and its calculation methods is conducted using the 6DT Impact framework. This framework covers all Dimensions of Impact - What, Who, How, How Much, Risk, Contribution, and Time - ensuring a detailed and systematic evaluation of all relevant impact aspects.

(1) What (Outcome and Impact)

Understanding the core actions and objectives of the project is essential. The focus here is on identifying the key interventions and activities implemented to achieve change (e.g., reducing carbon emissions, improving public health, enhancing educational access). This stage examines the general purpose and scope of the project, setting the foundation for analysing how these activities lead to specific outcomes and long-term impacts (e.g., reduced pollution levels, higher literacy rates).

(2) Who (Stakeholders)

Identifying the groups affected by the project, both directly and indirectly, is crucial for understanding its full impact. Stakeholders may include local communities, marginalized groups, or specific demographics (e.g., low-income families, children in rural areas, women in underserved regions). Analysing the effects on these groups helps clarify the distribution of benefits and potential negative consequences, ensuring that power dynamics and equity considerations are incorporated into the assessment (e.g., are certain groups disproportionately benefiting or disadvantaged?).

(3) How (Programs, Services, or Activities)

A detailed examination of the specific interventions and programs implemented to achieve the desired outcomes provides insight into the effectiveness of the project's design. The theory of change is key here, showing the direct link between activities and results (e.g., educational workshops leading to improved literacy, renewable energy installations reducing greenhouse gases). This step ensures that the chosen interventions are appropriate for achieving the project's goals (e.g., healthcare campaigns to reduce disease incidence).

(4) How Much (Impact Indicator)

Quantifying the magnitude of the project's impact is critical. Metrics such as percentage reductions in carbon emissions or increases in school enrolment provide tangible evidence of success (e.g., 30% increase in clean water access, 15% reduction in energy consumption). These indicators are compared to baseline data or benchmarks to determine the significance of the results (e.g., comparing post-intervention data to industry standards or previous years). Qualitative indicators may also be included to capture broader social or environmental effects (e.g., community satisfaction, perceptions of well-being).

(5) Risk (Impact Risk)

Identifying potential risks and uncertainties ensures a comprehensive assessment of the project's viability. Both external risks, such as regulatory changes or economic downturns, and internal challenges, like operational limitations or staff turnover, are considered (e.g., policy changes affecting environmental regulation, budget cuts limiting program reach). Strategies for mitigating these risks are also evaluated (e.g., contingency planning, diversifying funding), with a focus on adaptive management approaches that allow the project to respond to changing circumstances.

(6) Contribution (Impact Scale and Depth)

Evaluating the project's contribution to the overall impact involves determining how much of the observed changes can be attributed to the project's efforts (e.g., how much of the emissions reduction is directly due to the project's intervention). Distinguishing between direct and indirect effects is key here (e.g., direct beneficiaries like trained individuals vs. broader community effects), and assessing additionality—whether the project created value that wouldn't have occurred otherwise—is crucial (e.g., emission reductions that wouldn't have happened without the project's renewable energy initiative).

(7) Time (Impact Timeline and Duration)

Considering the timeline for achieving impact is crucial for understanding both immediate and long-term effects. Short-term gains may be evident quickly (e.g., immediate improvements in access to clean water), but the sustainability of outcomes is equally important (e.g., ongoing economic benefits from job training programs, environmental improvements maintained over five years). Assessing whether mechanisms are in place to ensure the persistence of positive effects after the project's completion provides a fuller picture of the project's long-term success (e.g., maintenance plans for renewable energy systems, ongoing education programs).

107.2.3.2. Focus on Accuracy and Transparency in Impact Assessments

The primary objective is to ensure accuracy, consistency, and transparency in impact assessments, establishing a reliable foundation for understanding the project's impact details.

Accuracy: Ensures that all impact data is precise and accurately measured. This involves using validated tools and methodologies to obtain correct results (e.g., employing calibrated instruments for emission measurements, using standardized survey instruments for data collection).

Consistency: Maintains a uniform approach across various assessments to ensure comparability and reliability. This includes applying consistent evaluation criteria and methods in all phases of impact assessment (e.g., using the same impact indicators across annual assessments, adhering to uniform data collection procedures).

Transparency: Clearly documents all assumptions, methods, and data sources used in the impact assessment process. This ensures that all stakeholders can understand and verify the assessment process (e.g., providing detailed methodology sections in reports, making assessment data sources publicly accessible).

107.2.3.3. Foundation for Subsequent Evaluations

The comprehensive analysis performed at this stage serves as the foundation for subsequent evaluations. It provides a solid base for understanding and measuring the project's impact effectively.

Baseline Establishment: Develops an initial reference point for impact measurement. This involves documenting current conditions before the project's intervention to compare against future outcomes (e.g.,

recording current levels of air pollution before implementing a clean energy initiative, measuring baseline health metrics prior to launching a wellness program).

Benchmarking: Defines specific targets and reference points for future impact evaluations. This helps in setting clear goals and measuring progress against predefined standards (e.g., establishing target reductions in greenhouse gas emissions, setting goals for increased employment rates post-project implementation).

Longitudinal Studies: Plans and implements studies designed to track the impact over an extended period. This ensures the assessment of long-term effects and sustainability of the project's impact (e.g., conducting yearly follow-up surveys to measure improvements in educational outcomes, tracking environmental changes over several years).

Comparative Analysis: Facilitates comparison with similar projects or industry standards to contextualize impact results (e.g., comparing energy savings with industry averages, evaluating educational outcomes against similar programs).

Adaptive Framework: Incorporates flexibility to adjust measurement frameworks based on evolving project needs and external factors (e.g., revising impact indicators based on stakeholder feedback, adapting assessment methods in response to emerging trends).
Documentation and Review: Ensures that all methodologies, findings, and adjustments are thoroughly documented and reviewed regularly to maintain accuracy and relevance (e.g., maintaining detailed records of baseline data and benchmark criteria, scheduling periodic reviews of impact assessment practices).

107.2.3.4. Quality Data and Source Reliability

The critical role of data quality and source reliability is underscored in the impact analysis. A meticulous approach is adopted to uphold the integrity and reliability of the impact assessment process.

Data Quality: Ensures that the collected data is precise, accurate, and consistently reliable. This involves utilizing validated data collection methods and tools to maintain high standards in data accuracy (e.g., employing standardized measurement instruments, using data collection software with built-in error checks).

Source Reliability: Utilizes credible and authoritative sources to support data accuracy and integrity. This involves relying on well-established and trustworthy sources, such as official government statistics, peer-reviewed academic studies, and reputable industry reports (e.g., citing data from national statistical agencies, referencing findings from accredited research institutions).

Data Validation: Incorporates systematic processes to verify the accuracy and reliability of the data. This includes cross-checking data against multiple independent sources to ensure consistency and conducting regular audits to identify and correct any discrepancies (e.g., comparing survey results with official records, performing periodic internal audits of data collection procedures).

Methodological Rigor: Employs rigorous methodologies to ensure data collection and analysis are conducted with scientific precision (e.g., using validated research methodologies, applying statistical analysis techniques).

Transparency in Data Handling: Maintains transparency in how data is collected, processed, and reported. This includes documenting data handling procedures and providing clear explanations of methodologies used (e.g., publishing data collection protocols, making data processing methods publicly accessible).

107.2.4. Impact-KPI Evaluation- C⁴-SMART Criteria for KPIs

4

Evaluating impact Key Performance Indicators (KPIs) is fundamental for determining the tangible success and progress of a project. This process offers quantitative insights that are critical for evaluating the project's effectiveness and alignment with predefined objectives. Such an evaluative approach enables informed adjustments and optimizations, ensuring the project's impact is maximized in accordance with its strategic goals. By performing a detailed evaluation of impact KPIs, projects can ensure they are effectively and accurately measured, leading to meaningful insights and optimization of project impacts in line with strategic goals. To effectively evaluate Key Performance Indicators (KPIs) in the context of impact, they should adhere to the C⁴-SMART criteria.

⇒ **What are the numbers driving the impact?**

107.2.4.1. Clear

KPIs should be clearly defined to ensure that all stakeholders have a precise understanding of what is being measured. Clarity facilitates accurate interpretation and reduces the potential for miscommunication or ambiguity. A clear KPI specifies the exact variable being measured, the context in which it is assessed, and the methods used for measurement.

– Clarity in KPIs is crucial because it ensures that all parties involved—project managers, team members, stakeholders, and evaluators—interpret the KPI consistently. This shared understanding is essential for uniform data collection, analysis, and reporting. Ambiguity in KPI definitions can lead to inconsistent data, misaligned efforts, and unreliable assessments of project performance. A clear KPI should include detailed descriptions of measurement parameters, units of measurement, data sources, and any pertinent assumptions or definitions.

Defining KPIs clearly involves employing operational definitions that are precise and measurable. Utilizing standardized terminology and adhering to established measurement conventions enhance the reliability and validity of the KPI. Clarity also encompasses specifying the scope of the KPI, such as the population or sample being measured, time frames, and inclusion or exclusion criteria.

Nuances of Metrics: Understanding the detailed aspects of success metrics ensures a comprehensive evaluation. This involves examining various dimensions to capture all relevant elements of the impact. For

instance, considering both the quantity and quality of outcomes ensures that the KPI reflects not only the magnitude but also the significance of the impact.

107.2.4.2. Concise

KPIs should be concise, focusing on essential performance indicators that directly reflect strategic objectives. Conciseness ensures that KPIs are manageable, and that attention is directed toward the most critical aspects of performance measurement.

- By limiting KPIs to the most pertinent metrics, organizations can avoid information overload and concentrate resources on monitoring and improving key areas with the greatest impact on project success. Overly complex or numerous KPIs can dilute focus, create confusion, and make it challenging to discern meaningful trends or patterns in the data. Conciseness facilitates efficient data collection and analysis, enabling timely decision-making and reducing administrative burden.

Developing concise KPIs involves applying the principle of parsimony, selecting the simplest set of indicators that adequately capture the essential aspects of performance without redundancy. This requires critical analysis to identify which metrics provide the most value and are most closely aligned with the project's strategic goals.

Holistic Evaluation: Ensuring that KPIs provide a comprehensive assessment of performance involves integrating key aspects of impact measurement. This includes considering both immediate outputs and long-term outcomes, as well as evaluating the full scope of project activities.

107.2.4.3. Consistent

KPIs need to be consistently applied over time to ensure reliable data comparisons. Consistency involves using standardized measurement techniques and reporting methods to maintain uniformity across different periods, teams, or contexts.

- Consistency in KPIs allows for longitudinal analysis, enabling organizations to track performance trends and assess progress over time. It ensures that changes observed in the KPIs reflect actual changes in performance rather than variations in measurement methods or data collection practices. Consistent KPIs facilitate benchmarking against past performance or industry standards, providing a basis for setting targets and evaluating success relative to established norms.

Consistency requires adherence to standardized protocols for data collection, measurement, and analysis. This includes employing validated instruments or methodologies, maintaining the same sampling procedures, and ensuring that data is collected under comparable conditions. Documentation of procedures and training of personnel involved in data collection contribute to consistency.

Data Quality and Source Reliability: Evaluating data quality and the reliability of sources is critical for ensuring the integrity of impact assessments. High-quality data and trustworthy sources enhance the credibility of the KPIs and support accurate evaluation.

107.2.4.4. Complete

KPIs should encompass all relevant dimensions of performance to provide a comprehensive assessment. Completeness involves including all necessary aspects of a metric to ensure a holistic evaluation of progress toward objectives.

- A complete set of KPIs captures the multifaceted nature of project performance, reflecting both quantitative and qualitative outcomes, immediate results, and long-term impacts. Completeness prevents critical areas from being overlooked and ensures that the evaluation addresses all key success factors. This comprehensive approach supports informed decision-making by providing a full picture of project effectiveness and identifying areas that may require attention.

Achieving completeness involves a thorough analysis of the project's logic model or theory of change to identify key inputs, activities, outputs, outcomes, and impacts. The selection of KPIs should cover these elements to the extent necessary for a full understanding of the project's performance. Care must be taken to avoid redundancy while ensuring that all pertinent aspects are measured.

Metric Sensitivity: Understanding how sensitive the success metrics are to changes in project conditions or external factors is crucial for maintaining accurate impact measurement. This involves evaluating how fluctuations, such as economic downturns or policy changes, might affect the metrics.

107.2.4.5. Specific

KPIs must be specific, targeting performance aspects directly aligned with strategic goals. Specificity ensures that each KPI provides clear and direct insight into its designated measurement area.

- Specific KPIs enable precise measurement and facilitate targeted interventions. By focusing on well-defined aspects of performance, organizations can identify strengths and weaknesses in specific areas, allowing for more effective resource allocation and strategic planning. Specificity reduces the likelihood of misinterpretation and enhances the relevance of the KPI to the project's objectives.

Specificity in KPIs requires operationalizing abstract concepts into measurable variables. This involves clearly defining the constructs being measured and specifying the dimensions or components included.

Metric Alignment: Ensuring that success metrics are aligned with the project's strategic goals and objectives is vital. This requires that the metrics not only capture immediate achievements but also reflect long-term impacts.

107.2.4.6. Measurable

KPIs should be quantifiable, providing concrete data that can be systematically tracked and assessed. Measurement involves defining precise criteria and metrics that enable objective evaluation of performance.

- Measurable KPIs allow for empirical assessment of progress toward objectives. Quantifiable data supports evidence-based decision-making, enabling organizations to monitor performance, identify

trends, and evaluate the effectiveness of strategies and interventions. Measurability ensures that KPIs can be evaluated using statistical methods, enhancing the rigor and credibility of the assessment.

Developing measurable KPIs involves selecting indicators that can be reliably quantified using appropriate measurement scales (nominal, ordinal, interval, ratio). Measurement instruments or methods should have established reliability (consistency of measurement) and validity (accuracy in measuring the intended construct).

Data Validation: Implementing processes to validate and verify data accuracy involves cross-checking data with multiple sources and conducting audits. This ensures that the data collected for KPIs is accurate and reliable.

107.2.4.7. Achievable

KPIs need to be realistic and attainable within the given resources and constraints. Achievability ensures that targets are challenging yet feasible, motivating performance without setting unattainable goals.

- Setting achievable KPIs promotes engagement and commitment from stakeholders by providing realistic targets that can be met through diligent effort. Unattainable KPIs can lead to frustration, reduced morale, and diminished credibility of the evaluation process. Achievable KPIs consider the organization's capabilities, resources, time frames, and external factors that may influence performance.

Assessing the achievability of KPIs involves conducting a feasibility analysis, considering factors such as resource availability (financial, human, technological), organizational capacity, and environmental conditions.

Feasibility Considerations: Evaluating the practicality of measuring KPIs includes assessing data availability, collection methods, and potential challenges. Ensuring that measurement techniques are reliable and valid is crucial for effective KPI implementation.

107.2.4.8. Relevant

KPIs should be relevant, aligning closely with the strategic goals and objectives of the organization. Relevance ensures that each KPI contributes meaningfully to overarching targets and priorities.

- Relevant KPIs focus on outcomes that are critical to the organization's success and stakeholders' interests. This alignment ensures that measurement efforts support strategic decision-making and resource allocation. Irrelevant KPIs can divert attention and resources away from critical areas, reducing the effectiveness of performance management and potentially leading to suboptimal outcomes.

Establishing relevance involves linking KPIs to the project's logic model or theory of change, ensuring that they measure outcomes that directly contribute to desired impacts.

Contextual Relevance: Evaluating the relevance of success metrics within the project's specific environment and target population ensures accurate impact measurement. This includes tailoring metrics to reflect local conditions and cultural contexts.

107.2.4.9. Time-bound

KPIs must have defined time frames for achievement, providing deadlines that establish a sense of urgency and focus. Time-bound metrics enable tracking progress within specific periods, ensuring timely evaluation and adjustment as needed.

– Time-bound KPIs facilitate planning, monitoring, and control by specifying when targets should be met. This temporal dimension allows organizations to assess whether progress is on track and to implement corrective actions if necessary. Deadlines enhance accountability and help prioritize activities, aligning efforts with project schedules and milestones.

Incorporating time frames into KPIs requires consideration of the project's duration, phases, and milestones. Time-bound targets should be realistic given the project's timeline and the time required to observe changes in the measured variables.

Temporal Sensitivity: Understanding the impact of timing on KPIs involves assessing how changes in measurement intervals or timing might influence results. This includes accounting for seasonality, project phases, and external events that may affect performance.

107.2.4.10. Examples of KPIs Formulated Using the C⁴-SMART Principles in the Impact Domain:

1. **Carbon Emission Reduction:** *"Achieve a reduction of 20% in carbon emissions from baseline levels within the next 12 months, tracked through quarterly carbon footprint measurements using standardized greenhouse gas accounting protocols."*
    - ☑ **Clear:** Specifies a 20% reduction in carbon emissions.
    - ☑ **Concise:** Focuses solely on carbon emissions reduction.
    - ☑ **Consistent:** Uses standardized measurement protocols quarterly.
    - ☑ **Complete:** Addresses a key dimension of environmental impact.
    - ☑ **Specific:** Targets carbon emissions reduction from baseline levels.
    - ☑ **Measurable:** Quantified percentage reduction with defined measurement methods.
    - ☑ **Achievable:** Assessed as feasible within the 12-month period based on capacity.
    - ☑ **Relevant:** Aligns with strategic environmental sustainability goals.
    - ☑ **Time-bound:** Sets a 12-month deadline with quarterly measurements.
2. **Community Education Outreach:** *"Increase the number of participants in the educational program by 30% within six months, as measured by monthly enrolment records verified against attendance logs."*
    - ☑ **Clear:** Aims for a 30% increase in participants.
    - ☑ **Concise:** Concentrates on participant numbers in the educational program.
    - ☑ **Consistent:** Measures enrolment monthly with verification.
    - ☑ **Complete:** Captures a key outcome of outreach efforts.
    - ☑ **Specific:** Focuses on participant increase in the specific program.
    - ☑ **Measurable:** Quantifiable increase with documented records.
    - ☑ **Achievable:** Determined feasible based on outreach capacity.

- ☑ **Relevant:** Supports goals of community engagement and education.
- ☑ **Time-bound:** Sets a six-month period with monthly tracking.

3. **Renewable Energy Adoption:** *"Install renewable energy systems in 1,000 households by the end of the fiscal year, monitored through installation reports and confirmed by post-installation inspections."*
   - ☑ **Clear:** Targets installations in 1,000 households.
   - ☑ **Concise:** Focuses on the number of installations.
   - ☑ **Consistent:** Uses standardized reporting and inspections.
   - ☑ **Complete:** Addresses both installation and verification.
   - ☑ **Specific:** Specifies renewable energy systems in households.
   - ☑ **Measurable:** Counts installations with confirmation.
   - ☑ **Achievable:** Feasibility assessed based on resources and capacity.
   - ☑ **Relevant:** Aligns with sustainability and energy goals.
   - ☑ **Time-bound:** Deadline set for the end of the fiscal year.

107.2.5. External Validation & Standards

5

External validation serves as a pivotal mechanism for ensuring the objectivity and authenticity of a project's reported outcomes and methodologies. By subjecting these outcomes and methodologies to independent and expert scrutiny, this practice upholds the principles of scientific rigor and transparency, thereby enhancing the reliability and acceptance of the project's findings within the broader academic and industry communities.

⇒ **Why can the impact be validated?**

107.2.5.1 Scientific Verification of Data and Methodologies

The first step in external validation involves a rigorous scientific verification of the project's data and methodologies. This process ensures that the data collection techniques, analytical methods, and interpretative approaches are robust, reliable, and adhere to established scientific principles.

Data Quality Assessment: Examine the data for accuracy, completeness, and consistency. This includes:

- **Error Checking**: Identifying and correcting errors or inconsistencies in the dataset (e.g., duplicate entries, incorrect values).
- **Data Cleaning**: Handling missing or incomplete data appropriately (e.g., using imputation methods, excluding unreliable data points).
- **Validity Checks**: Ensuring that the data accurately represents the variables of interest (e.g., verifying measurement scales, ensuring correct units are used).

Methodology Evaluation: Critically assess the research design and analytical procedures:

- **Appropriateness of Methods**: Confirm that the chosen methods are suitable for addressing the research questions (e.g., using randomized controlled trials for impact evaluation).
- **Application Accuracy**: Verify that methods are applied correctly and systematically (e.g., proper sampling techniques, consistent data collection protocols).

- **Bias and Error Minimization**: Identify potential sources of bias and implement strategies to mitigate them (e.g., blinding in experiments, controlling for confounding variables).
- **Statistical Analysis Verification**: Review the statistical analyses to ensure validity:
- **Assumption Testing**: Check that statistical test assumptions are met (e.g., normality, homoscedasticity in regression analysis).

Model Appropriateness: Ensure that the chosen statistical models are appropriate for the data type and research questions (e.g., using logistic regression for binary outcomes).

- **Result Interpretation**: Confirm that the conclusions drawn are supported by the data (e.g., statistical significance aligns with practical significance).
- **Reproducibility and Replicability**: Assess whether findings can be consistently reproduced:
- **Detailed Documentation**: Provide comprehensive documentation of data sources, collection methods, and analysis procedures.
- **Protocol Transparency**: Make research protocols available for scrutiny (e.g., through pre-registration of studies).

107.2.5.2 Cross-Checking with Independent Sources

After verifying the data and methodologies internally, cross-checking with independent and reputable sources adds an additional layer of validation.

Comparative Data Analysis:

- **External Data Comparison:** Compare project data with external datasets (e.g., national statistics, industry reports).
- **Trend Analysis:** Examine whether observed trends align with those reported elsewhere (e.g., economic indicators, environmental measurements).
- **Discrepancy Investigation:** Investigate and explain any significant differences between project data and external sources.

Literature Corroboration:

- **Systematic Literature Review:** Conduct a thorough review of existing studies related to the project's focus.
- **Theoretical Alignment:** Ensure findings are consistent with established theories and models.
- **Evidence Synthesis:** Integrate project findings within the context of the broader body of knowledge.

Peer Comparison:

- **Benchmark Projects:** Identify similar projects or case studies for comparative analysis.
- **Performance Metrics:** Compare key indicators (e.g., efficiency rates, impact levels) against those of peer projects.
- **Best Practices Identification:** Learn from successes and challenges experienced by others to refine the project's approach.

107.2.5.3 Alignment with Established Standards and Benchmarks

Aligning the project's methodologies and outcomes with established standards ensures compliance with industry norms and enhances credibility.

Compliance with Regulatory Standards:

- **Legal Requirements:** Ensure adherence to laws and regulations relevant to the project (e.g., environmental regulations, data protection laws like GDPR).
- **Ethical Guidelines:** Follow ethical standards for research involving human participants or sensitive data (e.g., obtaining informed consent, ensuring confidentiality).
- **Safety Standards:** Comply with health and safety regulations applicable to project activities.

Adherence to Industry Standards:

- **Quality Management Systems:** Implement systems like ISO 9001 to standardize processes and improve quality.
- **Environmental Standards:** Align with standards such as ISO 14001 for environmental management.
- **Reporting Frameworks:** Use established frameworks for reporting (e.g., GRI Standards for sustainability reporting).

Performance Benchmarking:

- **Key Performance Indicators (KPIs):** Define and measure KPIs relevant to the project's objectives.
- **Industry Benchmarks:** Compare KPIs against industry averages or best-in-class performers.
- **Continuous Improvement:** Use benchmarking results to identify areas for enhancement and implement improvement plans.

Policy and Goal Alignment:

- **Strategic Alignment:** Ensure project goals support organizational strategy and policy objectives.
- **Global Initiatives:** Align with international agreements (e.g., United Nations Sustainable Development Goals, Paris Agreement).
- **Stakeholder Expectations:** Meet or exceed expectations of stakeholders, including investors, clients, and the community.

107.2.6. Adaptive Risk Management

6

Employing an adaptive risk management methodology is essential in evaluating impact initiatives to proactively identify, assess, and respond to emerging risks. This approach safeguards project objectives and outcomes, ensuring strategies remain robust and effective under varying circumstances. A comprehensive consideration of all project components is crucial for maintaining integrity and achieving desired impacts.

⇒ **Have all components been considered correctly?**

107.2.6.1 Flexibility

Integrating an adaptive risk management framework involves continuous identification, assessment, and mitigation of risks throughout the assessment lifecycle. Flexibility is crucial for maintaining project integrity when verification relies solely on remote data sources.

- **Continuous Risk Identification**: Implement ongoing processes to identify new and emerging risks using online resources and scientific publications. (e.g., regular virtual risk assessment meetings, continuous monitoring of online data repositories, staying updated with the latest research findings)
- **Assessment and Mitigation**: Systematically evaluate identified risks and develop appropriate mitigation strategies based on remote data analysis. (e.g., utilizing online risk matrices, developing contingency plans informed by internet-based predictive models)
- **Responsive Adaptation**: Adjust risk management plans in response to new information or changing conditions identified through internet sources. (e.g., updating strategies when online data indicates market shifts, adapting to emerging regulatory changes found in digital databases)

107.2.6.2 Dynamic Strategies

Adaptive risk management supports the formulation of dynamic strategies that can be promptly adjusted in response to evolving risk scenarios, ensuring resilience in environments where information is sourced remotely.

- **Active Strategy Formulation**: Develop strategies capable of modification as new risks emerge from online monitoring. (e.g., creating adaptable project timelines based on economic forecasts from reputable financial websites)
- **Scenario Planning**: Conduct scenario analysis using data from internet sources to prepare for potential future states and associated risks. (e.g., modelling the impact of global events using data from international organizations)
- **Real-Time Adjustments**: Implement mechanisms for real-time monitoring and adjustment of strategies using online tools. (e.g., dashboards for live risk tracking, alerts from online risk management platforms)

107.2.6.3 Proactive Measures

Regular assessments using online information contribute to the proactive identification of risks and enable the formulation of practical mitigation strategies, addressing potential issues before they escalate.

- **Regular Risk Assessments**: Conduct periodic evaluations using internet data to identify and analyse potential threats. (e.g., quarterly virtual audits, online compliance checks)
- **Practical Mitigation Strategies**: Develop and implement feasible strategies to mitigate identified risks based on remote information. (e.g., adjusting investment portfolios in response to online market analyses, implementing cybersecurity measures based on threat intelligence reports)
- **Preventive Actions**: Establish preventive measures using information from online sources to minimize risk occurrence. (e.g., staff training on emerging risks identified through online courses, updating protocols based on new industry standards published online)

107.2.6.4 Stakeholder Engagement

Engaging stakeholders remotely in the risk management process ensures comprehensive risk identification and fosters collaborative mitigation efforts without the need for physical meetings.

- **Stakeholder Involvement**: Involve key stakeholders in risk assessment processes through virtual means. (e.g., conducting online workshops, virtual focus groups)
- **Collaborative Mitigation**: Work with stakeholders remotely to develop joint risk mitigation strategies. (e.g., partnering with community organizations via online platforms, collaborative tools for joint planning)
- **Communication and Transparency**: Maintain open communication about risks and mitigation efforts through digital channels. (e.g., regular updates via email newsletters, webinars, online reports)

107.2.7. Certify Impact & Quality

7

The certification of impact and quality for projects focused on positive change is essential for formally verifying their success and adherence to high standards. This process results in the issuance of a certificate that includes critical information, demonstrating that the project has met its objectives and maintained excellence throughout its execution. The certification document should provide a clear, comprehensive overview of the project's impact, based solely on verifiable data and reports gathered remotely, without on-site visits.

⇒ **What were the results?**

107.2.7.1 Certification Standards

The certification must adhere to recognized standards and clearly document how the project aligns with these frameworks, emphasizing the importance of rigorous remote assessment.

- **Impact Model Overview**: A concise description of the project's impact model, including its objectives and intended outcomes. This section should clearly explain how the project's approach leads to measurable social, environmental, or economic improvements.
  - ⇨ (e.g., specific focus areas such as emissions reduction, improved community health, or educational outcomes)
- **Key Performance Indicators (KPIs)**: A detailed list of the KPIs used to measure the project's impact. These KPIs should be aligned with the SDGs and their specific targets to facilitate better communication and global relevance.
  - ⇨ (e.g., KPIs related to clean energy adoption, poverty alleviation, or education improvement, aligned with SDG 7, SDG 1, and SDG 4)
- **Alignment with SDGs and Targets**: Explicit alignment of the project's KPIs with relevant SDGs and their targets, ensuring that the impact contributes to globally recognized development goals. Each KPI should correspond to an SDG target for clearer communication of the project's contributions.
  - ⇨ (e.g., alignment of a carbon footprint reduction KPI with **SDG 13.2**: "Integrate climate change measures into national policies, strategies, and planning")
  - ⇨ (e.g., educational outcomes aligned with **SDG 4.1**: "Ensure that all girls and boys complete free, equitable, and quality primary and secondary education")

- **Executive Summary**: A high-level summary of the project, including its scope, timeline, and major achievements, as well as how these are verified through remote assessment.
  - ⇨ (e.g., project objectives, the overall timeline, key milestones, and verification methods used)

107.2.7.2 Evaluation Process

The certification must clearly outline the process used to evaluate the project's impact, with a focus on the verification methods that rely on digital and internet-based sources.

- **Data Sources**: A comprehensive list of all data sources used in the evaluation. This ensures that stakeholders understand where the data came from and how it was collected remotely.
  - ⇨ (e.g., remote sensing data, third-party reports, publicly available government databases)
- **KPI Measurement & Analysis**: A detailed explanation of how KPIs were measured, with specific references to the tools and methods used to collect and analyse data remotely.
  - ⇨ (e.g., online surveys, satellite monitoring for environmental impact, statistical models for data analysis)
- **Alignment with SDG Targets**: A section highlighting how the project's KPIs align with SDG targets, detailing how the achievement of these targets was measured through remote verification.
  - ⇨ (e.g., KPI for renewable energy adoption aligned with **SDG 7.2**: "Increase substantially the share of renewable energy in the global energy mix," measured through online energy tracking tools)
- **Quality Assurance**: The process for ensuring the accuracy and reliability of the evaluation, including how data was verified remotely and subjected to external audits.
  - ⇨ (e.g., third-party audits conducted digitally, peer review processes)

107.2.7.3 Certification of Compliance and Credibility

This section assures stakeholders that the project's impact has been thoroughly verified using remote sources and is compliant with established global standards.

- **Verification Summary**: A summary detailing how the project's data and results were verified remotely, providing transparency and credibility.
  - ⇨ (e.g., online reviews of environmental impact assessments, third-party certification bodies validating the data)
- **Compliance with SDG Targets**: A clear statement of how the project contributes to specific SDGs and their targets, helping communicate the project's global impact more effectively.
  - ⇨ (e.g., compliance with SDG targets related to clean energy, gender equality, or sustainable cities)
- **Stakeholder Communication**: A description of how stakeholders were engaged throughout the project and how findings were communicated, particularly through remote platforms.
  - ⇨ (e.g., virtual meetings with stakeholders, public dissemination of reports via online portals)

107.2.7.4 Continuous Improvement and Future Goals

This section emphasizes that certification is not just a retrospective acknowledgment but also an encouragement for continuous improvement, with a focus on future contributions to the SDGs.

- **Commitment to Ongoing Impact**: Outline future plans for maintaining or improving impact, particularly in relation to ongoing contributions to SDGs.
  - ⇨ (e.g., setting new sustainability KPIs for continued alignment with **SDG 13** on climate action)
- **Review and Update Mechanism**: A system for periodically reviewing and updating the project's progress to ensure continued alignment with SDG targets.
  - ⇨ (e.g., annual remote reviews, updating KPI performance to match evolving SDG targets)
- **Ongoing Stakeholder Engagement**: A commitment to continuously involve stakeholders in the project's evolution and ongoing reporting of progress related to SDGs.
  - ⇨ (e.g., periodic virtual stakeholder consultations, updates shared via online platforms)

V. IMVS Tools in Focus: Essential Instruments for Impact Verification

In the following section, the methods and tools for implementing the 7 steps of the IMVS in practice are presented. Each step will be explained in detail, outlining the necessary procedures, with practical examples provided in the next chapter. While digital automation of this process would be ideal in the near future, the current focus will be on the analogue approach.

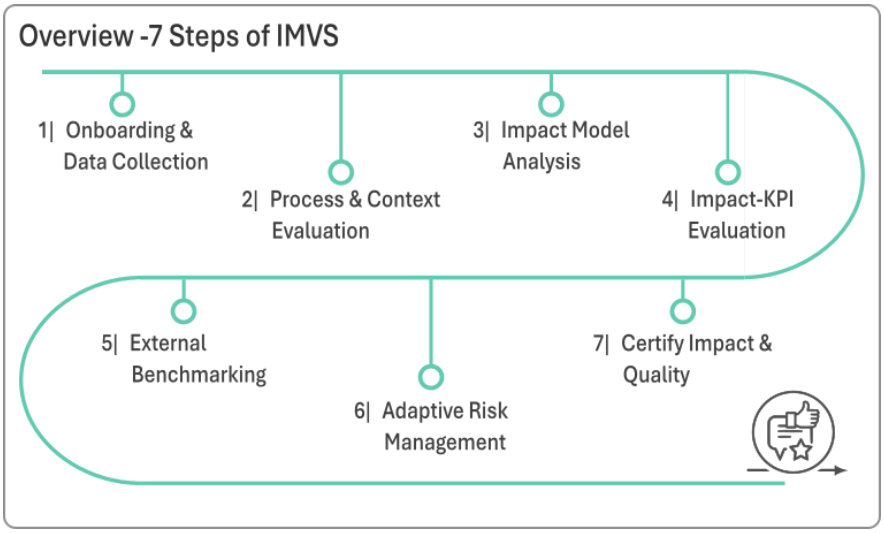


Figure 14: Short overview of the seven steps of IMVS

The 7 steps are designed to interlock seamlessly, enabling an impact audit without the necessity of on-site inspections (though such inspections are always supreme). Each step builds upon the previous one, offering the auditor a comprehensive and detailed overview of each unique impact story.

Here, we would like to shed light on the individual points of the IMVS and clarify how we currently envision practical implementation. The following approaches are to be clarified:

1. Onboarding & Data Collection

⇨ How do we ensure we have a robust data foundation for our analysis?

⇨ How can comprehensive data and background checks create a solid basis?

☑ By collecting essential data and conducting thorough background checks, we establish a reliable foundation for accurate analysis.

2. Process & Context Evaluation

⇨ How do we verify the legitimacy and strategic relevance of a project?

⇨ Why is it important to assess a project's context and strategic fit?

☑ By performing legitimacy checks and evaluating the contextual relevance, we ensure the project aligns accurately with organizational goals.

3. Impact Model Analysis

⇨ How do we validate a project's impact model and theory of change?

⇨ What are the benefits of a detailed analysis of a project's impact model and logic?

☑ By conducting an in-depth analysis of the impact model and theory of change, we confirm the validity and effectiveness of the project's approach.

4. Impact-KPI Evaluation

⇨ How do we measure a project's effectiveness using key performance indicators?

⇨ Why is a thorough KPI analysis crucial for evaluating project success?

☑ By scrutinizing key metrics with evidence-based methods, we accurately measure and track the project's effectiveness.

5. External Benchmarking

⇨ How do we ensure our project aligns with industry standards and best practices?

⇨ What is the benefit of peer reviews and benchmarking for project evaluation?

☑ By engaging in peer reviews and benchmarking against industry best practices, we ensure the project meets established norms and sustainability standards.

6. Adaptive Risk Management

⇨ How do we identify and manage potential risks in our project?

⇨ Why is proactive risk management important for project success?

☑ By identifying potential risks and planning for various scenarios, we adaptively manage and mitigate risks effectively, ensuring project resilience.

7. Certify Impact & Quality

⇨ How do we ensure the credibility and trustworthiness of project outcomes?

⇨ What are the advantages of rigorous impact verification and quality control?

☑ By conducting rigorous impact verification and implementing stringent quality control measures, we certify the project's outcomes, ensuring their credibility and trustworthiness.

A. IMVS: 108 Practical engagements of IMVS

This section offers in-depth recommendations and suggestions for applying the IMVS framework in practice. It provides insights and examples that illustrate best practices for effective implementation in real-world contexts. The aim is not just to outline steps but to suggest practical approaches that enhance the success of each phase of the IMVS process. In the following sections, you will find concrete advice for navigating key stages, improving efficiency, and achieving meaningful results.

108.1. Overview of the 7 Steps of IMVS in best practice application

This section outlines the seven key steps to effectively implement the IMVS framework in a structured and systematic manner. Each step is backed by best practice recommendations and example scenarios to ensure practical applicability and ease of execution. The steps guide users through the entire process, from initial planning to successful outcomes.

108.1.1. Onboarding & Data Collection

The onboarding and data collection phase is essential for establishing a comprehensive understanding of the client's profile, goals, and impact. This phase ensures that all necessary information is gathered and validated for the credibility of the verification process.

108.1.1.1. Structured Onboarding Process

Implement a well-organized and systematic onboarding approach by utilizing a carefully designed questionnaire and clear data collection processes. This ensures all client information is captured accurately and sets a solid foundation for the verification phase.

108.1.1.1.1. Onboarding Questionnaire: To initiate the onboarding process, an onboarding questionnaire (questionnaire I) is provided to clients. This questionnaire is critical for collecting essential data such as:

- **Project Overview**: A detailed description of the project, including objectives, timeline, and targeted outcomes.
- **Impact Areas**: Identification of key social, environmental, or governance areas the project aims to address.
- **KPIs**: The specific Key Performance Indicators (KPIs) that will be measured to assess the project's impact.
- **Stakeholders**: Information on the key stakeholders involved in the project, including partners, investors, and beneficiaries.
- **Compliance Information**: Details on legal and regulatory compliance, such as certifications, licenses, or standards being followed.

108.1.1.2. Background Checks

Conduct detailed background checks to verify the credibility of the client and the authenticity of the provided data. This involves examining multiple aspects of the client's business operations and historical performance through publicly available sources:

108.1.1.2.1. Registration Status

Verify Legal Registration:

- Check government business registries (e.g., German Handelsregister: www.handelsregister.de) to confirm the company is officially registered. Look for details like registration number, date of incorporation, and legal structure (e.g., GmbH, AG).
- Cross-verify the company's registration information with other public databases (e.g., European Business Register) to ensure consistency across jurisdictions.
- Verify that the company has all necessary operational permits, such as trade licenses, environmental certificates, or health and safety clearances (e.g., ISO 14001 for environmental management). Check government websites or specialized databases for certification authenticity (e.g., ISO.org).

108.1.1.2.2. Ownership Structure.

Review Company Filings:

- Access corporate filings from business registries or financial platforms (e.g., OpenCorporates, Orbis) to confirm ownership structure. Look for documents such as annual reports or shareholder agreements. Ensure you identify key stakeholders (e.g., "John Smith, 25% ownership; Sarah Green, CFO").
- Investigate the company's board of directors and leadership team by accessing publicly available minutes from board meetings or corporate governance reports (e.g., via filings with SEC or Companies House).

Cross-Verify Leadership and Shareholders:

- Search platforms like LinkedIn, Crunchbase, or company websites to cross-check key personnel. For instance, ensure the CEO listed in filings is also reflected as leading the company on their LinkedIn profile (e.g., “Peter Müller, CEO since 2020, with a background in engineering”).
- Check media coverage or interviews where executives have participated, confirming their roles and involvement in company operations.

108.1.1.2.3. Historical Performance

Analyse Past Projects and Case Studies:

- Review detailed case studies available on the company's website or industry publications. Look for project timelines, outcomes, and client partnerships (e.g., “Successfully completed a $10 million renewable energy project with ABC Corp, reducing client emissions by 20%”).
- Use platforms like Clutch, UpCity, or project management forums to see reviews on specific projects. Search for portfolio presentations or pitch decks that provide additional insights into their track record.

Check Online Reviews and Client Testimonials

- Explore multiple review platforms like Google Reviews, Glassdoor, Trustpilot, or specialized forums to evaluate client satisfaction and employee feedback (e.g., “4.8-star rating from 250 reviews; highlighted for strong project management skills and delivering on time”).
- Cross-reference reviews with social media platforms (e.g., Twitter, Reddit) where clients may have commented on their experience with the company. Investigate consistency in feedback across different channels.

108.1.1.2.4. Legal & Regulatory Compliance

Search for Legal Disputes or Violations:

- Search comprehensive legal databases such as LexisNexis, Justia, or Courthaus.de for any ongoing or past lawsuits, arbitration cases, or regulatory violations (e.g., “The company faced a $1 million fine for non-compliance with environmental regulations in 2021”).
- Explore government or regulatory body websites for sanctions, compliance warnings, or penalties. For example, check if the company has been fined by bodies like the Environmental Protection Agency or the Financial Conduct Authority.

Review Court Records and Public Filings:

- Access court records via public databases or court websites to investigate any legal rulings, settlements, or compliance orders. Check if the company has been involved in intellectual property disputes, employment lawsuits, or consumer fraud cases.
- Look for any company history of bankruptcy or restructuring proceedings by reviewing financial filings or insolvency registries (e.g., “Filed for Chapter 11 bankruptcy in 2019, successfully restructured and resumed operations in 2020”).

108.1.1.2.5. Reputation and Industry Standing

Review Industry Awards and Certifications:

- Search industry media outlets, association websites, or company press releases to identify any awards or certifications received (e.g., “Awarded ‘Best Sustainability Initiative 2023’ by X Association” or “Certified as a Top Employer for workplace culture in 2022”).
- Investigate whether the company has achieved any industry-recognized certifications (e.g., LEED Certification for green buildings, ISO 9001 for quality management) and confirm these certifications are active.

Get Feedback from Industry Peers and Competitors:

- Reach out to industry trade associations or professional bodies (e.g., Chamber of Commerce, sector-specific federations) for peer feedback on the company's market standing and reputation (e.g., “Recognized by peers for innovation in manufacturing technologies”).
- Consult industry forums or attend relevant trade events to gauge the company’s reputation among competitors. Check if they are regular speakers or participants in industry conferences (e.g., “Presented at the International Energy Forum 2022”).

108.1.1.2.6. Ethical Practices

Review CSR Reports and Ethical Audits:

- Check the company’s Corporate Social Responsibility (CSR) reports for their commitment to sustainability, social impact, and governance standards (e.g., “CSR report 2023 highlights investment in renewable energy and community development projects”).
- Search for third-party ethical audits, such as those performed by independent bodies (e.g., Fair Trade, B Corp certification) to verify the company’s adherence to ethical business practices (e.g., “Certified as a B Corp in 2021 for meeting high social and environmental standards”).

Research Media Coverage on Ethical Conduct:

- Search news platforms (e.g., Bloomberg, Reuters) and industry blogs for coverage of the company’s ethical practices. Look for both positive and negative reports, such as controversies around labour conditions, environmental practices, or community involvement (e.g., “Praised for fair wages and safe working conditions in their overseas factories by X NGO”).
- Investigate whistleblower reports or activist campaigns that might question the company’s ethical record. Cross-reference with watchdog organizations or advocacy groups (e.g., Greenpeace, Amnesty International) to identify any potential red flags.

108.1.1.3. Client Profile Development

Develop comprehensive client profiles by integrating all data collected from the onboarding questionnaire and background checks into a structured, accessible format:

108.1.1.3.1. Data Integration:

- Consolidate all data from the onboarding questionnaire, background checks, and any other relevant sources into a centralized digital profile.
- Organize the profile into clear sections for each aspect of the client, such as "Project Descriptions," "Legal Compliance," "Ownership Structure," and "Performance History" (e.g., “ABC Ltd., active since 2015, compliance with ISO 9001 certified”).

108.1.1.3.2. Documentation:

- Digitally organize client profiles using defined categories for easy access. Categories might include:

- "Business Registration" (e.g., verified with national business registry),
- "Project Overview" (e.g., key projects such as renewable energy initiatives),
- "Compliance" (e.g., adherence to environmental regulations),
- "Historical Performance" (e.g., client satisfaction rates and past revenue growth).
- Ensure profiles are standardized for consistency across all clients.

108.1.1.3.2. Historical Context:

- Provide a detailed summary of past projects and milestones, highlighting major achievements and key data points (e.g., "Completed a $50M wind farm project in 2022, reducing regional emissions by 10%").
- Include performance trends over time, such as project success rates, customer testimonials, and any critical industry recognitions.

108.1.1.3.3. Ongoing Updates:

- Keep client profiles current by updating them regularly with new information from ongoing interactions or updates from legal and compliance databases.
- Schedule periodic reviews (e.g., quarterly or annually) to ensure that all data remains accurate and relevant (e.g., updating certifications, reviewing financial performance).

108.1.1.3.4. Confidentiality:

- Ensure data security by using encrypted databases and strictly limiting access to authorized personnel.
- Adopt confidentiality protocols, ensuring that sensitive information, such as ownership details and financial data, is protected (e.g., access only granted to senior compliance officers).

108.1.1.4. Data Integrity and Security

Data integrity and security are paramount in this process. Ensure the accuracy and protection of all collected data through the following measures:

108.1.1.4.1. Data Validation:

- Cross-check client-submitted data with original sources (e.g., government registries, legal filings, and industry certifications). Ensure that information like business registration, project achievements, and compliance documents are verified against official records.
- Resolve discrepancies by comparing responses from onboarding questionnaires with the results of background checks (e.g., if a company claims ISO certification, ensure it is listed in the official ISO database).

108.1.1.4.2. Security Measures:

- Implement secure storage solutions, such as encrypted databases, to protect sensitive client information (e.g., encryption protocols for storing financial data or ownership structures).
- Control access through strict permission protocols, ensuring that only authorized personnel have access to sensitive data. Use role-based access control (RBAC) and two-factor authentication (2FA) for added security.
- Regularly audit security systems and protocols to identify potential vulnerabilities and ensure continued compliance with data protection regulations like GDPR.

108.1.1.4.3. IMVS Reference Number System:

- Use the IMVS reference number system to clearly and systematically track audits. Assign each audit a unique reference number that includes the following elements:
  - ☑ **Audit Code**: Use "A" to denote an audit.
  - ☑ **Category**: Use "P" for Projects or "B" for Businesses.
  - ☑ **Initials**: Use the first two letters of the project or company name.
  - ☑ **Date**: Specify the audit start date in MMYY format (e.g., 0824 for August 2024).
  - ☑ **KPI Count**: Use two digits to indicate the number of Key Performance Indicators (KPIs) audited (e.g., 05 for five KPIs).
  - ☑ **Impact Area**: Use one letter to represent the impact area, such as "E" for Environmental, "S" for Social, or "G" for Governance.
  - ☑ **Sequential Number**: Provide a three-digit number to show the order of the audit for the year (e.g., 001 for the first audit of the year).
  - ☑ **Revision Number**: Use two digits to indicate the audit version (e.g., 01 for the initial audit, 02 for subsequent revisions).
- Create reference numbers for audits following this format:
  - ☑ **AP-XY-0824-05-E-001-01** for an initial project audit in August 2024 with 5 KPIs in the environmental area.
  - ☑ **AB-ZE-0824-10-S-002-02** for a repeat business audit in August 2024 with 10 KPIs in the social area.
- Ensure that each reference number allows for unique identification and facilitates easy tracking and management of audits.

108.1.2. Evaluation of Process & Context

Evaluating a project's process and its broader context is essential for verifying strategic alignment, ensuring operational soundness, and maintaining compliance with environmental, legal, and ethical standards. This thorough assessment allows for informed decision-making and supports the project's long-term sustainability and success.

108.1.2.1. Strategic Alignment Verification and Contextual Analysis

Strategic alignment verification ensures that the project's goals and impact are in sync with the company's broader mission, vision, and operational framework. It assesses whether the project's claimed impact is feasible and meaningful within the organization's strategic context.

108.1.2.1.1. Operational Feasibility

Analysis of Current Capabilities:

- Assess whether the project can be integrated into the company's existing operational framework. This includes evaluating the company's technology infrastructure (e.g., is the current IT system capable of supporting the project?) and staffing levels (e.g., does the team have the capacity to manage the project?).

Resource and Capacity Review:

- Ensure there are adequate financial resources (e.g., budget allocation), human resources (e.g., skilled employees or contractors), and technical resources (e.g., software, equipment) available. Check if existing teams have the expertise required or if additional training or recruitment is needed (e.g., "Do we need to hire data scientists for this AI project?").

108.1.2.1.2. Mission and Vision Consistency

Goal Alignment Check:

– Compare the project's objectives with the company's mission and long-term vision. For example, if the company's mission is to drive environmental sustainability, check whether the project supports this goal (e.g., a project aiming to reduce carbon emissions should align with sustainability initiatives).

Strategic Review:

– Ensure the project's intended impacts align with the company's broader values and ambitions (e.g., enhancing community well-being, promoting innovation, or improving social impact outcomes). This helps confirm that the project adds strategic value and complements ongoing efforts.

108.1.2.1.3. Contribution to Strategic Goals

Mapping Project Outcomes:

– Assess how the project's deliverables contribute to the company's broader goals, such as revenue growth, brand positioning, or industry leadership. For example, a marketing campaign might aim to improve brand awareness, which directly ties into the goal of expanding market share.

Impact Measurement:

– Identify key performance indicators (KPIs) and evaluate how they align with corporate strategies (e.g., market expansion, improved stakeholder engagement). For instance, KPIs like customer satisfaction or employee retention might link to long-term goals of enhanced corporate social responsibility (CSR) or increased brand loyalty.

108.1.2.1.4. Identification of Constraints and Conditions

Boundary Conditions Review:

– Identify potential constraints that could limit the project's success, such as financial restrictions (e.g., a limited budget), regulatory barriers (e.g., compliance with local laws), or market entry challenges (e.g., high competition). Understanding these conditions helps ensure realistic planning.

Risk Management:

– Document both external and internal risks that could affect the project. This includes risks related to market volatility, technological changes, or organizational changes (e.g., potential staff turnover). Ensure that a risk mitigation strategy is in place, detailing how risks will be managed or minimized.

108.1.2.2. Situational Analysis of External and Internal Influences on Project Impact

A situational analysis is crucial for understanding both the external and internal factors that influence a project's impact potential. This ensures that all relevant market, stakeholder, and risk factors are accounted for when evaluating the project's feasibility.

108.1.2.2.1. Market Conditions Assessment

Industry Trend Analysis:

– Review current industry trends to understand external conditions that might affect the project's success. This could involve analysing economic shifts (e.g., a recession that reduces consumer spending), technological advancements (e.g., the rise of AI or blockchain), or policy changes (e.g., new environmental regulations impacting operations).

- Monitor technological developments that could disrupt or enable the project (e.g., will advancements in renewable energy make your green energy project more viable in the next 2-3 years?).

Competitor Positioning:

- Evaluate the company's competitive standing within its industry by assessing market share, current market dynamics, and differentiating factors (e.g., pricing, innovation, brand recognition). Identify how your project compares with competitors and whether it provides a unique advantage (e.g., is your sustainability project more innovative or scalable than competitors?).

108.1.2.2.2. Stakeholder Insights Collection

Client and Investor Feedback:

- Collect feedback from key stakeholders such as clients, investors, or business partners to understand their expectations and potential concerns. For example, investors might be keen on the project's ROI, while clients may be focused on the timeliness and quality of project deliverables.
- Host meetings or surveys to gather direct input from investors or partners about their priorities and how they view the project's value (e.g., "Investors are concerned about long-term profitability, suggesting more focus on scaling potential").

Public Sentiment Review:

- Analyse customer feedback and public opinion by reviewing testimonials, social media responses, and public reviews to understand how external audiences perceive the project (e.g., "Social media shows strong support for the project's environmental impact but concerns over price points").
- Gauge public sentiment by using sentiment analysis tools or monitoring public opinion trends, especially if the project has a significant social or environmental component (e.g., how do local communities feel about your project's potential impact on jobs or sustainability?).

108.1.2.2.3. Risk Identification and Assessment

Risk Evaluation:

- Identify potential risks that could affect the project's success, such as market volatility (e.g., sudden economic downturns), technological risks (e.g., failures in new tech implementations), or political/regulatory changes (e.g., new laws affecting project operations).
- Analyse risk severity by estimating the likelihood of each risk materializing and the potential impact on the project (e.g., "A regulatory change could delay project timelines by six months").

Mitigation Strategy Development:

- Formulate strategies to mitigate these risks, ensuring the project's adaptability to unforeseen circumstances. This may include contingency planning (e.g., "If regulation X changes, we will allocate additional resources to ensure compliance") or diversification of resources to manage financial risks (e.g., "If market demand drops, we will pivot to alternative revenue streams").

108.1.2.3. Regulatory and Ethical Compliance Evaluation

Ensuring regulatory and ethical compliance is a key step to guarantee that the project adheres to all necessary legal and ethical standards, ensuring its credibility and long-term viability.

108.1.2.3.1. Legal Compliance Verification

Legal Documentation Review:

- Examine all required legal permits, licenses, and documents to ensure the project is compliant with applicable laws. This includes verifying building permits, business licenses, or industry-specific certifications (e.g., "Ensure that the company holds valid building permits for ongoing construction projects").
- Review tax filings and financial statements to ensure compliance with tax regulations and financial reporting standards (e.g., confirm that the company's tax returns match financial reports).

Regulatory Check:

- Cross-reference project activities with relevant regulations, including local, national, or industry-specific rules (e.g., GDPR for data protection, environmental regulations for construction).
- Use regulatory databases or legal services to confirm that the project complies with health and safety standards, employment laws, or environmental regulations (e.g., OSHA compliance for workplace safety in the U.S.).

108.1.2.3.2. Environmental Standards Compliance

Environmental Impact Assessments (EIA):

- Review the Environmental Impact Assessment (EIA) submitted by the client, ensuring that the project does not cause undue harm to the environment (e.g., assess whether the construction project includes adequate pollution control measures).
- Analyse emissions reports or other environmental indicators (e.g., air and water quality assessments) to determine whether the project adheres to best sustainability practices.

Resource Efficiency Evaluation:

- Evaluate resource usage, ensuring that the project uses energy, water, and materials efficiently and aligns with environmental best practices (e.g., check if renewable energy is being used in project operations).
- Examine waste management strategies to confirm sustainable disposal or recycling practices are in place (e.g., ensure the project adheres to circular economy principles).

108.1.2.3.3. Ethical Practices Evaluation

Labour and Social Responsibility:

- Assess the company's labour practices, including wages, working conditions, and labour rights by reviewing CSR reports, audits, and third-party certifications (e.g., Fair Trade, B Corp). Ensure the company complies with international labour standards (e.g., no child labour or forced labour).
- Check community engagement initiatives, such as social programs or philanthropic efforts, to confirm the company is actively contributing to the well-being of the communities it operates in (e.g., involvement in local education or healthcare projects).

Transparency and Accountability:

- Ensure transparency in the company's reporting and operations by reviewing financial reports, CSR statements, and audit results. Verify that all stakeholders are provided with clear and honest disclosures (e.g., are the company's sustainability claims backed by measurable data?).
- Evaluate the company's governance practices to ensure accountability, particularly in its decision-making processes (e.g., check for independent oversight boards or third-party audits that ensure ethical business practices).

108.1.2.4. Operational Soundness Check

Evaluating the operational soundness of a project is essential for ensuring that all processes and resources are efficiently managed and aligned with the project's impact objectives.

108.1.2.4.1. Process Efficiency Review

Workflow Optimization:

- Analyse the operational workflows to identify any bottlenecks or inefficiencies. This includes examining process flowcharts, task distribution, and communication channels to ensure that workflows are designed for optimal efficiency (e.g., "Are tasks being delayed due to approval bottlenecks?").
- Review key performance metrics, such as throughput, cycle time, or productivity rates, to ensure that the processes are on track to meet project goals (e.g., "Are processes aligned with the project's expected timeline for delivery?").

Performance Metrics:

- Assess existing processes to determine if they can deliver the intended impact outcomes within the required timeframe and resource constraints.
- Evaluate success criteria by measuring performance against benchmarks or industry standards (e.g., "Are we meeting the average completion time for similar industry projects?").

108.1.2.4.2. Resource Allocation Review

Budget and Staffing Analysis:

- Review financial allocations to ensure the budget is being used effectively for project needs. This includes checking for cost overruns, budget misallocation, or underutilization (e.g., "Is the marketing budget being used for the right channels or are we overspending?").
- Analyse staffing levels to ensure that human resources are effectively aligned with project demands. Confirm that the team has the necessary skills and capacity (e.g., "Do we have enough developers to meet the software release deadline, or do we need to hire more?").

Material Resources Utilization:

- Ensure proper allocation of material resources such as equipment, tools, and raw materials. Confirm that these resources are adequately managed and maintained to avoid shortages or delays (e.g., "Is there enough construction material on-site, and is the machinery in working order?").
- Evaluate the efficiency of physical resources by monitoring inventory levels, procurement schedules, and usage rates (e.g., "Is the use of building materials optimized to avoid waste?").

108.1.2.4.3. Execution Plans Evaluation

Feasibility of Execution Plans:

- Review the project's execution plan to ensure it is realistic and practical. This involves examining timelines, milestones, and scheduling documents to assess whether the plan is feasible given the available resources (e.g., "Does the timeline account for potential delays due to external factors like supply chain issues?").
- Ensure alignment of execution plans with broader organizational goals and the project's strategic objectives (e.g., "Does the project timeline support the company's goal of launching by Q3?").

Resource Alignment:

- Ensure that all resources (financial, human, material) are adequately aligned with the project's requirements and goals.

– Confirm that critical elements such as deadlines, task distribution, and resource management are covered, ensuring a balanced allocation (e.g., “Are tasks assigned to the appropriate team members based on their expertise?”).

108.1.2.5. Continuous Monitoring and Adjustment

To ensure long-term project success, continuous monitoring and flexible adjustment mechanisms must be in place, allowing for real-time adaptation as conditions evolve.

108.1.2.5.1. Timeline and Milestone Setting

Milestone Creation:

– Define clear, measurable milestones for the project, ensuring each milestone has specific deliverables (e.g., “Complete initial design phase by the end of Q1, with a fully functional prototype ready for testing by Q2”).
– Ensure each milestone has quantifiable criteria for success (e.g., “By the end of milestone X, 80% of the software features should be fully operational”).

Progress Reviews:

– Conduct regular progress reviews at key milestones to ensure that the project is moving in the right direction. Use these reviews to address any delays, bottlenecks, or deviations (e.g., “Review progress every four weeks to compare against the timeline and adjust tasks if necessary”).
– Use milestone reviews to make necessary adjustments and ensure alignment with the overall project goals (e.g., “Evaluate if resource reallocation is needed after each milestone”).

107.1.2.5.2 . Development of Performance Metrics

KPI Definition:

– Develop clear performance metrics (KPIs) to objectively measure the project’s success. These could include metrics such as customer satisfaction, revenue growth, or on-time delivery (e.g., “Set KPIs like achieving a customer satisfaction score of 90% or hitting revenue targets by Q3”).
– Tailor KPIs to the project’s objectives to ensure that progress is accurately measured and actionable (e.g., “Track error rates in code development or monitor time-to-market for product launches”). (See Chaper : 106.1. C4-SMART Criteria)

Data-Driven Insights:

– Monitor performance continuously against these KPIs, ensuring that data is gathered in real time to track progress and detect issues early (e.g., “Use real-time dashboards to monitor financial performance and customer feedback scores”).
– Utilize data analytics to extract insights and identify areas for improvement (e.g., “Analyse production efficiency metrics to optimize resource allocation and reduce bottlenecks”).

108.1.2.5.2. Adaptive Management Implementation

Feedback Loops:

– Implement structured feedback loops to capture real-time data from both internal and external stakeholders. These loops should ensure feedback on operational efficiency, resource allocation, and stakeholder satisfaction is fed back into the project (e.g., “Use customer surveys or team debriefs to gather insights after each milestone”).

- Actively engage stakeholders to gain diverse perspectives, ensuring the project remains relevant and adaptive to their needs (e.g., “Gather input from key partners during progress meetings to incorporate their feedback into the next project phase”).

Regular Adjustments:

- Make data-driven adjustments to the project’s approach based on feedback and performance reviews. This could involve tweaking timelines, reallocating resources, or adjusting goals to respond to emerging challenges or opportunities (e.g., “Shift resources to R&D if early testing suggests a delay in product development”).
- Ensure flexibility in the project by proactively addressing issues and being open to changes in strategy as needed (e.g., “If market conditions shift, pivot the marketing strategy to align with new customer demands”).

108.1.3. Impact Model Analysis

A thorough analysis of a project's impact model is essential for ensuring the credibility, accuracy, and transparency of its claimed impact. This process utilizes a comprehensive framework to quantify and understand the effects of the project, creating a solid foundation for ongoing and future evaluations. A key emphasis is placed on the accuracy and source credibility of data throughout the impact assessment process. By performing a detailed impact model analysis, organizations can ensure their projects are evaluated with precision and transparency, leading to reliable assessments.

108.1.3.1. Impact Model Analysis Using the 6DT Framework

The 6DT Impact Framework provides a structured approach to evaluating a project's impact across seven key dimensions: What, Who, How, How Much, Risk, Contribution, and Time. This ensures a detailed and thorough evaluation of the project's impact.

108.1.3.1.1. What (Outcome and Impact)

Assess Expected Outcomes:

- Identify the specific changes or benefits anticipated from the project. For instance, this could include goals such as reducing CO2 emissions, improving education rates, or enhancing biodiversity (e.g., “The project aims to reduce emissions by 15% in the first year”).

Quantify Impact:

- Define measurable outcomes and determine how these will be tracked (e.g., “We expect a 20% increase in literacy rates among children in the community, measured through standardized testing”).

108.1.3.1.2. Who (Stakeholders)

Identify Impacted Groups:

- Determine the individuals or groups that will be affected by the project. These could include local populations, disadvantaged groups, or specific beneficiaries such as low-income families or small businesses (e.g., “The project will benefit 500 low-income households by providing access to clean energy”).

Stakeholder Mapping:

- Create a detailed stakeholder map that includes both direct and indirect stakeholders to fully understand the scope of the project's impact (e.g., "Direct stakeholders: local farmers; Indirect stakeholders: local supply chains and consumer markets").

108.1.3.1.3. How (Programs, Services, or Activities)

Implementation Methodologies:

- Detail the specific activities and interventions that will be used to achieve the outcomes (e.g., "Install 200 solar panels in rural areas to improve energy access").

Program Review:

- Analyse how the planned activities are structured to achieve the desired outcomes and ensure that they are evidence-based (e.g., "Health workshops are aligned with government health guidelines and proven to reduce disease rates in similar communities").

108.1.3.1.4. How Much (Impact Indicator)

Measurement of Impact:

- Assess the magnitude of the impact by using quantifiable indicators such as the percentage reduction in greenhouse gases, the number of jobs created, or the increase in healthcare access (e.g., "The project aims to create 300 jobs within the first 6 months").

Data Collection Methods:

- Define how data will be collected to support the impact indicators, such as using field surveys, monitoring tools, or performance metrics (e.g., "Data on healthcare access will be collected through field surveys conducted quarterly").

108.1.3.1.5. Risk (Impact Risk)

Identify Risks:

- Analyse potential risks that could affect the project's ability to meet its impact goals. These risks might include market volatility, changes in legislation, or operational disruptions (e.g., "Potential risks include changes in government policy that might delay project implementation").

Mitigation Strategies:

- Develop strategies to mitigate risks, ensuring that the project can continue to achieve its intended outcomes despite challenges (e.g., "To mitigate legal risks, the project will work with local legal experts to ensure full compliance with new laws").

108.1.3.1.6. Contribution (Impact Scale and Depth)

Attribution of Impact:

- Evaluate how much of the total impact can be attributed to the project's activities (e.g., "50% of the carbon emissions reduction in the region can be directly attributed to this project's renewable energy initiatives").

Depth of Impact:

- Assess the depth and meaningfulness of the impact on beneficiaries, determining whether the project creates lasting, significant change (e.g., "The project has led to a 30% increase in household income, significantly improving the quality of life for beneficiaries").

108.1.3.1.7. Time (Impact Timeline and Duration)

Timeline of Effects:

- Define when the impact will be realized—whether it is immediate, medium-term, or long-term. Set clear milestones for measuring progress (e.g., "Immediate impact: 100 solar panels installed within the first 3 months; Long-term impact: reduced CO2 emissions over 5 years").

Sustainability of Impact:

- Assess how long the positive outcomes will last and whether they can be sustained over time (e.g., "Job creation is expected to be sustainable as the project provides ongoing training programs for local workers").

108.1.3.2. Emphasizing Accuracy and Transparency in Impact Assessments

To ensure the credibility and reliability of the impact evaluation, accuracy and transparency are essential throughout the assessment process.

108.1.3.2.1. Accuracy:

Data Validation:

- Use validated tools and methods to ensure the data collected is precise and reliable. This includes deploying standardized survey instruments, calibrated tracking devices, or other scientifically validated methods (e.g., "Use calibrated emission tracking devices to measure CO2 reductions accurately").

Cross-Referencing Data:

Cross-check impact data against multiple reliable sources to verify accuracy. For example, compare survey results with official government data or industry benchmarks to ensure consistency and reliability (e.g., "Cross-reference employment data with national labour statistics").

108.1.3.2.2. Consistency:

Uniform Application:

- Maintain consistent methodologies throughout the impact assessment process to ensure data comparability over time and across projects. For example, use the same KPIs and standardized data collection protocols in each evaluation (e.g., "Apply the same KPIs for project performance every year to track long-term changes").

Standardized Metrics:

- Use standardized metrics for measuring impact indicators to ensure that results can be compared across different projects or time periods. This enables clear comparisons and helps in identifying trends (e.g., "Measure job creation using standardized employment metrics across multiple regions").

108.1.3.2.3. Transparency:

Clear Documentation:

- Document all assumptions, methodologies, and data sources used in the impact assessment to enhance clarity and accountability. Provide detailed methodology sections in reports and make underlying data available for external review (e.g., "Include a transparent methodology section outlining all data collection and analysis techniques").

Open Access to Data:

- Where possible, make impact data and methodologies publicly accessible to promote transparency, build stakeholder trust, and facilitate third-party verification (e.g., "Publish data and methods on the company's website for public access and independent audit").

108.1.3.3. Foundation for Subsequent Evaluations

The analysis performed at this stage lays a strong foundation for future evaluations, ensuring that future assessments are built on accurate, reliable, and well-documented baseline data.

108.1.3.3.1. Baseline Establishment:

Initial Data Collection:

- Collect baseline data before any project interventions begin to establish a clear reference point for future comparisons. This includes capturing current conditions such as water pollution levels, employment rates, or energy consumption (e.g., “Measure current air quality levels in the target area before the project starts”).

Pre-Project Condition Documentation:

- Document the initial conditions of the project environment in detail, ensuring that these records provide a comprehensive picture of the situation before interventions (e.g., “Photographs and reports documenting deforestation levels at project start”).

108.1.3.3.2. Benchmarking:

Define Targets:

- Set specific, measurable targets for what the project aims to achieve. These targets should be aligned with the project’s objectives and designed to track progress over time (e.g., “Aim for a 30% reduction in emissions over five years or a 20% increase in job placements within 18 months”).

Comparison with Standards:

- Benchmark project performance against industry standards, best practices, or global benchmarks to provide context for the results (e.g., “Compare the project's energy savings with national energy efficiency standards”).

108.1.3.3.3. Longitudinal Studies:

Tracking Over Time:

- Implement longitudinal studies to track changes over an extended period, allowing for an assessment of sustainability and long-term effects (e.g., “Conduct yearly environmental measurements to monitor biodiversity improvements over five years”).

Regular Follow-Ups:

- Conduct follow-up evaluations at set intervals, such as quarterly or annually, to monitor how the impact evolves and to track whether the project maintains its intended outcomes (e.g., “Annual surveys to assess job creation and income growth among beneficiaries”).

108.1.3.3.4. Comparative Analysis:

Industry Comparisons:

- Compare the project’s outcomes with similar projects in the same industry to contextualize performance. This helps determine whether the project is performing above, below, or at par with industry averages (e.g., “Compare the carbon emissions reductions achieved by the project with national averages for similar green energy initiatives”).

Contextual Impact:

- Use comparative data to better understand the project’s unique contributions and how it stacks up against similar efforts in the field. This helps in identifying whether the project has made a significant, differentiated impact (e.g., “Analyse how this project’s impact on local employment compares with other workforce development projects in the region”).

108.1.3.3.5. Adaptive Framework:

Flexibility in Adjustments:

– Adapt the impact model as new data or external conditions change. This may involve revising KPIs, adjusting methodologies, or adapting project targets to reflect real-time conditions (e.g., “Adjust emissions reduction targets if new technology improves energy efficiency midway through the project”).

Stakeholder Feedback:

– Incorporate feedback from stakeholders regularly to ensure the evaluation framework stays aligned with the project’s objectives and evolving needs (e.g., “Gather feedback from local communities and project partners to adjust strategies and ensure continued relevance”).

108.1.3.4. Ensuring Data Quality and Source Reliability

The integrity of the impact analysis is highly dependent on the quality of the data collected and the reliability of the sources used. Maintaining high standards in both areas is critical for credible evaluations.

108.1.3.4.1. Data Quality

Validated Data Collection Tools:

– Use industry-standard tools and technologies to ensure data accuracy and precision (e.g., environmental sensors for measuring air quality or advanced survey software to gather feedback). Tools should be validated to meet industry or scientific standards.

Error-Checking Protocols:

– Implement automatic error-checking mechanisms in data collection tools to minimize inconsistencies. For example, validation checks can be built into survey instruments to detect outliers or incomplete responses (e.g., “Surveys with mandatory fields and real-time data validation to avoid missing information”).

108.1.3.4.2. Source Reliability

Authoritative Sources:

– Rely on established and credible sources such as official government databases, peer-reviewed studies, or industry reports. Using trusted sources ensures that the foundation of the data is reliable (e.g., citing national statistical agencies or international research institutions for demographic data).

Verification of Sources:

– Cross-check key data points against multiple reliable sources to verify their accuracy. For instance, emissions data could be compared with government environmental reports or validated through independent studies (e.g., “Verify project results by comparing them with findings from third-party auditors”).

108.1.3.4.3. Data Validation

Cross-Referencing Methods:

– Validate collected data by comparing it with external, independent sources. This ensures the accuracy of results (e.g., “Verify energy consumption data against national energy reports or industry benchmarks”).

Regular Audits:

– Conduct regular internal audits of the data collection and management processes to ensure that the data remains accurate and consistent over time. These audits should review the entire data lifecycle from collection to reporting (e.g., “Quarterly data validation audits to check for discrepancies in reported metrics”).

108.1.3.4.4. Methodological Rigor

Scientific Precision:

– Employ rigorous, scientifically validated methods for data collection and analysis, such as statistical sampling techniques or controlled environments to minimize biases and errors (e.g., “Use randomized sampling to ensure representativeness in survey data”).

Transparency in Methodology:

– Clearly explain the data collection and analysis methodologies in reports to enhance transparency and accountability. This includes detailing the tools, techniques, and procedures used (e.g., “The methodology section outlines the use of stratified sampling and field surveys with GPS-based tracking for accuracy”).

108.1.4. Impact-KPI Evaluation Using C⁴-SMART Criteria

Evaluating Key Performance Indicators (KPIs) in the context of impact measurement is critical for determining the tangible success and progress of a project. KPIs provide quantifiable data that guides decision-making, optimizes resource allocation, and measures how effectively a project aligns with its strategic goals. A thorough evaluation of KPIs using the C⁴-SMART criteria (Clear, Concise, Consistent, Complete, Specific, Measurable, Achievable, Relevant, and Time-bound) ensures accurate and actionable insights, allowing for impactful adjustments to enhance project success.

108.1.4.1. Clear

KPIs must be clearly defined to ensure a shared understanding among all stakeholders about what is being measured. A clear KPI specifies exactly what is being tracked, the context in which it is measured, and how the data will be collected.

108.1.4.1.1. Defining Clear KPIs

Precise Terminology:

– Use standardized and well-defined terminology to ensure clarity and eliminate ambiguity. Rather than vague goals like "increase education," define specific, measurable outcomes (e.g., "Increase literacy rate by 10% among children aged 6-12 in Region Y").

Scope of Measurement:

– Clearly define the scope of what the KPI will measure. This includes specifying the population, sample size, timeframe, and units of measurement to ensure accurate and meaningful tracking (e.g., "Reduce CO2 emissions by 20% over 12 months for all manufacturing facilities in Region X").

108.1.4.1.2. Nuances of Metrics

Quantity and Quality:

– Incorporate both quantitative and qualitative aspects into the KPI to ensure a well-rounded assessment. For example, instead of only measuring the number of training sessions, assess the improvement in skills or knowledge as well (e.g., "Conduct 50 job training sessions and achieve a 15% improvement in participants’ employment readiness scores").

Balanced Metrics:

– Ensure that KPIs measure both outputs (e.g., number of sessions) and outcomes (e.g., the effectiveness or impact of those sessions) to provide a comprehensive view of the project’s success.

108.1.4.2. Concise

KPIs should be concise, focusing on essential metrics that directly measure the project's performance against its strategic goals. This makes it easier to manage KPIs and direct attention to what matters most.

108.1.4.2.1. Streamline KPIs

Focus on Core Metrics:

- Limit the number of KPIs to avoid overwhelming the team with excessive data points. Prioritize those metrics that are directly tied to the most critical aspects of the project's success (e.g., "Focus on 3-5 KPIs like 'Reduction in deforestation rate by 10%' or 'Increase in renewable energy usage by 15%' rather than 20 unrelated metrics").
- Eliminate non-essential KPIs that do not contribute to strategic goals, allowing more targeted and effective measurement.

108.1.4.2.2. Simplify Data Collection

Efficient Monitoring:

- Choose KPIs that are easy to measure and monitor consistently over time, without adding unnecessary complexity or administrative tasks. For example, automate data collection when possible (e.g., "Track monthly energy savings using automated metering instead of manual calculations").
- Use technology tools that simplify the process, such as dashboards or data analytics software, to streamline KPI tracking and reduce reporting efforts.

108.1.4.3. Consistent

Consistency in KPIs is essential for comparing performance over time. Standardized measurement techniques ensure that data collected across different periods, teams, or contexts is reliable.

108.1.4.3.1. Standardize Measurement Methods

Protocol Development:

- Develop and use uniform measurement tools and techniques across all reporting periods and locations. This ensures that data collection is consistent and comparable (e.g., "Use the same method for calculating carbon emissions across all company sites to avoid discrepancies in the data").

Training and Documentation:

- Train all personnel involved in data collection on the standardized procedures to ensure consistency. Provide clear, well-documented guidelines for each KPI measurement (e.g., "Conduct regular training sessions on how to use emission monitoring equipment and maintain a shared procedure manual").

108.1.4.3.2. Track Over Time

Longitudinal Comparisons:

- Measure KPIs consistently over time to track trends and assess performance changes. Use a fixed schedule for KPI tracking (e.g., "Measure energy consumption reductions quarterly over five years to assess long-term efficiency improvements").
- Establish timelines for data collection and ensure that the same measurement intervals are maintained for accurate longitudinal comparisons.

108.1.4.4. Complete

KPIs should cover all relevant dimensions of project performance to provide a holistic view. Completeness ensures that no key aspects of impact are overlooked.

108.1.4.4.1. Comprehensive Metric Selection:
Multiple Aspects of Impact

- Ensure KPIs capture both immediate outputs and long-term outcomes to provide a complete picture of the project's impact. For example, track short-term outputs like "Number of trees planted this year" and long-term outcomes such as "Survival rate of trees after five years."
- Balance quantitative and qualitative KPIs to assess both the scale of the project and the quality of its impact (e.g., "Number of participants trained" and "Percentage improvement in skills after training").

108.1.4.4.2. Evaluate Full Project Scope:
Project Logic Model

- Use the project's theory of change to create a logic model that identifies key inputs, activities, outputs, and outcomes. This comprehensive view ensures that KPIs reflect all critical elements of the project (e.g., "In a health initiative, measure both 'vaccinations administered' as an immediate output and 'long-term reduction in disease incidence' as a lasting outcome").
- Map each KPI to a specific stage in the project lifecycle, ensuring all aspects of the project are accounted for—from resources used to final impact (e.g., "Funds allocated for education programs" to "Increased literacy rates over five years").

108.1.4.5. Specific

Specific KPIs directly target aspects of performance that are closely aligned with the project's strategic goals.

108.1.4.5.1. Clear and Direct KPIs
Targeted Indicators:

- Pinpoint exact areas of focus by using KPIs that clearly measure specific aspects of the project. This ensures KPIs provide direct insights into performance (e.g., "Reduction in water consumption per unit of product produced" for a sustainability project).
- Eliminate vague metrics to avoid ambiguity and ensure KPIs directly measure the intended outcomes (e.g., avoid "improving water efficiency" and instead specify "reduce water usage by 20% per ton of product").

108.1.4.5.2. Alignment with Goals
Strategic Relevance:

- Ensure each KPI is directly tied to the strategic goals of the project. For example, if the project aims to improve literacy, the KPI should be specific to that objective, such as "Increase in reading comprehension scores by 15% among children aged 8-12."
- Regularly review KPIs to confirm they are aligned with the evolving objectives of the project and adjust if necessary to stay aligned with strategic priorities (e.g., "If the project shifts towards digital education, adjust KPIs to track digital literacy outcomes").

108.1.4.6. Measurable

KPIs must be quantifiable to allow for objective evaluation. Measurement criteria should be clearly defined, with specific metrics that can be tracked and assessed over time.

108.1.4.6.1. Quantifiable Metrics

Measurement Tools:

- Define the appropriate tools and methods for gathering data based on the specific KPI. Choose tools that best capture the information needed, such as surveys, emission sensors, or production tracking systems (e.g., "Use automated tracking systems to measure energy consumption in real-time").
- Data Collection Frequency
- Determine the frequency of data collection to ensure consistent tracking of progress. This should align with the project's timeline and goals (e.g., "Track school attendance rates monthly for 12 months to assess improvement").

108.1.4.6.2. Ensure Reliable Measurement

Validated Instruments:

- Use validated tools and methods to ensure the accuracy and reliability of the data being collected. This can include using verified software or equipment that meets industry standards (e.g., "Use verified software to track renewable energy production to ensure precision in reporting").
- Regular Calibration
- Regularly calibrate tools and measurement systems to maintain consistency and reduce the risk of data inaccuracies over time (e.g., "Calibrate emissions sensors every six months to ensure accuracy").

108.1.4.7. Achievable

KPIs must be realistic and attainable given the available resources, timeframe, and organizational capacity. Setting achievable goals promotes stakeholder engagement and prevents frustration.

108.1.4.7.1. Feasibility Check

Resource Assessment:

Evaluate available resources to ensure that the project has the necessary human, financial, and technical capacities to achieve the KPI targets. This assessment should include current staffing levels, budget, and technology (e.g., "Ensure there are enough trainers and financial support to train 500 employees within 6 months").

Identify potential resource gaps and address them before setting KPI targets (e.g., "If additional staff or budget is required for success, secure them beforehand").

108.1.4.7.2. Set Realistic Targets

Practical Goals:

- Set KPI targets that challenge the team but remain achievable based on the project's resources and timeline. Balance ambition with practicality to ensure the targets are motivating without being unrealistic (e.g., "Start with a 5% reduction in water usage in the first year, with a goal to increase to 15% over three years").

Progressive Scaling

- Establish scalable targets that allow for gradual improvement over time, aligning with the project's long-term objectives (e.g., "Begin with moderate goals and progressively increase them as capacity grows").

108.1.4.8. Relevant

KPIs must be relevant to the project's strategic goals and objectives, ensuring that they provide meaningful insights into progress and success.

108.1.4.8.1. Align KPIs with Strategic Goals

Impact Relevance:

- Ensure KPIs are directly tied to critical aspects of the project's success by linking them to overarching strategic goals. For example, if reducing energy consumption is a key objective, the KPI should measure relevant aspects of this goal (e.g., "Percentage reduction in energy use per square meter of office space").
- Evaluate the strategic importance of each KPI to confirm it directly contributes to long-term objectives (e.g., "Track carbon footprint reductions to align with sustainability goals").

108.1.4.8.2. Tailor to Local Context

Contextual Relevance:

- Adapt KPIs to fit the specific local environment and needs of the target population. This ensures that performance metrics reflect local challenges and opportunities (e.g., "Improving access to clean water in rural communities can be measured by the number of households with sustainable water solutions").
- Consider regional factors such as cultural, economic, or environmental conditions when designing KPIs (e.g., "In regions prone to drought, measure the efficiency of water-saving techniques alongside water access metrics").

108.1.4.9. Time-bound

KPIs must include a defined timeframe for achievement, creating a sense of urgency and providing clear deadlines for performance evaluation.

108.1.4.9.1. Set Clear Deadlines

Specific Timeframes:

- Assign a clear deadline or timeframe to each KPI to ensure measurable progress within a defined period (e.g., "Achieve a 20% reduction in plastic use within 12 months"). This ensures accountability and a sense of urgency in reaching targets.

Progress Milestones

- Break long-term KPIs into smaller, manageable milestones to facilitate ongoing monitoring and progress checks (e.g., "Achieve a 10% reduction in plastic use by month six, with a final target of 20% by year-end").

108.1.4.9.2. Time-Sensitive Metrics

Monitor Impact Over Time:

– Use time-bound metrics to regularly assess the project's progress toward meeting its targets within the set timeframe (e.g., "Track reductions in energy consumption quarterly to ensure ongoing improvement").

Adjustments Based on Progress:

– Review progress at regular intervals and adjust if the project is not on track to meet the deadlines (e.g., "If energy reductions are slower than anticipated in the first quarter, revise the approach to accelerate progress").

108.1.4.10. Examples of KPIs Using C⁴-SMART Principles in Impact Measurement

Below are examples of KPIs using C⁴-SMART principles in impact measurement. These illustrate how specific, measurable, achievable, relevant, and time-bound metrics can be applied to effectively track and communicate social and environmental outcomes.

Energy Efficiency:

- KPI: "Reduce electricity consumption by 15% in all facilities over the next 12 months, monitored through monthly energy meter readings."
  - ⇨ Clear: Specifies a 15% reduction in electricity use.
  - ⇨ Concise: Focuses solely on energy consumption.
  - ⇨ Consistent: Uses monthly meter readings for all facilities.
  - ⇨ Complete: Addresses a key environmental metric.
  - ⇨ Specific: Targets electricity consumption.
  - ⇨ Measurable: Quantified reduction with clear metrics.
  - ⇨ Achievable: Feasible based on historical data and capacity.
  - ⇨ Relevant: Aligns with environmental sustainability goals.
  - ⇨ Time-bound: Set for completion within 12 months.

Education Outreach:

- KPI: "Increase student enrolment by 20% within the next school year, tracked through official enrolment records."
  - ⇨ Clear: A 20% increase in student enrolment.
  - ⇨ Concise: Focuses on enrolment numbers.
  - ⇨ Consistent: Uses official enrolment records for tracking.
  - ⇨ Complete: Measures a key success factor for the program.
  - ⇨ Specific: Targets enrolment increase.
  - ⇨ Measurable: Quantified with official records.
  - ⇨ Achievable: Realistic given outreach and capacity.
  - ⇨ Relevant: Supports community education goals.
  - ⇨ Time-bound: To be achieved within one school year.

Conclusion: By applying the C⁴-SMART principles (Clear, Concise, Consistent, Complete, Specific, Measurable, Achievable, Relevant, Time-bound), organizations can develop KPIs that provide clear, actionable insights, ensuring alignment with strategic goals and impact objectives.

108.1.5. External Validation & Standards

External validation is a key process that ensures the objectivity, reliability, and credibility of a project's reported outcomes and methodologies. Subjecting the project's data and methodologies to independent expert review strengthens transparency, enhances the trustworthiness of the findings, and aligns the project with scientific rigor and industry standards. This validation reinforces the project's acceptance within the wider academic and industry communities.

108.1.5.1. Scientific Verification of Data and Methodologies

The first step in external validation involves a detailed scientific verification of the project's data and methodologies. This ensures that the data collection processes, analytical methods, and interpretation of results are robust, reliable, and adhere to scientific principles.

108.1.5.1.1. Data Quality Assessment

Error Checking:

- Scrutinize the dataset for errors like duplicate entries, inconsistencies, or conflicting values. For example, check for conflicting timestamps or data entries that don't match the expected format (e.g., multiple values for the same event).

Data Cleaning:

- Address missing or incomplete data by either excluding unreliable data points or using imputation techniques (e.g., statistical methods to estimate missing values). Ensure the dataset is free of noise and ready for analysis.

Validity Checks:

- Ensure data accuracy by confirming that the variables measured match the intended units and scales (e.g., “CO2 emissions are measured in metric tons, and energy consumption in kilowatt-hours”). Check if the data correctly represents the phenomena being studied.

108.1.5.1.2. Methodology Evaluation

Appropriateness of Methods:

- Assess whether the methods are suitable for answering the research questions. For example, use randomized controlled trials (RCTs) when determining cause-and-effect relationships for impact evaluations.

Application Accuracy:

- Ensure systematic application of data collection protocols, such as using consistent sampling methods and procedures throughout the data collection phases. Check if reliable instruments are consistently used (e.g., calibrated sensors for environmental data).

Bias and Error Minimization:

- Identify potential biases such as sample selection bias and implement strategies to mitigate them (e.g., blinding in experiments, using control groups, or random sampling techniques).

Statistical Analysis Verification:

- Verify the statistical analysis assumptions such as normality and homoscedasticity (equal variance) when using regression models. Confirm that the models used are suitable for the data and analysis, and check that results are correctly interpreted.

108.1.5.1.3. Model Appropriateness

Statistical Models:

- Confirm the use of appropriate statistical models based on the type of data. For example, logistic regression should be used for binary outcomes (e.g., success/failure), while linear regression is appropriate for continuous data.

Result Interpretation:

- Ensure that the conclusions are backed by the data and consider real-world implications. For example, check that statistically significant results are meaningful in practice (e.g., a small but statistically significant increase may not have practical importance).

108.1.5.1.4. Reproducibility and Replicability

Detailed Documentation:

- Provide thorough documentation of data sources, collection methods, and analytical procedures. This allows other researchers to reproduce the study, following the same steps to verify findings.

Protocol Transparency:

- Ensure transparency in research protocols by making them publicly accessible. This can include pre-registering studies or making reports and raw data openly available to allow for scrutiny and replication (e.g., "Upload the study protocol and analysis plan on a publicly accessible repository").

108.1.5.2. Cross-Checking with Independent Sources

Cross-checking project data with independent, reputable sources adds an additional layer of validation, ensuring the accuracy and reliability of the findings.

108.1.5.2.1. Comparative Data Analysis

External Data Comparison:

- Compare project data with relevant external datasets such as national statistics, industry reports, or regional studies. This provides a broader context for evaluating project results (e.g., "Compare project air quality improvements with national air quality monitoring data").

Trend Analysis:

- Analyse trends in project data and determine whether they align with trends reported by external sources. This helps to validate the project's impact within the broader context (e.g., "Is the reduction in project emissions consistent with regional reductions in emissions?").

Discrepancy Investigation:

- Investigate any significant discrepancies between the project's data and external sources. For example, if project water quality measurements differ from public databases, identify the cause and explain it (e.g., "Differences in water quality could be due to localized environmental factors or different measurement techniques").

108.1.5.2.2. Literature Corroboration

Systematic Literature Review:

- Conduct a thorough review of academic and industry studies to assess whether the project's findings align with existing knowledge in the field. Use this to validate or challenge the project's

results (e.g., “Review studies on renewable energy to ensure the project's outcomes are in line with established trends”).

Theoretical Alignment:

– Ensure the project’s findings are consistent with established theories or models in the field. For example, check if the renewable energy outcomes align with known clean energy adoption trends and projections.

Evidence Synthesis:

– Integrate the project’s findings with broader research to position the results within the larger body of knowledge. This helps contextualize the project and demonstrates how it contributes to or differs from established research (e.g., “How do the project’s water conservation outcomes contribute to or challenge existing knowledge on sustainable water management?”).

108.1.5.2.3. Peer Comparison

Benchmarking with Similar Projects:

– Identify similar projects or case studies and compare key performance indicators (KPIs) and outcomes. This helps to benchmark the project’s success and efficiency against others in the same field (e.g., “Compare energy efficiency improvements with peer renewable energy initiatives to evaluate relative success”).

Best Practices:

– Learn from the successes and challenges of other projects to refine the project’s approach. This can involve identifying innovative techniques or strategies used by peers to enhance project performance (e.g., “Adopt innovative monitoring techniques from successful peer projects to improve social impact assessment”).

108.1.5.3. Alignment with Established Standards and Benchmarks

Aligning the project with recognized standards and benchmarks helps ensure compliance with industry norms and enhances its credibility. This alignment ensures the project is not only effective but also meets external expectations for quality, safety, and ethical performance.

108.1.5.3.1. Compliance with Regulatory Standards

Legal Requirements:

– Ensure adherence to relevant laws and regulations governing the project. This includes compliance with GDPR for data privacy, environmental regulations like emissions limits, and any applicable local or international laws (e.g., “Ensure emissions stay within legally mandated limits for the region”).

Ethical Guidelines:

– Follow established ethical guidelines, especially when the project involves human participants. This includes obtaining informed consent, ensuring data confidentiality, and safeguarding participants’ rights (e.g., “Use anonymized data and ensure voluntary participation in all surveys”).

Safety Standards:

Comply with all health and safety standards related to the project’s operations. This might involve adhering to ISO standards for occupational health or ensuring that safety protocols are in place for all project phases (e.g., “Adopt ISO 45001 for workplace health and safety management”).

108.1.5.3.2. Adherence to Industry Standards

Quality Management Systems:

– Implement recognized quality management systems like ISO 9001 to standardize processes and maintain consistent quality across the project lifecycle (e.g., “Use ISO 9001 to ensure all deliverables meet quality benchmarks”).

Environmental Standards:

– Align with environmental management standards such as ISO 14001 to systematically monitor and mitigate the project's environmental impact (e.g., “Track emissions and resource use in compliance with ISO 14001 standards”).

Reporting Frameworks:

– Use established reporting frameworks like the Global Reporting Initiative (GRI) to standardize how project outcomes are disclosed, ensuring transparency and accountability in reporting (e.g., “Disclose social and environmental impact using GRI standards for clarity and transparency”).

108.1.5.3.3. Performance Benchmarking

Key Performance Indicators (KPIs):

– Define KPIs aligned with industry benchmarks to measure the project’s success relative to peers (e.g., “Track energy savings and compare them to the industry average to gauge performance”).

Continuous Improvement:

– Use benchmarking results to identify areas for improvement and enhance the project’s overall performance (e.g., “After benchmarking energy efficiency, adjust strategies to improve performance in the next cycle”).

108.1.5.3.4. Policy and Goal Alignment

Strategic Alignment:

– Ensure the project’s goals are aligned with the organization’s broader strategy and policy objectives, maintaining consistency between the project and overall mission (e.g., “Ensure that a sustainability project aligns with the company’s long-term environmental policy”).

Global Initiatives:

– Align with international frameworks such as the United Nations Sustainable Development Goals (SDGs) or the Paris Agreement to contribute to global objectives (e.g., “Track the project’s contribution to SDG 13: Climate Action”).

Stakeholder Expectations:

– Regularly check that the project meets stakeholder expectations, including those of investors, clients, and the community. Use feedback mechanisms to ensure the project remains aligned with these expectations (e.g., “Conduct stakeholder surveys quarterly to confirm alignment with investor and community expectations”).

108.1.6. Adaptive Risk Management

Adaptive risk management is essential for evaluating impact initiatives in dynamic environments. This methodology helps proactively identify, assess, and respond to emerging risks, ensuring project objectives remain on track under changing conditions. A thorough and flexible approach to risk management helps safeguard the project’s integrity and enhances the likelihood of achieving desired outcomes.

108.1.6.1. Flexibility

Adaptive risk management requires continuous identification, assessment, and mitigation of risks throughout the project lifecycle. Flexibility in this process allows for adjustments based on new data or changes in the project's environment, especially when relying on remote or digital data sources.

108.1.6.1.1. Continuous Risk Identification

Ongoing Risk Monitoring:

- Implement systems for constant risk monitoring using online tools, digital data repositories, and scientific publications. Set up regular virtual risk assessment meetings or track real-time data through online dashboards to catch emerging risks early (e.g., "Use online monitoring tools to track weather patterns for environmental projects or financial dashboards for economic indicators").

Research Updates:

- Stay current with the latest research and industry findings from reputable sources such as government websites, regulatory bodies, or industry reports. This helps to identify potential risks as they emerge (e.g., "Monitor regulatory changes related to emissions or data privacy using updates from relevant government agencies").

108.1.6.1.2. Assessment and Mitigation

Risk Evaluation:

- Use remote data analysis to evaluate identified risks. Apply risk matrices or use frameworks from online sources to prioritize risks based on their likelihood and impact (e.g., "Evaluate environmental risks by applying climate models available through online platforms like NASA Earth Observing System").

Develop Mitigation Strategies:

- Formulate mitigation strategies based on remote data, leveraging predictive models or online risk assessment tools. Create contingency plans informed by digital data on economic, regulatory, or environmental trends (e.g., "Develop economic downturn response strategies using real-time financial data from online market trackers").

108.1.6.1.2. Responsive Adaptation

Adapt to New Information:

- Adjust risk management plans when new risks or data emerge. Use online databases or research platforms to access updated information and adjust project strategies as needed (e.g., "If financial websites show a downturn, revise project timelines or budget allocations in response to shifting market conditions").

Ongoing Evaluation and Adjustment:

- Review and revise risk strategies regularly as new data becomes available to ensure continued alignment with project goals and external conditions (e.g., "Reassess risks quarterly based on updated environmental forecasts or policy changes").

108.1.6.2. Dynamic Strategies

An adaptive approach enables dynamic strategies that evolve as risks change. This ensures resilience in environments where risks are identified through remote or digital sources and allows projects to pivot effectively as situations evolve.

108.1.6.2.1. Active Strategy Formulation

Flexible Planning:

- Develop adaptable strategies that can be easily modified as new risks are identified through continuous online monitoring. For instance, regularly adjust investment strategies based on updates from financial forecasting websites or emerging economic trends (e.g., "Modify investment allocations in response to sudden market shifts indicated by financial forecasting tools").

Integrated Planning Tools:

- Use scenario-based planning tools that incorporate data from remote sources to adjust project timelines or goals in response to risks. These tools help simulate various outcomes, offering flexible paths forward (e.g., "Use online scenario tools to simulate the impact of supply chain disruptions and adjust project objectives accordingly").

108.1.6.2.2. Scenario Planning

Future Risk Modelling:

- Create risk scenarios based on data from international organizations like the World Bank, IMF, or other trusted sources. This allows for the anticipation of potential future states and helps in preparing for various possibilities (e.g., "Model global market shifts and their impact on project viability using World Bank data").

Data-Driven Risk Scenarios:

- Integrate academic research and industry reports into scenario planning to forecast how external changes might affect the project (e.g., "Use academic papers on climate change projections to model future environmental risks for long-term sustainability projects").

108.1.6.2.3. Real-Time Adjustments

Live Risk Monitoring:

- Implement online dashboards or live alert systems to monitor risks in real-time, allowing for quick adjustments when necessary. These tools can track changes in regulations, market conditions, or environmental factors (e.g., "Use a digital risk management platform to track real-time changes in regulatory requirements and respond immediately").

Immediate Response to Emerging Threats:

- Use live data to make prompt decisions and adjust project strategies as soon as new risks are detected. This ensures the project remains resilient to changing external conditions (e.g., "If a new regulation is passed, quickly adjust compliance strategies to stay aligned with legal requirements").

108.1.6.3. Proactive Measures

Proactive identification of risks allows for early mitigation efforts, helping to address potential issues before they become significant challenges. This is particularly important in environments where risk information is sourced from online platforms.

108.1.6.3.1. Regular Risk Assessments

Periodic Online Evaluations:

- Conduct quarterly or monthly risk assessments using online tools or virtual audits to stay ahead of potential risks. This could include using compliance monitoring platforms to ensure alignment with changing regulations (e.g., "Use virtual compliance checks to assess new regulatory requirements and ensure project adherence").

Comprehensive Risk Reviews:

- Gather feedback from stakeholders through online platforms, such as surveys or virtual meetings, to assess emerging risks from different perspectives. This provides a broader view of potential challenges (e.g., "Use an online stakeholder engagement tool to collect feedback on emerging risks related to supply chains").

108.1.6.3.2. Practical Mitigation Strategies

Data-Driven Mitigation Plans:

- Develop mitigation strategies based on remote data, utilizing market analyses, threat intelligence reports, and other online resources. This helps to respond quickly to emerging threats (e.g., "Adjust the business model in response to cybersecurity risks identified through threat intelligence reports").

Scenario-Specific Planning:

- Tailor mitigation plans to specific risk scenarios based on the insights gained from online sources, such as industry forecasts or economic projections, to prepare for different possibilities.

108.1.6.3.3. Preventive Actions

Online Learning and Training:

- Offer ongoing training and education for staff based on emerging risks, using online courses, webinars, or e-learning platforms. This ensures the team is equipped to handle new challenges (e.g., "Provide cybersecurity training to mitigate risks identified in digital threat reports").

Protocol Updates:

- Regularly update protocols and procedures in line with the latest industry standards or best practices published online by regulatory bodies or professional organizations (e.g., "Adopt new safety protocols from digital reports by international safety organizations to ensure up-to-date practices").

108.1.6.4. Stakeholder Engagement

Remote engagement with stakeholders in risk management is essential for ensuring comprehensive risk identification and collaborative mitigation efforts. This approach enhances transparency and ensures that all relevant parties are involved in managing project risks effectively.

108.1.6.4.1. Stakeholder Involvement

Virtual Workshops and Focus Groups:

- Engage stakeholders in the risk assessment process by hosting virtual meetings, workshops, or focus groups to gather diverse insights and feedback. This allows stakeholders to share concerns and provide input on potential risks (e.g., "Conduct online focus groups with community members to assess social risks in a community development project").

Online Surveys:

- Use digital surveys to collect stakeholder feedback on potential risks, their priorities, and mitigation preferences. This method ensures broad participation and quick data collection (e.g., "Distribute surveys to gather feedback on environmental risks and concerns from local communities").

108.1.6.4.2. Collaborative Mitigation

Joint Planning Tools:

- Use collaborative online platforms like Asana, Trello, or Microsoft Teams to co-create risk mitigation strategies with stakeholders. These tools allow for real-time updates, feedback, and collective

decision-making (e.g., "Collaboratively develop risk management plans using shared project boards on Trello with local partners").

Coordinated Response Plans:

– Develop and refine mitigation strategies together with stakeholders to ensure alignment. This fosters a sense of ownership and responsibility among all participants in managing risks (e.g., "Refine response strategies for natural disasters in collaboration with local authorities and community representatives").

108.1.6.4.3. Communication and Transparency

Digital Communication Channels:

– Maintain clear and transparent communication about risks, mitigation efforts, and progress using digital channels such as webinars, email newsletters, or online reports. Regular updates keep stakeholders informed (e.g., "Send quarterly email newsletters with updates on the latest risk assessments and mitigation plans").

Accessible Reporting:

– Ensure stakeholders have easy access to risk management documentation by providing reports, dashboards, and other materials through shared platforms or websites (e.g., "Provide access to risk mitigation plans and progress reports via a secure online portal for all project stakeholders").

107.1.6.5. Examples of Adaptive Risk Management in Practice

Renewable Energy Project:

– Risk: Changing regulations on energy subsidies.
– Adaptive Strategy:
– Use online regulatory databases to continuously monitor updates in energy subsidy policies. Adjust project timelines or financial strategies based on the latest regulations (e.g., "If subsidies are reduced, modify the budget or delay certain phases to manage costs effectively").

Community Health Initiative:

– Risk: Emerging public health crises.
– Adaptive Strategy:
– Monitor global health data from reputable sources like the WHO or CDC to stay informed about new health threats. Update healthcare delivery plans in real time based on outbreak data or new health advisories (e.g., "Reallocate resources or adjust treatment protocols during a sudden disease outbreak").

Environmental Conservation Program:

– Risk: Climate change impacts.
– Adaptive Strategy:
– Use scenario modelling from international climate bodies like the IPCC to anticipate future climate conditions. Adapt conservation strategies based on real-time climate projections and evolving environmental conditions (e.g., "Modify reforestation plans to account for shifting weather patterns or increased drought risks").

By employing these adaptive risk management techniques, projects can effectively navigate dynamic environments, mitigating risks while maintaining focus on achieving desired impacts. The integration of flexibility, dynamic strategies, proactive measures, and stakeholder engagement ensures a robust and responsive approach to risk management.

7

108.1.7. Certify Impact & Quality

Certifying the impact and quality of a project is crucial for formally verifying its success and adherence to high standards. This process results in the issuance of a certification that documents critical information about the project's achievements. The certification must be based on verifiable data, collected and validated through remote sources, ensuring transparency and credibility without the need for on-site visits.

108.1.7.1. Certification Standards

Certification should adhere to recognized global standards and provide clear documentation of how the project aligns with these frameworks. Emphasizing remote assessment is key, especially when in-person verification is not feasible.

108.1.7.1.1. Impact Model Overview

Project Objectives and Outcomes: Describe the project's impact model, explaining how it contributes to measurable social, environmental, or economic improvements. Be concise, focusing on how the project addresses real-world challenges (e.g., "This renewable energy project aims to reduce emissions and improve air quality while providing energy access to underserved regions").

- Example: A renewable energy project aims to reduce carbon emissions, leading to improved air quality and increased energy access for communities lacking electricity.

108.1.7.1.2. Key Performance Indicators (KPIs)

List of KPIs: Detail the KPIs used to track progress and measure the project's impact, ensuring they align with the United Nations Sustainable Development Goals (SDGs) for global relevance (e.g., "KPIs for education projects might include 'percentage increase in school enrolment' or 'improvement in literacy rates'").

- Example: A project promoting education (aligned with SDG 4) could use KPIs like "percentage increase in school enrolment" and "improvement in literacy rates among students aged 6-12."

108.1.7.1.3. Alignment with SDGs and Targets

SDG Alignment: Clearly link each KPI with relevant SDG targets to demonstrate how the project contributes to global development efforts (e.g., "A KPI for reducing carbon emissions aligns with SDG 13: Climate Action, particularly Target 13.2, which focuses on integrating climate change measures into policies and planning").

- Example: A KPI for "reducing carbon emissions by 20% within five years" aligns with SDG 13 on Climate Action, particularly Target 13.2, which calls for integrating climate change measures into policies and strategies.

108.1.7.1.4. Executive Summary

Project Overview: Provide a high-level summary of the project, including key objectives, timeline, milestones, and achievements, and verify these through remote assessments where applicable (e.g., "The project aims to improve rural healthcare access through digital platforms, verified using remote health data tracking and online community surveys").

- Example: "This project aims to enhance rural healthcare access via digital platforms, verified through remote health data tracking, reducing wait times for medical consultations by 30% within the first year."

108.1.7.2. Evaluation Process

The certification must clearly outline the methods used to evaluate the project's impact, focusing on verification through remote data collection and analysis.

108.1.7.2.1. Data Sources

List of Sources: Provide a comprehensive list of all data sources used for evaluation, explaining how data was collected remotely. This ensures stakeholders understand the origin of the data and its credibility (e.g., "Remote sensing for environmental monitoring, public government databases for demographic information, third-party evaluation reports for project outcomes").

- Example: For an environmental project, use remote sensing to monitor deforestation, public databases for local demographic data, and third-party reports for independent evaluation.

108.1.7.2.2. KPI Measurement & Analysis

Explanation of Measurement Tools: Describe the methods and tools used to measure KPIs, highlighting remote data collection and analysis techniques (e.g., "Satellite imagery to track deforestation, online surveys to assess community health improvements"). This demonstrates how KPIs were measured and validated remotely.

- Example: Use satellite imagery to measure changes in forest cover and online health surveys to monitor improvements in community well-being as part of a public health initiative.

108.1.7.2.3. Alignment with SDG Targets

Target Achievement Verification: Detail how KPIs align with specific SDG targets and how their achievement was measured through remote tools (e.g., "Tracking renewable energy adoption using online energy consumption tools aligned with SDG 7: Affordable and Clean Energy").

- Example: Monitor renewable energy adoption rates using smart meters and energy consumption databases, linking to SDG 7, which focuses on ensuring access to affordable, reliable, and clean energy.

108.1.7.2.4. Quality Assurance

Verification Process: Explain the processes used to ensure data accuracy and reliability, such as remote audits, third-party validation, or peer reviews. This provides transparency and trust in the data collection process (e.g., "Third-party remote audits verifying compliance with environmental impact reporting standards").

- Example: Conduct remote third-party audits to verify compliance with international environmental standards, ensuring the accuracy of emissions reduction reporting.

108.1.7.3. Certification of Compliance and Credibility

This section confirms that the project's data, methods, and outcomes have been thoroughly validated using remote verification methods and that it complies with established global standards.

108.1.7.3.1. Verification Summary

Remote Data Verification: Summarize how project data and outcomes were verified remotely, ensuring transparency in the validation process (e.g., "The project's environmental impact was confirmed using remote satellite imagery and third-party certification of carbon reduction claims").

- Example: For an environmental project, remote satellite imagery confirmed reductions in deforestation, and a third-party organization certified carbon reduction claims.

108.1.7.3.2. Compliance with SDG Targets

Alignment with Global Standards: Clearly state how the project contributes to specific SDGs and ensures compliance with their targets (e.g., "This clean water access project aligns with SDG 6 by ensuring compliance with global water quality management standards").

- Example: A project promoting clean water access aligns with SDG 6, ensuring compliance with international water quality standards and regularly monitored through remote sensors for water quality data.

108.1.7.3.3. Stakeholder Communication

Remote Stakeholder Engagement: Describe how stakeholders were involved throughout the project and how findings were communicated through digital platforms (e.g., "Regular virtual consultations were held, and transparent reporting was shared via online platforms to ensure continuous feedback and accountability").

- Example: Virtual stakeholder consultations were conducted throughout the project, and project progress reports were shared through an online dashboard, allowing real-time feedback and ensuring accountability.

108.1.7.4. Continuous Improvement and Future Goals

Certification should not only acknowledge past achievements but also emphasize the project's commitment to ongoing improvement, particularly in relation to future contributions to the SDGs.

108.1.7.4.1. Commitment to Ongoing Impact

Future Plans: Outline how the project will sustain or enhance its impact over time, especially in continuing alignment with SDG goals (e.g., "Commit to reducing carbon emissions by an additional 10% over the next five years in alignment with SDG 13 on climate action").

- Example:The project will aim to reduce carbon emissions by another 10% over the next five years, further contributing to SDG 13: Climate Action and improving air quality in the region.

108.1.7.4.2. Review and Update Mechanism

Periodic Reviews: Establish a regular review process to assess and update the project's progress, ensuring ongoing alignment with evolving SDG targets and new developments (e.g., "Conduct annual remote assessments to update KPIs based on changing environmental regulations or sustainability goals").

- Example: Annual remote assessments will be conducted to reassess KPIs, adjust targets in response to new environmental regulations, and ensure alignment with long-term sustainability goals.

108.1.7.4.3. Ongoing Stakeholder Engagement

Stakeholder Involvement: Continue engaging stakeholders by sharing progress updates and gathering feedback through digital tools. This ensures stakeholders remain informed and can contribute to ongoing project development (e.g., "Host quarterly virtual stakeholder meetings to discuss progress and update goals related to community development, aligned with SDG 11 for sustainable cities").

- ➲ Example:Host quarterly virtual meetings with stakeholders to provide updates on community development initiatives, gathering feedback on progress and future goals, ensuring alignment with SDG 11: Sustainable Cities and Communities.

B. IMVS 109: Tools of IMVS

The following section presents the tools used for systematically capturing and evaluating impact. These instruments are essential for accurately gathering all relevant data and providing a thorough analysis of the social and environmental effects of projects and initiatives. They ensure a comprehensive and transparent assessment, enabling the measurement of progress and substantiating the commitment to creating verifiable positive impact. From the initial onboarding phase to the final certification, these tools guide the entire impact verification process, ensuring consistency and rigor throughout.

109.1. Tool overview- Introduction to Impact Tools

The following tools are designed to ensure a structured and thorough approach to capturing and verifying impact. Questionnaire (I) and Questionnaire (II) gather essential information on the organization and its impact initiatives. The Customer Profile provides a detailed view of the stakeholders involved. The Impact Model offers a framework for evaluating social and environmental outcomes, while the Checklist ensures all necessary steps are completed. Finally, the Certificate serves as formal recognition of verified impact, completing the process.

- **Questionnaire (I)**
- **Questionnaire (II)**
- **Customer Profile-Impact Model**
- **Auditors Checklist**
- **IMVS Audit Report**
- **IMVS Impact Certification**

109.1.1. Onboarding Questionnaire (I): The Essential First Step Toward Impact Verification

The onboarding questionnaire for Certification serves several critical functions in facilitating the process of validating and certifying a company's social and environmental impact. This form is designed to gather detailed, structured information from companies seeking certification, ensuring that the certification process is thorough, transparent, and tailored to each organization's specific activities and goals. Below is an explanation of the purpose and usefulness of this questionnaire:

Purpose and Importance of the Onboarding Questionnaire

1. Data Collection for Accurate Certification

The onboarding questionnaire is essential for collecting all relevant data regarding a company's structure, operations, and impact initiatives. This structured form helps in assessing the company's current activities

and objectives, ensuring that the certification process is built on a solid understanding of the company's core business practices and impact goals. It allows for a methodical approach to evaluating the company's performance, starting from its legal entity and scope of operations down to specific projects and their impact areas.

2. Tailored Certification Process

By asking for detailed company information, such as the geographic scope of operations, company size, and NACE code (which defines the company's primary activities), the certification process is unique to the context of each applicant. This customization ensures that the evaluation of a company's impact is relevant to its industry, scale, and regional operations, making the certification both more accurate and meaningful.

3. Structured Impact Assessment

In the second section, the questionnaire dives into the company's specific impact projects. This structure is crucial for understanding each project's objectives, outcomes, and co-benefits. By gathering detailed information on project goals (whether environmental, social, economic, or cultural), and asking for a summary or 'pitch,' the auditor gains insights into how each initiative contributes to the broader goals of sustainability and positive change. The level of detail requested (e.g., project duration, specific SDGs addressed) helps in constructing a precise and comprehensive assessment framework for each project.

4. Clear Communication and Feedback

The form is designed to ensure clear and effective communication between the company and the auditor. By encouraging companies to provide as much detail as possible in a concise manner, it minimizes misunderstandings and provides a straightforward path for consultants to evaluate and respond. It also allows for flexibility, offering fields for optional additional information if companies feel that specific nuances need to be addressed.

5. Alignment with Global Standards (SDGs)

By allowing companies to align their projects with the Sustainable Development Goals (SDGs), the form ensures that the impact being measured is framed within a globally recognized standard. This alignment not only strengthens the credibility of the certification but also positions companies to show their contributions toward broader, internationally recognized objectives.

How the Questionnaire Supports the Certification Process

- **Efficiency and Ease of Use**: The questionnaire is structured in a way that is easy to follow and typically takes only 10-15 minutes to complete. This makes the onboarding process efficient, ensuring that companies can provide the required information without an undue time burden.
- **Foundation for Impact Verification**: This form serves as the foundation for the verification process. By capturing key company information and specific details about impact initiatives, the auditor can accurately assess a company's efforts and provide a certificate that reflects real, measurable progress.
- **Guiding the Company's Sustainability Journey**: For companies new to the process, the form provides an opportunity to clearly articulate their sustainability efforts and receive expert feedback on how to enhance their impact strategies. This is especially important when certification initially appears

unattainable, as auditors can guide companies on improving their practices to meet the required standards.

The onboarding questionnaire is an essential tool in the certification process. It provides a structured way to gather all necessary information about a company's operations and specific impact projects, allowing the auditor to tailor its evaluation and feedback. By focusing on clear communication, alignment with global standards (like the SDGs), and a flexible yet comprehensive structure, the questionnaire sets the foundation for a successful and meaningful impact verification journey. This process not only certifies a company's commitment to positive change but also helps them improve their sustainability strategies, ultimately leading to a stronger global impact.

Table e: Overview Onboarding Questionnaire (I)

Onboarding Questionnaire (I)
Validating impact is crucial as it provides evidence of the real change you're making. It's like putting your accomplishments on display, showing the world the difference, your efforts bring. By undergoing impact verification, you're not just talking about change – you're proving it.
Our process begins with a careful study of your organization. This sets the groundwork for our joint effort to shape a sustainable future. The detailed form you'll complete usually takes around 10-15 minutes. This form marks the initial step in your journey with us. It offers us an initial understanding of your work and your approach to creating a positive impact. We recommend that you become familiar with the necessary documents and information beforehand to make the process more efficient Your careful and thoughtful input sets the foundation for a seamless journey. Following the submission of your precise details, expect to receive prompt communication from our seasoned consultants within 1-2 days. In instances where certification may initially appear unattainable, our consultants are prepared to work closely with you to explore options for finalizing the process, subject to mutual agreement. As we continuously improve our methods, your valuable suggestions and questions are always welcome at: certification@loomimpact.com. We warmly invite you to join us in shaping a prosperous future with the power of certified impact!

Section 1: Company Information	
1. Company Name (as registered):	[Text field, 1-50 words]
2. Department (optional):	[Text field or leave blank, 0-30 words]
3. Registered Headquarters Address (Street, City, Postal Code, Country):	Street: [Text field, 1-100 characters] City: [Text field, 1-50 characters] Postal Code: [Text field, 1-15 characters] Country: [Dropdown menu]
4. Legal Business Entity: Specify your business's legal structure (e.g., LLC, Corporation, Partnership).	[Text field, 1-50 words]

5. Business Registration Number (incl. trade or tax): Provide official business registration number and relevant trade or tax identification.	[Text field, 1-20 words]
6. Company Size:	Dropdown menu with available options] (e.g., Micro: 1-10 employees, Small: 11-50 employees, Medium: 51-250 employees, Large: 251+ employees)
7. Year of Company Establishment (e.g., 2005):	[Text field, 4 digits]
8. Primary Contact Full Name (First Name, Last Name):	Title: [Dropdown menu with available options] (e.g., Mr., Mrs., Ms., Prof., Dr.) First Name: [Text field, 1-25 characters] Last Name: [Text field, 1-25 characters]
9. Title of Contact Person (e.g., CEO, Manager, Coordinator):	[Text field, 1-30 words]
10. Contact Person's Email Address:	[Text field, min. 5 characters (e.g., a@b.c), max. 100 characters]
11.Contact Person's Phone Number:	[Text field, min. 5 characters, max. 20 characters]
11. Company Website/URL:	[Text field, min. 5 characters (e.g., http://), max. 100 characters]
12. Geographic Scope of Operations (countries/regions of impact activities):	[Text field, 1-50 words]
13. Please provide the NACE code that best represents your main activities (or enter your own description if you don't find a suitable match in the list). If needed, you can find more information about NACE codes here: https://nacev2.com/de	Choose: [Dropdown menu with available options] / [Text field, 1-30 words]
14. Briefly describe your company's core business activities and operations:	[Text field, min. 10 words, max. 150 words]

Great! Now it's time to take the next step towards showcasing your impact project. Please provide us with the necessary details to help us better understand your initiative.

Please share more about the project's impacts and their related co-benefits. If there are multiple impact goals within your project, kindly provide key details for each. Keep in mind that impacts are often intertwined with co-benefits. Also, consider that different impacts within the same project require separate evaluations. Please specify how many projects you'd like to have assessed and indicate how many co-benefit ideas/initiatives relate to each project. If you have any questions or if something isn't clear, please don't hesitate to reach out to us. We're here to help and provide assistance.	[Dropdown menu with numbers]
	[Dropdown menu with numbers]

Section 2: Project Details and Impact Assessment	
1. Project Name or Initiative you would like to have audited:	[Text field, 1-50 words]

2. Geographic Area(s) of Impact (countries, regions):	[Text field, 1-50 words]
3. Is the project ongoing or completed?	[Dropdown menu with options: Ongoing, Completed]
4. If the project is ongoing, please provide the projected duration: [Start Date] - [End Date] (if applicable)	[Date picker] - [Date picker]
5. Please select the specific impact type you intend to verify. Choose either from a list of SDGs or from a list of various impact categories that may align better with your goals.	choose: [Dropdown menu with SDGs] or [Dropdown menu Categories]
6. Now let's get more specific. What are the main objectives of your impact assessment? What specific issue are you aiming to address? (Please explore the various predefined categories in the dropdown menu.)	[Dropdown menu with options: Environmental Goals, Social Goals, Economic Goals, Cultural Goals (including relevant subcategories).]
7. Please, give us a quick summary of what your project/initiative is about and what you aim to achieve. Essentially, provide a 'pitch' that explains what you do and why.	[Text field, min. 10 words, max. 150 words]
8. In case our questions haven't covered everything you'd like to mention, please give a brief description of the activities connected to each impact type you've selected. (optional)	Optional [Text field min. 10 words, max. 150 words each]

Thank you for taking the time to complete the questionnaire. Your input is valuable to us. We will review your responses and will be in touch within 1-2 days to discuss the next steps. If you have any further questions or need assistance, feel free to reach out to us.

109.1.2. Onboarding Questionnaire (II): A step deeper into impact

The Onboarding Questionnaire (II) is designed to explore the impact framework of a business or project in more detail. It gathers essential information about the impact model and key KPIs, serving purely as a data collection tool. This data forms the basis for the subsequent IMVS audit, rather than performing any direct impact assessment or verification.

The questionnaire (II) is structured to achieve the following key purposes:

1. Refinement of Impact Clarity

This section focuses on refining and clarifying the specific activities and outcomes of your project, categorized across environmental, social, economic, and cultural dimensions. By providing detailed descriptions of these impact types, the tool ensures that the project's goals are clearly articulated and understood in their specific context. This clarity allows for a more precise evaluation of how each initiative contributes to broader objectives, such as sustainability, social equity, or economic development.

2. Definition and Collection of Key Performance Indicators (KPIs)

One of the most critical aspects of impact verification is defining appropriate KPIs for each selected impact type. This questionnaire guides you through the process of selecting and describing KPIs that best represent the measurable outcomes of your project. It goes beyond surface-level metrics by specifying units of measurement, the frequency of data collection, and the status of data collection, ensuring that all aspects of the project's impact are captured comprehensively and consistently. This step ensures that the impact can be tracked over time and that progress toward goals can be quantified in meaningful ways.

3. Methodology for Impact Calculation

The tool delves into the specific methods and tools used to gather data for each KPI. This includes outlining how data is collected (e.g., through surveys, sensors, or financial records) and how the data is processed and translated into actionable insights. It encourages users to specify any formulas or models used in calculating the impact and provides the option to upload supporting data (e.g., Excel files) for transparency. Additionally, it asks whether external benchmarks or industry standards are used for comparison, which helps validate the significance of the project's impact in a broader context.

4. Verification of Data Accuracy and Validity

Ensuring data accuracy is critical in the impact verification process. This section of the questionnaire focuses on the reliability of the data provided by requiring a detailed explanation of how the baseline measurements were established and the steps taken to maintain data integrity (e.g., through audits or external validation). It also explores how the methodology used for calculating the impact has been verified, ensuring that the chosen data and methods accurately reflect the project's real-world outcomes.

5. Assessment of Progress Toward Objectives

The questionnaire offers a mechanism to assess the degree of accomplishment toward the project's intended objectives. By specifying whether the impact has been fully, partially, or not yet achieved, this tool provides a clear overview of progress. It also allows for continuous tracking and comparison of progress across various stages of the project lifecycle, ensuring that any deviations from expected outcomes can be identified and addressed early.

6. Addressing Challenges and Limitations

In addition to collecting positive data, this tool also prompts reflection on potential challenges or limitations in data collection and impact measurement. This can include issues such as difficulties in accessing reliable data sources or obstacles encountered in applying industry standards. By addressing these challenges upfront, the tool ensures that any uncertainties in the data or methodologies are acknowledged and factored into the impact analysis.

Purpose and Value

The Onboarding Questionnaire Step II is not just about data collection; it's part of a system designed to verify impact with a focus on accuracy, transparency, and accountability. It guides organizations through the process of impact measurement—from defining KPIs to validating outcomes—ensuring that all relevant aspects of a project are documented and verifiable. This facilitates both internal assessment of project effectiveness and external validation, allowing organizations to clearly and credibly demonstrate the value of their initiatives.

In essence, this tool transforms qualitative ambitions into quantitative, measurable results, ensuring that the impact of your initiatives can be assessed, validated, and communicated with confidence.

Table f : Overview onboarding questionnaire (II)

Onboarding Questionnaire Step II

Hello and welcome to the next step of our onboarding journey! We're thrilled to have you on board as we dive into the process of verifying the impact of your initiatives. Your dedication to transparency and accountability is a driving force for positive change. By providing us with crucial details, you're an integral part of our mission to create a tangible impact. Thank you for joining us on this impactful adventure! In the upcoming questionnaire, you'll find inquiries vital for the verification of your impact. Take your time in addressing these questions, and don't hesitate to reach out if any uncertainties arise; we're here to assist you every step of the way.

First, we need some additional information about your project. Your insights will pave the way for a comprehensive understanding of your initiative's impact.

Section 1: Enhancing Impact Clarity and Verification: Project Details and Collaborations	
1.Kindly summarize again the specific activities associated with each impact type you've chosen. For instance: - Environmental: Implementing carbon offset initiatives and waste reduction campaigns. - Social: Organizing skill development workshops and fostering community engagement.	Environmental: [Text field, 1-50 words] Social: [Text field, 1-50 words] Economic: [Text field, 1-50 words] Other: [Text field, 1-50 words]
2. Does your organization currently hold any certificates, reports, or frameworks related to impact? If you have one or more certificates, please select the relevant option from our categorized list or specify it in the text field.	[Checkbox:Yes/No], [Dropdown menu with categorized options: LEED, B Corp, ISO 14001, Fair Trade, None], [Textfield: Others, 1-5 words]
3. Is your project aligned with any international standards, guidelines, or frameworks for impact verification? (e.g., UN SDGs, Global Reporting Initiative)	Yes, [Text field, 1-30 words] No
4. If you collaborated with third-party data providers for impact verification, please provide details about their involvement and role in data collection. (e.g., External agency responsible for data validation and auditing)	Yes, [Text field, 1-100 words] No

Welcome to the next phase of our impact assessment journey. In this section, we will dive into the Key Performance Indicators (KPIs) that help quantify and evaluate the outcomes of your initiatives. Your insights will contribute to a comprehensive understanding of the positive changes your projects are affecting.

Section 2: Impact Types and KPIs	
1. Please list the Key Performance Indicators (KPIs) that were utilized to quantify impact for each selected impact type. You may choose multiple KPIs if applicable	- Environmental: [Dropdown menu with options: Carbon emissions, Energy efficiency, Waste reduction, Water usage, Other] - Social: [Dropdown menu with options: Community engagement, Employee satisfaction, Diversity metrics, Health and safety, Other] - Economic: [Dropdown menu with options: Job creation, Local economic growth, Revenue generation, Cost savings, Other]

	- Cultural: [Dropdown menu with options: Cultural preservation initiatives, Community involvement, Artistic programs, Heritage conservation, Other]
2. Specify the measurement unit for each indicator (e.g., Kilograms, Participants).	- Environmental: [Dropdown menu with options: Kilograms, Metric Tons, Liters, etc.] - Social: [Dropdown menu with options: Participants, Events, Surveys, etc.] - Economic: [Dropdown menu with options: USD, Euros, Local Currency, etc.] - Cultural: [Dropdown menu with options: Artifacts, Exhibitions, Workshops, etc.]
3. Explain how the chosen unit of measurement aligns with the intended outcome (e.g., Carbon reduction measured in kilograms supporting environmental goals).	Environmental: [Text field, 1-50 words] Social: [Text field, 1-50 words] Economic: [Text field, 1-50 words] Cultural: [Text field, 1-50 words]
4. Indicate the frequency of data collection for each KPI (e.g., Monthly, Annually).	[Dropdown menu with options: Daily, Weekly, Monthly, annually]
5. Provide the start date of data collection for each indicator (Date).	[Date picker]
6. Describe the current status of data collection for each KPI (e.g., Ongoing data collection for all KPIs)	[Dropdown menu with options: Ongoing, Completed, Not Started]
7. Specify the expected or actual completion date for data collection (Date).	[Date picker]
8. Summarize the degree of accomplishment towards the project's objectives.	[Dropdown menu with options: Fully Achieved, Partially Achieved, Not Achieved]

Welcome to the heart of our impact assessment journey! In this section, we'll delve deeper into the metrics and methodologies that underpin the quantification of your project's impact. By delving into the methodologies, tools, and challenges of impact calculation, we're aiming for a comprehensive understanding of your initiatives' outcomes. Your insights here will provide us with invaluable context to ensure the accuracy and credibility of the impact verification process. Let's proceed with these essential details!

Section 3: Impact Calculation and Methodology	
1. What methods or tools are utilized to gather data for each KPI? (e.g., Surveys, IoT sensors)	[Dropdown menu with options: Text data collection, Surveys, IoT sensors, financial records]
2. Could you elaborate on the formula or equation employed to derive the impact value from the collected data? (Description of methodology)	[Text field, 1-100 words]
3. Optional: You have the option to upload an Excel spreadsheet that demonstrates the impact calculation process. (File upload)	[File upload]
4. Do you include external benchmarks or industry standards in your project? If yes, please provide more details. You can also choose from the list below.	[Dropdown menu with options: Yes, No] + [Text field, if applicable] / [Dropdown menu with options]
5. Are there any challenges or limitations encountered in the data collection process for impact calculation? Alternatively, you can select from the options below.	[Text field, 1-100 words] / [Dropdown menu with options]

Welcome to the Verification Approach section! You're almost there on your impact verification journey. In this section, we'll delve into the mechanisms that ensure the reliability of your data collection and impact assessment. Your commitment to accuracy is about to pay off, so let's dive in and ensure that your efforts shine through in the verification process.

Section 4: Verification and Impact Calculation	
1. How do you establish the baseline measurements for your initiative? (e.g., Historical data, Comparative analysis)	[Dropdown menu: Historical data, Comparative analysis, Other]
2. Could you briefly outline the problem your initiative aims to address? (Context of the problem)	[Text field, 10-150 words]
3. Describe the steps taken to ensure data accuracy and precision. (e.g., Regular audits, External validation)	[Text field, 10-150 words]
4. How do you verify the accuracy of the methodology used for impact calculation? (e.g., Cross-validation, External audits)	[Dropdown menu: Cross-validation, External audits, Other]
5. How do you ensure that the chosen data contributes effectively to the initiative's goals? (Alignment assurance)	[Text field, 10-150 words]

We're nearly finished! Is there any additional information you would like to provide that could assist us in the verification process?

Section 5: Additional Comments	
1. Provide any additional context or information relevant to the impact assessment. (Additional details)	5-1500 words

Time to embrace our inner accuracy enthusiasts! Before we continue, let's make sure we're all wearing our 'truth detective' hats for the following checkpoints:

Section 6: Signature	
1. By checking this box, I affirm the accuracy and completeness of the provided information. 2. I understand that misrepresentation could affect the verification process and outcomes.	[Checkbox] [Checkbox]

109.1.3. Customer Profile - Impact Model

The Customer Profile within the IMVS framework is developed based on the Impact+ Model, designed to capture the customer's core goals, aspirations, and detailed factual data regarding their social, economic, and environmental impacts. This profile serves as a comprehensive tool to align the customer's intended outcomes with measurable, transparent, and actionable metrics, ensuring alignment between their vision, mission, and operational realities.

The creation of the Customer Profile is built upon detailed data collected through structured questionnaires and engagement processes, including both qualitative and quantitative aspects. It integrates essential information on the customer's business type, core activities, impact metrics, projects, and long-term objectives. This approach ensures that all relevant areas of the customer's operations are documented to form a robust profile that highlights not only the desired impact but also specific areas requiring action, improvement, or optimization.

Establishing the Context and Baseline

The Customer Profile captures the foundational components of the Impact+ Model, filling in the context and establishing the baseline for the customer's impact journey. By integrating detailed qualitative and quantitative insights collected through Questionnaires I and II, the profile provides an in-depth understanding of the customer's operational context, current practices, impact metrics, and long-term objectives. This process ensures that the profile captures the full spectrum of information necessary to build a robust impact strategy that identifies areas for improvement and sets a verifiable foundation for measuring progress

The profile is designed as a living document, evolving as the customer progresses on their impact journey. It ensures that the customer's efforts remain strategically aligned with authentic, measurable, and verifiable outcomes as defined by the IMVS. This approach enables customers to better understand their pathways towards achieving sustainability and social responsibility goals while maintaining transparency, accountability, and alignment with international standards such as SDGs and ESG criteria.

Purpose of the Customer Profile

- **Alignment of Goals and Actions:** The profile ensures that the customer's intended impacts are clearly defined and directly connected to their operational activities, creating a seamless link between strategy and execution.
- **Foundation for Measurement:** Establishes baseline data, including key impact metrics (KPIs), and sets up a system for tracking progress and evaluating outcomes effectively over time.
- **Customized Strategy Development:** By understanding the customer's unique context—including their industry, scope, projects, and operational locations—tailored strategies are developed to maximize the intended impact.
- **Customized Strategy Development:** By thoroughly understanding the customer's specific context—such as their industry, scope of operations (local, national, or international), project details, and stakeholder environment—tailored strategies are developed. These strategies are aligned with global benchmarks.

Creation of the Customer Profile

The development of the Customer Profile is a multi-step process, with each step contributing to building a comprehensive and data-rich profile:

1. **Basic Information:**
   - **Customer Name, Company Type, Industry, and Scope:** Fundamental details including the company's registered name, legal structure (e.g., corporation, NGO), industry sector (e.g., renewable energy, manufacturing), and operational scale (e.g., local, national, or international).

- **Website, Language, and Core Business:** Specifies the online presence (e.g., company URL), primary business language used (e.g., English for international activities), and core business offerings (e.g., consulting services for sustainable development, production of eco-friendly consumer goods).

2. **Vision & Mission:**
   - **Vision:** Defines the long-term goal of the customer, such as "To become a global leader in sustainable transportation solutions, reducing emissions by 80% by 2030."
   - **Mission:** Outlines specific actions the customer takes to achieve their vision, like "Developing and deploying electric vehicle infrastructure across urban areas."
3. **Needs and Expectations:**
   - **What the Customer Wants:** Specifies the customer's strategic objectives, such as increasing market share in sustainable products or achieving zero waste within 10 years.
   - **What the Customer Needs:** Details the resources required, including advanced technologies, financial capital, talent acquisition, partnerships, and policy support.
   - **Challenges:** Identifies foreseeable challenges (e.g., regulatory compliance, supply chain disruptions, or high investment costs) and their potential impact on goal achievement.
4. **Values & Principles:**
   - **Ethical Guidelines:** Describes the guiding principles such as transparency, integrity, innovation, and social responsibility that form the basis of the customer's business practices.
   - **Cultural Principles:** Outlines the cultural values that shape the organization's approach, such as inclusivity, community involvement, and a commitment to continuous improvement.
5. **Stakeholder Expectations:**
   - Provides a thorough mapping of the key stakeholders, identifying their specific needs:
     - **Employees:** Expectations include fair compensation, career development programs, and health and safety measures.
     - **Customers:** Demand products that are sustainable, reliable, and competitively priced.
     - **Business Partners:** Look for collaborative opportunities that foster mutual growth and shared sustainability objectives.
     - **Local Communities:** Seek positive social and economic impacts, such as job creation and environmental restoration efforts.
6. **Current Impact Metrics:**
   - **Social, Economic, and Environmental Aspects:** Establishes a baseline using specific metrics:
     - **Social Baseline Data:** Workforce diversity, employee turnover rates, and local community engagement levels.
     - **Economic Baseline Data:** Revenue percentages from sustainable product lines, investment in sustainable R&D, and overall economic contributions (e.g., taxes, local investments).
     - **Environmental Baseline Data:** Annual greenhouse gas emissions, waste generation rates per unit produced, energy usage patterns, water consumption, and biodiversity impacts.
7. **Resource Allocation:**
   - **Financial Resources:** Documents the specific budgets allocated to various impact initiatives (e.g., $15 million for clean energy transition projects).
   - **Human Resources:** Details the number of staff involved in sustainability roles, their qualifications, and professional development opportunities provided.

- **Technological Resources:** Lists technology assets such as renewable energy systems, digital platforms for monitoring emissions, and advanced manufacturing equipment.

8. **Operational Processes:**
   - **Current Processes and Improvement Potential:** Maps out existing processes (e.g., procurement, logistics) and identifies specific areas where efficiency gains or reductions in resource use could be achieved. For instance, shifting to green logistics to reduce transportation emissions by 25%.
9. **Projects:**
   - **Project Description:** Provides detailed information about each project (e.g., deployment of solar panel systems in rural areas), including its objectives, intended impacts, and expected benefits.
   - **Products and Objectives:** Lists products and services offered, specifying their sustainability features (e.g., biodegradable packaging, zero-emission vehicles).
   - **Project Duration and Activity Locations:** Details project timelines (e.g., 2024-2028) and specific geographical locations (e.g., Sub-Saharan Africa, Southeast Asia).
   - **Key Figures:** Includes metrics like total energy saved, number of beneficiaries, or reduction in carbon emissions achieved.
10. **Impact Overview:**
    - **Impact:** Provides a clear summary of the customer's impact goals (e.g., reducing energy poverty, improving water accessibility) and the long-term societal or environmental changes expected.
    - **Impact Model:** Describes the model used to achieve and measure these impacts, such as the **Theory of Change** or the **Social Return on Investment (SROI)**.
11. **Impact KPIs:**
    - **Main KPIs:** Establishes primary indicators for monitoring, such as energy consumption per unit, employee wellbeing scores, or net reductions in greenhouse gas emissions.
    - **Co-Benefits:** Details secondary positive outcomes, like improvements in public health due to cleaner air or increased economic opportunities through green job creation.
    - **SDGs Addressed (including Targets):** Specifies the relevant SDGs (e.g., SDG 12 - Responsible Consumption and Production) and their specific targets (e.g., reducing waste generation through prevention and recycling).
    - **Frameworks and Certifications:** Includes relevant frameworks and certifications the customer adheres to (e.g., ISO 14001 for environmental management, B Corp certification for social performance).

Developing the Profile

1. **Data Collection and Analysis:**
   - Collects responses from questionnaires, in-depth stakeholder interviews, and operational data sources.
   - Conducts both qualitative (e.g., stakeholder feedback) and quantitative (e.g., emissions reports) analyses to identify gaps, strengths, and key themes for improvement. This ensures that the profile reflects the complete baseline necessary for measuring progress.
2. **Stakeholder Engagement:**
   - Engages with internal and external stakeholders through workshops, surveys, and focus groups to validate the findings and gather diverse insights on potential impact pathways.
3. **Setting Objectives and Targets:**

- Defines clear and measurable objectives (e.g., reducing waste by 40% in five years) aligned with international standards (e.g., SDG 13 - Climate Action).
- Establishes KPIs specific to the customer's projects and industry (e.g., energy saved per unit manufactured, emissions per km travelled), forming a robust basis for ongoing monitoring and performance evaluation.

4. **Profiling and Documentation:**
   - Documents the current state, baseline metrics, projects, and the desired future state of the customer. This comprehensive documentation creates a structured roadmap for bridging the gap between the baseline and future goals, ensuring practical application and adaptability.

Benefits of the Customer Profile

- ⇨ **Clarity and Focus:** Articulates impact goals with precision, setting a well-defined trajectory for future initiatives.
- ⇨ **Strategic Planning:** Acts as a strategic tool for planning and executing impact initiatives that align with established baselines and global standards.
- ⇨ **Enhanced Communication:** Provides a transparent and consistent way of communicating the company's progress and commitment to stakeholders.
- ⇨ **Baseline for Monitoring and Evaluation:** Establishes a comprehensive and verified baseline, enabling accurate and continuous performance evaluation.

Integration with IMVS

The Customer Profile integrates seamlessly with the IMVS framework by establishing the initial components of the Impact+ Model:

- **Evidence of Intent:** Provides concrete documentation of impact goals, baseline metrics, and the methods for achieving them, demonstrating the customer's authentic commitment to measurable outcomes.
- **Reference for Verification:** Serves as a basis for verification and certification, allowing auditors to assess whether objectives align with performance.
- **Continuous Improvement:** Supports regular updates and refinements as new data becomes available, ensuring that the profile evolves in response to the customer's progress and external changes.

Moving Forward

With the Customer Profile completed, the customer can:

- ☑ **Implement Impact Strategies:** Begin executing activities based on the detailed roadmap and baseline established, ensuring strategies are impactful and verifiable.
- ☑ **Monitor Progress:** Track KPIs continuously, adjusting strategies in response to monitoring data, and maintaining alignment with impact goals.
- ☑ **Engage in Verification:** Participate in the IMVS verification process, validating impact claims and achieving certification, thereby enhancing credibility and trust.

Table g: Overview of the Customer Profile Template

Customer Profile Template		
Section	**Details**	**Description/Completion**
1. Summary	**Customer Overview**	[Brief description of the company/organization, its purpose, and main focus areas]
	Key Impact Areas	[Main social, environmental, or economic impact areas the customer focuses on]
2. Basic Information	**Customer Name**	[Name of the company/organization]
	Company Type	[Type of company, e.g., corporation, NGO, startup]
	Industry	[Industry/sector the customer operates in]
	Scope	[Scope of operations, e.g., local, national, international]
	Website	[Company website]
	Language	[Primary language used in operations]
	Core Business	[The main business or service the company provides]
3. Vision & Mission	**Vision**	[Long-term goal of the customer (e.g., "To create a sustainable future for the next generations")]
	Mission	[Specific actions the customer is taking to achieve their vision]
4. Needs and Expectations	**What does the customer want?**	[The customer's goals and aspirations, e.g., market leadership, sustainability targets, social responsibility]
	What does the customer need?	[Resources or support required, e.g., technology, expertise, financial resources]
	What challenges does the customer foresee?	[Expected obstacles or difficulties in achieving their goals]
5. Values & Principles	**Ethical Guidelines**	[Key ethical values that guide the customer (e.g., transparency, fairness, innovation)]
	Cultural Principles	[Cultural values and principles that shape the organization's identity]
6. Stakeholder Expectations	**Employees**	[Expectations and needs of employees (e.g., working conditions, training opportunities)]
	Customers	[Wishes and expectations of external customers (e.g., product quality, sustainability)]
	Business Partners	[Expectations from partners (e.g., cooperation, joint development of projects)]
	Community	[Needs and expectations of the local community (e.g., social responsibility, environmental consciousness)]

7. Current Impact Metrics	**Social Aspects**	[Data on social indicators (e.g., diversity statistics, employee engagement)]
	Economic Aspects	[Economic indicators related to impact (e.g., revenue share from sustainable products)]
	Environmental Aspects	[Metrics related to environmental factors (e.g., CO2 emissions, resource consumption)]
8. Resource Allocation	**Financial Resources**	[Budget and financial resources allocated for impact initiatives]
	Human Resources	[Personnel capacity and roles involved in impact projects]
	Technological Resources	[Technological tools and platforms used to achieve impact goals]
9. Operational Processes	**Current Processes**	[Detailed overview of current processes and their contribution or hindrance to achieving goals]
	Improvement Potential	[Possible optimizations or necessary adjustments in processes]
10. Objectives & KPIs	**Customer Objectives**	[Specific, measurable goals of the customer, e.g., "Reduce emissions by 30% over 3 years"]
	KPIs (Key Performance Indicators)	[Metrics for tracking progress (e.g., SDGs, ESG criteria)]
11. Projects	**Project Description**	[Brief description of the customer's projects and initiatives]
	Products	[Products or services offered within these projects]
	Project Objectives	[Goals or objectives set for each project]
	Project Duration	[Timeframe for each project, e.g., short-term (1 year), long-term (5+ years)]
	Activity Locations	[Geographical areas where the projects are carried out]
	Key Figures	[Important metrics or data related to the projects, e.g., number of beneficiaries, amount of CO2 reduced]
12. Impact Overview	**Impact**	[Summary of the intended impact the customer aims to achieve, e.g., social, economic, environmental]
	Impact Model	[Description of the model or framework used to achieve and measure impact]
13. Impact KPIs	**Main KPIs**	[Primary indicators used to measure impact]
	Co-Benefits	[Secondary benefits achieved through the projects, e.g., improved community health]
	SDGs Addressed (including Targets)	[List of Sustainable Development Goals (SDGs) addressed, along with specific targets]
	Frameworks/Certifications	[Relevant frameworks or certifications the customer adheres to, e.g., ISO standards, ESG compliance]
14. Strategy Development	**Customized Strategy**	[Development of tailored strategies based on the customer's needs and goals]

	Risk Management	[Identification and handling of potential risks and uncertainties]
15. Monitoring & Evaluation	**Baseline Data**	[Establishment of initial baseline data for continuous monitoring and evaluation]
	Tracking Progress	[Regular review and adjustment of strategy based on the KPIs]
	Feedback and Adaptation	[Document adjustments made based on monitoring results or stakeholder feedback]
16. Milestones	**Short-term Milestones**	[List specific, short-term targets the customer aims to achieve (e.g., "Set up impact measurement system in 3 months")]
	Long-term Milestones	[Larger, long-term goals (e.g., "Achieve carbon neutrality by 2025")]
17. Stakeholder Engagement	**Stakeholder Group**	[Identify each group (e.g., employees, community)]
	Engagement Methods	[Planned methods for engagement (e.g., workshops, surveys)]
	Key Feedback & Actions	[Record key feedback and resulting actions]
18. Action Plan	**Next Actions**	[List specific activities planned (e.g., "Conduct stakeholder workshop")]
	Timeline	[Estimated time frame for each action]
	Responsible Parties	[Assign team members or departments responsible]
19. Risk Assessment	**Potential Risks**	[List specific risks (e.g., "Lack of funding")]
	Impact Level	[Assess the potential impact of each risk (e.g., high, medium, low)]
	Mitigation Strategies	[Outline strategies to mitigate each risk]
20. Documentation & References	**Attached Documents**	[List of important documents attached, e.g., "Sustainability Policy 2023"]
	References & Standards	[References used (e.g., SDG goals, regulatory frameworks)]
21. Update Log	**Version**	**Date**
	[Version 1]	[DD/MM/YYYY]
	[Version 2]	[DD/MM/YYYY]

109.1.4. IMVS Auditors Checklist

The Auditor's Checklist is an essential tool within the IMVS designed to guide auditors through a meticulous and comprehensive evaluation of an organization's impact model and measurement processes. This checklist ensures that all critical aspects are assessed, aligning with the foundational pillars of the IMVS and its seven-step process. It allows auditors to collect general data about the customer/project and thoroughly audit the Impact+ Model using the IMVS criteria.

Purpose of the Auditor's Detailed Checklist

- **Comprehensive Evaluation:** Ensures no element is overlooked during the assessment of impact measurement and organizational performance. This includes in-depth analysis of strategic alignment, stakeholder engagement, impact KPIs, and risk management.
- **Standardization:** Drives consistency by adhering to the IMVS pillars and steps, ensuring that audits are uniform, structured, and based on verified standards.
- Quality Assurance: Strengthens audit credibility by ensuring adherence to professional guidelines and ethical considerations, improving the reliability of audit outcomes.
- **Actionable Insights:** Provides specific recommendations that the organization can implement for continuous improvement and better impact management.

Foundational Pillars to Uphold Throughout the Audit

I. Competence and Professionalism

- **Auditor Qualifications:**
  - Ensure the audit team includes members with certified expertise in impact assessment, sustainability, and the IMVS framework.
  - Continuously verify that auditors participate in professional development programs, ensuring their skills remain up to date with evolving standards and methodologies.
- **Standards Adherence:**
  - Confirm that all audit activities align with recognized international standards, such as ISO and IMVS-specific guidelines, ensuring methodologies are rigorous, standardized, and benchmarked.
  - Verify that best practices in auditing are implemented, such as clear documentation, transparency in procedures, and structured assessments of impact data.

II. Quality Control and Assurance

- **Meticulous Planning:**
  - Develop a comprehensive audit plan detailing all objectives, scope, timelines, required resources, and specific methodologies to be employed. This should include clear definitions of audit stages, stakeholder interviews, and data collection protocols.
  - Risk assessment should be incorporated from the start, identifying potential risks to the audit process and defining mitigation strategies, such as backup data sources or alternative stakeholder engagement methods.
- **Comprehensive Documentation:**
  - Ensure that each audit activity, from initial data collection to final reporting, is well-documented with timestamps, detailed records of interviews or observations, and supporting evidence.

  - Make all documentation easily accessible, well-organized, and structured according to an agreed filing system, ensuring future reviews can trace the audit steps effortlessly.
- **Continuous Monitoring:**
  - Implement a mechanism for regularly reviewing the audit's progress against the plan. This could involve internal check-ins or periodic meetings to assess whether the methodology needs adjusting based on unforeseen circumstances.
  - Track emerging issues in real-time, ensuring any deviations from the original plan are documented and addressed promptly.

III. Ethics and Independence

- **Integrity and Objectivity:**
  - Maintain the highest standards of honesty and transparency during the audit, with all decisions backed by evidence and unbiased observations.
  - Actively avoid conflicts of interest by making sure auditors do not have personal stakes in the organization being audited, and that decisions are made based on data-driven insights.
- **Independence Assurance:**
  - Clearly identify any possible conflicts of interest, including financial, familial, or personal relationships, and establish a procedure to mitigate or avoid these conflicts to preserve the integrity of the audit.
  - Ensure that auditors maintain complete independence throughout the process and that their judgment remains unaffected by external pressures.
- **Confidentiality:**
  - Strictly protect all information gathered during the audit, particularly sensitive data, to ensure confidentiality is not compromised. Only authorized personnel should have access to audit data.
  - Implement data protection measures that align with applicable legal frameworks such as GDPR, including secure data storage, access control, and responsible data disposal after the audit.
- **Ethical Conduct:**
  - Ensure all audit team members strictly adhere to ethical guidelines outlined by their respective professional bodies (e.g., IIA, ISO).
  - Cultivate a culture of ethics within the team, with regular reminders of the importance of ethical behaviour and its impact on the integrity of the audit.

IMVS Seven-Step Process

Step 1: Onboarding & Data Collection

1.1 General Information Collection:

- ☐ Collect foundational details about the organization, such as its name, address, legal status, and key points of contact. Understand the organization's mission, vision, and strategic objectives to provide context for the audit.
- ☐ Assess the organizational structure, identifying key decision-makers and departments that will play a role in providing data and supporting the audit.
- ☐ Review the organization's core products and services, target markets, and how these align with its mission and vision.

1.2 Documentation Review:

- ☐ Obtain and thoroughly review all relevant documentation provided by the organization, including the Customer Profile (Impact+ Model), responses to initial questionnaires, policies, procedures, financial statements, and impact reports.
- ☐ Ensure the documents are up to date, complete, and consistent with the organization's stated objectives.

1.3 Legitimacy and Background Checks:

- ☐ Conduct a detailed review of the organization's legal registration and compliance with local, national, and international regulatory requirements. Verify the organization's past certifications, recognitions, or accreditations.
- ☐ Investigate any ongoing or past legal disputes or regulatory infractions that could affect the organization's credibility.

1.4 Profile Setup:

- ☐ Consolidate all the gathered information into a comprehensive organizational profile, which will form the basis for subsequent steps of the audit. This profile should include all basic organizational information, relevant legal documentation, and key stakeholders.

Step 2: Process & Context Evaluation

2.1 Strategic Alignment:

- ☐ Assess how well the project aligns with the organization's overall mission and strategic goals. This step includes evaluating how the project contributes to long-term impact objectives and how closely its activities mirror the stated outcomes.

2.2 Contextual Relevance:

- ☐ Analyse the project's relevance in the broader socio-economic and environmental context. Assess whether the project addresses pertinent societal needs, operates in a conducive environment, and is positioned to deliver on its impact goals.

2.3 Stakeholder Analysis:

- ☐ Review the identification of key stakeholders (internal and external) and evaluate the organization's engagement with them. Determine whether stakeholder needs and expectations are being met through structured processes, such as consultations or surveys.

2.4 Legitimacy Checks:

- ☐ Ensure the project adheres to applicable laws and regulations. This step includes reviewing required approvals, permits, and ethical standards that the project must comply with to operate legally and ethically.

Step 3: Impact Model Analysis

3.1 Impact+ Model Compliance:

- ☐ Verify the organization's adherence to the Impact+ Model structure, ensuring that all key elements (Inputs, Activities, Outputs, Outcomes, Impact) are clearly defined, logical, and traceable.

3.2 Theory of Change Assessment:

- ☐ Evaluate the clarity and logic of the organization's theory of change. This should include assessing the direct links between activities, outputs, and the intended outcomes, ensuring that the proposed causal relationships hold up under scrutiny.

3.3 Logic Model Evaluation:

- ☐ Confirm that the project's processes are accurately represented in the logic model. Review the model to ensure that all processes, assumptions, and dependencies are explicitly outlined and justified.

3.4 Assumptions and Dependencies:

- ☐ Identify and assess the assumptions underlying the project's impact model. Evaluate the validity of these assumptions, ensuring they are grounded in evidence, and examine the project's dependencies on external factors for success.

Step 4: Impact-KPI Evaluation

4.1 KPI Relevance and Alignment:

- ☐ Ensure that Key Performance Indicators (KPIs) are directly linked to the project's intended outcomes and impacts. Confirm that KPIs are selected to reflect the most critical objectives of the project and are significant to stakeholders.

4.2 C4-SMART Criteria Application:

- ☐ Clear: KPIs must be easily understood by all stakeholders.
- ☐ Concise: KPIs should be simple, direct, and to the point, avoiding unnecessary complexity.
- ☐ Consistent: KPIs must be applied uniformly across similar projects or activities, enabling comparison and benchmarking.
- ☐ Complete: KPIs must cover all key aspects of the project's performance.
- ☐ Specific, Measurable, Achievable, Relevant, and Time-bound: Ensure that all KPIs meet these criteria, providing a robust framework for assessing project performance.

4.3 Data Collection and Management:

- ☐ Assess the reliability and validity of data collection methods. This involves reviewing the systems in place for data collection, storage, and retrieval to ensure they support robust impact measurement.

4.4 Data Quality Assurance:

- ☐ Review data verification and validation procedures to ensure accuracy and completeness. Identify any gaps or inconsistencies in the data that could affect the credibility of the impact assessment.

Step 5: External Benchmarking

5.1 Peer Comparison:

- ☐ Identify peer organizations or projects for comparison. Benchmark the organization's performance metrics against similar entities in the industry to gauge competitiveness and impact achievement.

5.2 Best Practice Alignment:

- ☐ Assess the organization's adherence to best practices within its industry. Review whether the organization participates in industry initiatives or aligns with emerging trends that contribute to higher standards of impact measurement.

5.3 Standards Compliance:

- ☐ Verify the organization's compliance with relevant frameworks and standards, such as the Global Reporting Initiative (GRI), the Sustainable Development Goals (SDGs), or other recognized benchmarks. Review certifications or endorsements that demonstrate adherence to these standards.

5.4 Improvement Opportunities:

- ☐ Identify areas where the organization can adopt better practices based on industry trends and standards. Recommend strategies for aligning with leading benchmarks and enhancing impact measurement.

Step 6: Adaptive Risk Management

6.1 Risk Identification:

- ☐ Evaluate the risk assessment processes to ensure that all significant risks have been identified. This involves reviewing risk registers and methodologies for completeness.

6.2 Risk Analysis:

- ☐ Assess how the organization analyses the likelihood and impact of identified risks. Review the prioritization process to confirm that it aligns with industry standards for risk management.

6.3 Risk Mitigation Planning:

- ☐ Evaluate the organization's risk mitigation strategies, ensuring they are well-defined and actionable. This includes reviewing contingency plans and ensuring resources are available for implementation if needed.

6.4 Monitoring and Review:

- ☐ Confirm that there is a continuous risk management process in place. Assess whether the organization learns from past incidents and integrates lessons learned into its risk management system.

Step 7: Certify Impact & Quality

7.1 Impact Verification:

- ☐ Cross-verify claimed impacts with supporting evidence. Use triangulation methods (e.g., comparing multiple data sources) to validate the data and ensure the accuracy of impact statements.

7.2 Quality Assurance Review:

- ☐ Assess the organization's adherence to quality standards during the project lifecycle. Review the effectiveness of quality control measures in place.

7.3 Certification Decision:

- ☐ Determine if the organization meets IMVS criteria for certification. Document the decision process, including the evidence and rationale supporting the certification decision.

7.4 Reporting:

- ☐ Prepare a comprehensive audit report that includes an executive summary, key findings, and detailed analysis. The report should be structured for clarity, addressing all major aspects of the audit process.

7.5 Feedback Session:

- ☐ Present the audit findings to the organization's management team. Discuss recommendations and agree on action plans for improvements, ensuring all parties understand and commit to the next steps.

Additional Considerations Throughout the Audit

- **Stakeholder Engagement:** Evaluate how effectively the organization involves stakeholders in the impact measurement process and assess its responsiveness to feedback and inputs.
- **Data Security and Privacy:** Ensure that all data handling processes comply with data protection laws and standards. Review policies covering data access, storage, and disposal to guarantee security.
- Legal and Regulatory Compliance: Verify adherence to all applicable local, national, and international laws and regulations. Identify any compliance gaps and provide recommendations for corrective action.
- **Continuous Improvement and Learning:** Assess the organization's commitment to learning from its experiences. Evaluate whether systems are in place to capture lessons learned and integrate them into future projects.

Below is the Auditor's Checklist presented in a table format for easy reference and use:

Table h: Preliminary Version of the Auditor's Checklist

Step	Action Item	Completed (Yes/No)	Notes
Foundational Pillars			
I. Competence and Professionalism			
Auditor Qualifications			
- Ensure audit team expertise, certifications, experience			
- Verify ongoing professional development			
Standards Adherence			
- Confirm compliance with professional standards and IMVS guidelines			
- Ensure appropriate methodologies and best practices			
II. Quality Control and Assurance			
Meticulous Planning			
- Develop detailed audit plan			
- Include risk assessment and mitigation strategies			
Comprehensive Documentation			

- Maintain accurate records of audit activities		
- Ensure documentation is clear and accessible		
Continuous Monitoring		
- Regularly review audit progress		
- Adjust audit approach as necessary		
III. Ethics and Independence		
Integrity and Objectivity		
- Uphold honesty, fairness, impartiality		
- Avoid biases, decisions based on evidence		
Independence Assurance		
- Identify and mitigate conflicts of interest		
- Confirm no financial/personal interests affecting judgment		
Confidentiality		
- Protect confidentiality of information and data		
- Comply with data protection laws		
Ethical Conduct		
- Adhere to ethical codes of conduct		
- Promote ethical culture within audit team		
Step 1: Onboarding & Data Collection		
1.1 General Information Collection		
- Gather basic details about customer/project		
- Organization name, address, legal status, contacts		
- Key personnel and organizational structure		

- Mission, vision, strategic objectives		
- Description of products/services, target markets		
1.2 Documentation Review		
- Obtain and review Customer Profile (Impact+ Model)		
- Responses to Questionnaires I and II		
- Policies, procedures, impact reports		
- Financial statements, annual reports		
1.3 Legitimacy and Background Checks		
- Verify legal registration, regulatory compliance		
- Previous certifications or recognitions		
- Legal proceedings or disputes		
1.4 Profile Setup		
- Compile collected information into organizational profile		
Step 2: Process & Context Evaluation		
2.1 Strategic Alignment		
- Evaluate project alignment with mission and objectives		
- Assess project's contribution to impact goals		
2.2 Contextual Relevance		
- Analyse project's relevance in social/economic/environmental context		
- Identify external factors influencing success		
2.3 Stakeholder Analysis		
- Review stakeholder identification and engagement		

- Evaluate addressing of stakeholder needs and expectations		
2.4 Legitimacy Checks		
- Confirm compliance with laws, regulations, ethical standards		
- Verify necessary approvals and permits		
Step 3: Impact Model Analysis		
3.1 Impact+ Model Compliance		
- Verify adherence to Impact+ Model structure (Inputs, Activities, Outputs, Outcomes, Impact)		
3.2 Theory of Change Assessment		
- Evaluate clarity and logic of theory of change		
- Check links between activities, outputs, outcomes, impact		
3.3 Logic Model Evaluation		
- Ensure accurate representation of project processes		
- Confirm assumptions identified and justified		
3.4 Assumptions and Dependencies		
- Identify underlying assumptions, assess validity		
- Evaluate dependencies and critical external factors		
Step 4: Impact-KPI Evaluation		
4.1 KPI Relevance and Alignment		
- Ensure KPIs linked to outcomes and impacts		
- Confirm KPIs cover critical project objectives		
4.2 C4-SMART Criteria Application		
- Clear: KPIs well-defined and understandable		

- Concise: KPIs are simple and to the point		
- Consistent: KPIs are applied uniformly		
- Complete: KPIs cover all key areas		
- Specific: KPIs precisely measure intended variable		
- Measurable: KPIs quantified or objectively assessed		
- Achievable: Targets realistic		
- Relevant: KPIs significant to stakeholders		
- Time-bound: KPIs have defined timeframes		
4.3 Data Collection and Management		
- Assess methods for reliability and validity		
- Evaluate data management systems		
4.4 Data Quality Assurance		
- Review data verification and validation procedures		
- Identify data gaps or inconsistencies		
Step 5: External Benchmarking		
5.1 Peer Comparison		
- Identify peers for benchmarking		
- Compare performance metrics and practices		
5.2 Best Practice Alignment		
- Assess adherence to best practices		
- Evaluate participation in industry initiatives		

5.3 Standards Compliance		
- Verify compliance with relevant frameworks (GRI, SDGs, etc.)		
- Check for certifications or endorsements		
5.4 Improvement Opportunities		
- Identify areas to adopt better practices		
- Recommend alignment strategies with leading standards		
Step 6: Adaptive Risk Management		
6.1 Risk Identification		
- Review risk assessment process		
- Ensure significant risks are identified		
6.2 Risk Analysis		
- Assess methodology for analysing risk likelihood and impact		
- Verify appropriate risk prioritization		
6.3 Risk Mitigation Planning		
- Evaluate effectiveness of mitigation strategies		
- Check for contingency plans and resources		
6.4 Monitoring and Review		
- Confirm ongoing risk management process		
- Assess learning from past risks/incidents		
Step 7: Certify Impact & Quality		
7.1 Impact Verification		
- Cross-verify impacts with supporting evidence		

- Use triangulation methods to validate data		
7.2 Quality Assurance Review		
- Assess adherence to quality standards		
- Verify effectiveness of quality control measures		
7.3 Certification Decision		
- Determine if IMVS criteria met for certification		
- Document basis for certification decision		
7.4 Reporting		
- Prepare comprehensive audit report		
- Include executive summary with key points		
7.5 Feedback Session		
- Present findings to management		
- Discuss recommendations, agree on action plans		
Additional Considerations		
Stakeholder Engagement		
- Evaluate stakeholder involvement in impact measurement		
- Assess responsiveness to stakeholder feedback		
Data Security and Privacy		
- Ensure compliance with data protection laws		
- Review policies on data access, storage, disposal		
Legal and Regulatory Compliance		
- Verify adherence to applicable laws and regulations		

- Identify compliance gaps, recommend actions		
Continuous Improvement and Learning		
- Assess commitment to learning from experience		
- Evaluate systems for capturing lessons learned		

This table provides a structured checklist that auditors can use to ensure all critical aspects of the IMVS Impact Model Evaluation are thoroughly assessed. Each action item can be marked as completed (Yes/No), and notes can be added as needed.
Instructions for Use:

- **Preparation:** Before the audit, review the checklist and customize it to the specific context of the organization and project.
- **Execution:** During the audit, systematically work through each action item, gathering evidence and documenting findings.
- **Review:** Regularly assess progress to ensure completeness and address any issues promptly.
- **Reporting:** Use the completed checklist as a basis for the audit report, providing clear and actionable recommendations.

109.1.5. IMVS Impact Report

IMVS Impact Certification: Detailed Description and Audit Report Overview
The IMVS Impact Certification represents the final validation of an organization's impact model, confirming that its impact measurement processes meet the stringent standards outlined in the IMVS framework. This certification not only demonstrates that the organization's activities have verifiable social, economic, and environmental impacts but also provides a transparent, data-driven report to stakeholders.
The certification is accompanied by a comprehensive audit report, which thoroughly documents the audit process, findings, methodologies, calculations, and data sources. The report ensures full transparency, allowing stakeholders to review and verify the impact claims. Importantly, the certification includes a QR code that links directly to the audit report for easy access.

Key Features of the IMVS Impact Audit

1. **Final Audit of the Impact Model**
   The certification reflects the conclusion of an extensive audit of the organization's **Impact+ Model**, ensuring the following:

   - ✓ **Theory of Change**: The organization's theory of change has been thoroughly evaluated, confirming clear logical links between inputs (resources), activities, outputs (direct results), outcomes (medium-term effects), and long-term impacts.

- ✓ **KPIs Verified**: All Key Performance Indicators (KPIs) have been audited to ensure they are valid, measurable, and aligned with the organization's goals.
- ✓ **Data Integrity**: The data used to measure impact is collected, analysed, and reported with integrity, ensuring that all figures presented are accurate, credible, and can be traced back to reliable sources.

2. **Representation of KPIs and SDGs**
   The IMVS certification showcases the specific **KPIs** used to track the organization's impact and how these indicators align with the **United Nations Sustainable Development Goals (SDGs)**. Each KPI is designed to measure progress toward the organization's goals and global sustainability efforts. For instance:

   - ✓ **KPI 1**: Percentage reduction in carbon emissions (linked to **SDG 13: Climate Action**).
   - ✓ **KPI 2**: Number of women in leadership positions (aligned with **SDG 5: Gender Equality**).
   - ✓ **KPI 3**: Increase in clean water access in targeted regions (associated with **SDG 6: Clean Water and Sanitation**).

3. Scientific Analysis and Calculation Transparency

The IMVS audit emphasizes the scientific rigor behind the impact data by detailing the calculation methods and the background of the figures presented. This includes:

- **Methodological Transparency:** Each calculation method used is documented, ensuring transparency in how figures are derived.
- **Detailed Calculation Procedures**: The audit report provides a breakdown of how Key Performance Indicators (KPIs) and impact metrics are calculated, including data sources, formulas, and the rationale behind assumptions.
- **Review of Data Consistency and Integrity:** The audit checks for consistency within the data sets provided, looking for discrepancies or anomalies that could indicate errors or biases.

What the Audit Report Includes

The audit report that accompanies the IMVS certification is a comprehensive document, detailing every aspect of the audit process. Below is a breakdown of what is included in the report, offering transparency and verifiability for all stakeholders.

1. Executive Summary

- **Overview:** Brief introduction of the organization and the impact areas audited.
- **Audit Objectives:** Summary of the audit's purpose, including confirming the organization's alignment with the IMVS framework and verifying impact claims.
- **Key Findings:** A high-level summary of the audit's conclusions, including whether the organization met the certification criteria.

2. Scope and Boundaries of the Audit

- **Project Scope:** Specifies the exact initiatives, programs, or projects that were audited, including their geographic coverage and timeline.

- **Audit Timeline:** The duration of the audit, from the initial data collection phase to the final reporting, and the key milestones within this period.
- **Data Sources:** A list of all the data sources used during the audit, including internal records, external reports, and third-party evaluations.

3. Audit Methodology

- **Data Collection Techniques:** Describes the methods used to gather data, such as surveys, interviews, observational methods, and document reviews.
- **Data Verification:** Details on how the data was cross verified with third-party sources, industry standards, and benchmarks.
- **Analytical Methods**: Explains the statistical models, calculations, or software tools used to analyse the data. For example:
  - **Emissions Reduction:** Calculation based on actual energy consumption data, applying internationally recognized carbon accounting methodologies (e.g., GHG Protocol).
  - **Social Impact:** Use of the Social Return on Investment (SROI) framework to calculate the financial value of social benefits.
  - **Sources and Citations:** Full citations of external data sources, including research papers, government databases, and reports from certified bodies.

4. Impact+ Model Evaluation

- **Theory of Change Validation:** An in-depth analysis of the organization's theory of change, checking whether the assumed causal relationships between activities and impacts hold true.
- **Model Assumptions:** Documentation of the assumptions underlying the impact model, along with sensitivity analysis showing the potential impact of different scenarios on the results.
- **Logical Framework Review:** A review of the logical framework, confirming the alignment between inputs (resources), outputs, outcomes, and long-term impact.

5. KPI Analysis and Verification

- **KPI Evaluation:** Detailed breakdown of each KPI, including:
  - Definition of the KPI and its relevance to the impact objectives.
  - Methodology for calculating each KPI.
  - Data sources used to track the KPI (internal or third-party).
  - Benchmarking against industry standards or similar organizations.
- **KPI Results:** Presentation of the results for each KPI, comparing them against targets. For example:
  - KPI 1 (CO2 emissions reduction): Audited results showed a 12% reduction over 12 months, verified using energy bills and certified emissions factors.
  - KPI 2 (Job creation for underserved communities): 150 jobs created, verified using employment contracts and payroll records.
- **C^4-SMART Validation:** Confirmation that each KPI adheres to the C^4-SMART criteria (Clear, Consistent, Comparable, Credible, Specific, Measurable, Achievable, Relevant, Time-bound).

6. SDG Alignment and Verification

- **SDG Alignment Table:** A matrix showing the specific SDGs the organization contributes to, along with the corresponding KPIs.
- **SDG Verification:** Cross-verification of the organization's claimed contributions to SDGs with evidence, such as program data and third-party reviews. For example:
  - **SDG 6 (Clean Water and Sanitation):** Verified data showing increased water access for 10,000 individuals in a rural area, cross-checked against local government water usage reports.
- **Global Impact Context:** Explains how the organization's local or regional activities contribute to the global SDG targets, supported by international benchmarks or third-party reviews.

7. Benchmarking and Best Practices

- **External Benchmarking:** Comparison of the organization's performance with that of similar organizations, using industry-specific metrics.
- **Compliance with Best Practices:** An evaluation of how well the organization aligns with recognized sustainability and impact measurement best practices (e.g., Global Reporting Initiative (GRI), Sustainable Accounting Standards Board (SASB)).
- **Recommendations for Improvement:** Suggestions for how the organization can enhance its impact tracking or reporting processes to further align with industry standards.

8. Risk and Compliance Analysis

- **Risk Identification and Analysis:** A detailed assessment of potential risks to the sustainability of the organization's impact, including operational, financial, and reputational risks.
- **Mitigation Strategies:** Review of the organization's strategies for managing identified risks, along with recommendations for improvement.
- **Regulatory and Legal Compliance:** Confirmation that the organization adheres to all relevant legal and regulatory requirements, supported by legal filings, government certifications, and compliance reports.

9. Conclusion and Certification Decision

- ⇨ **Certification Status:** A formal statement indicating whether the organization has passed the IMVS certification requirements.
- ⇨ **Conditions for Certification:** Any specific conditions that must be met to maintain certification, such as additional audits or improvements in data management.
- ⇨ **Validity Period:** The duration for which the certification is valid and the process for renewal or re-certification.
- ⇨ **Summary of Next Steps:** Recommendations for continuous improvement and timelines for potential follow-up actions or future audits.

Conclusion: The Role of the Audit Report and Certification

The IMVS Impact Certification backed by the comprehensive audit report is a key instrument for proving that an organization's impact claims are genuine, measurable, and reliable. By linking the certification to the

audit report via a QR code, stakeholders gain complete transparency into the data, sources, and methodologies used to verify impact. This process ensures accountability, credibility, and trust, offering a clear and verifiable pathway from impact activities to measurable outcomes and long-term social, economic, and environmental benefits.

109.1.6. IMVS Impact Certification

The IMVS Impact Certification is the final step in the verification process, serving as a formal acknowledgment that an organization's impact model and practices meet the rigorous standards outlined in the IMVS framework. This certification demonstrates that the organization's impact goals, measurement processes, and outcomes are not only aligned with best practices but also verified through an independent audit.

Key Features of the IMVS Impact Certification

1) **Comprehensive Audit Evaluation**
   The certification represents the culmination of a thorough audit process, where the organization's impact model has been meticulously assessed. This evaluation ensures that:

   - The organization's theory of change, logical framework, and causal links between activities, outputs, outcomes, and impacts are validated to confirm alignment with impact goals.
   - All data collection processes conform to established standards, such as the C4-SMART criteria (Clear, Concise, Consistent, Complete, Specific, Measurable, Achievable, Relevant, Time-bound), ensuring reliable and structured data.
   - Key Performance Indicators (KPIs) are verified for their alignment with the organization's objectives and are systematically tracked and measured for accuracy.

2) **Clear Presentation of KPIs and Alignment with SDGs**
   The certification outlines the specific KPIs used by the organization to measure its impact, showing how these indicators align with global sustainability standards such as the United Nations Sustainable Development Goals (SDGs). This alignment reflects the organization's contribution to societal and environmental progress, enhancing the global relevance of its efforts.

   - **KPI Specificity and Relevance**: KPIs are clearly linked to the organization's strategic goals and provide precise, quantifiable data for objective tracking.
   - **SDG Integration**: The certification specifies which SDGs each KPI supports, demonstrating the broader global impact of the organization's initiatives.
     (e.g., SDG 6: Clean Water and Sanitation for water conservation efforts, SDG 12: Responsible Consumption and Production for resource efficiency measures).

3) **Transparency Through QR Code Access**
   To uphold transparency, the certification includes a QR code that provides stakeholders—such as investors, partners, and regulators—direct access to the full audit report. This feature enables:

   - Comprehensive review of the audit process, findings, and conclusions, ensuring that the organization's impact data is fully verifiable.

- Access to detailed evidence, including data sources, methodologies, and KPI validations, allowing stakeholders to scrutinize and confirm the credibility of the certification.
  This QR code enhances the reliability of the certification, ensuring it serves as more than just a symbolic document but a gateway to rigorous, evidence-backed data.

4) **Certificate Validity and Auditor Information**
The certification specifies the duration of its validity, including the issue and expiration dates, to indicate the time frame in which the audit findings are applicable. It also provides information about the auditing body and responsible auditor to ensure transparency and accountability.

- **Validity Period**: Clearly states the effective and expiration dates of the certification to define its relevance period.
- **Auditor and Issuer Details**: Includes the auditor's name, signature, and certification body's information, confirming the authenticity and credibility of the audit findings.

Purpose and Benefits of the IMVS Certification

- **Trust and Credibility**: The certification assures stakeholders that the organization's impact is real, measurable, and aligned with global sustainability standards. It prevents "greenwashing" by ensuring that impact claims are backed by evidence.
- **Visibility of Impact**: By clearly displaying KPIs and SDGs, the certification communicates the organization's contribution to social, environmental, and economic goals in a transparent and accessible way.
- **Accountability**: The QR code linking to the audit report holds the organization accountable by allowing public scrutiny of the certification's underlying data and audit findings.

Certification Components

1. **Certified Impact Areas**: Details the areas where the organization has demonstrated measurable impact (e.g., environmental sustainability, social well-being, economic development).
2. **KPIs**: Lists the specific KPIs used to measure progress toward the organization's impact goals, providing quantifiable evidence of their effectiveness.
3. **SDG Alignment**: Clearly states which SDGs the organization's impact efforts support, highlighting their contribution to global sustainability objectives.
4. **QR Code**: Links to the full audit report, offering a transparent view of the audit findings, including methodologies, evidence, and conclusions.

Table i: Overview Content of Audit Certificate

Content Certificate	
Section	**Details**
Certified Entity	The name, address, and legal registration details of the audited organization, verifying its identity and legitimacy. This includes company name, registration number, and headquarters location.

Scope of Certification	The specific focus area of the audit, describing what aspects of the organization's impact were assessed. This may include environmental factors (e.g., water usage, carbon footprint), social outcomes (e.g., gender equality), or economic performance (e.g., local employment generation).
Certified KPIs	A set of Key Performance Indicators (KPIs) that were evaluated during the audit. These indicators are tied directly to the organization's impact goals and may cover areas such as resource efficiency, emissions reductions, social inclusion, or financial contributions.
Alignment with SDGs	A mapping of the organization's KPIs to relevant United Nations Sustainable Development Goals (SDGs). Each KPI is linked to one or more SDGs to demonstrate how the organization's efforts align with global sustainability objectives (e.g., SDG 6: Clean Water, SDG 12: Responsible Consumption).
Methodology	A description of the methodologies used to audit the data, including data collection, analysis, and validation processes. This may cover quantitative methods, comparison with industry standards, use of scientific models, or peer-reviewed studies.
Data Sources	An overview of the data sources used in the audit, which may include internal company data, third-party reports, scientific publications, or government databases. This ensures transparency in the audit process by revealing the origin of the data used.
Audit Findings	A summary of the key results and conclusions drawn from the audit, highlighting the organization's performance against its impact goals. This section includes any notable achievements or areas for improvement identified during the audit.
Certificate Validity	The period during which the certification is valid, including the issuance and expiration dates. This ensures that stakeholders know the timeframe for which the audit findings are applicable and when a re-certification might be required.
Certification Body	The details of the organization or body that conducted the audit, including its name, address, and relevant qualifications. This section provides credibility to the certification by identifying the independent party responsible for the audit.
Certificate ID Number	A unique identifier assigned to the certification for tracking and referencing purposes. This ID is crucial for verifying the authenticity of the certification and for any follow-up assessments or audits.
Auditor Information	The name and signature of the lead auditor who conducted the assessment, providing personal accountability for the audit process. This includes the auditor's position and possibly their professional qualifications.
Transparency Measures (QR Code)	A QR code or other digital access point linking to the full audit report, allowing stakeholders to review the audit methodology, data sources, and findings in detail. This promotes transparency by offering easy access to the underlying data and analysis supporting the certification.
Additional Remarks	Any specific notes, limitations, or considerations that are important for interpreting the results of the certification. This could include geographic limitations, assumptions made during the analysis, or contextual factors that influenced the audit outcomes.

VI. IMVS in Practice: A Comprehensive Overview introducing “Greentech” *(development active in progress)*

In the following sections, we will use a fictional case study, GreenTech Innovations Hungary, to illustrate key principles of impact verification. Although this company is hypothetical, its mission, activities, and impact models are designed to reflect real-world challenges and solutions in impact measurement. This case study serves to demonstrate how environmental and social impacts can be measured, verified, and communicated transparently. By examining this example, readers will gain practical insights into the methodologies behind impact assessment and understand its vital role in fostering sustainability and driving positive change. While the business itself is fictional, the concepts and verification processes discussed are grounded in widely accepted, real-world practices.

A. IMVS 110 Practical Example Introduction: GreenTech Innovations Hungary Profile

Background Story: Established in 2016 in the picturesque countryside of Szombathely, Vas County, Hungary, GreenTech Innovations Hungary was founded with a deep commitment to addressing environmental challenges while fostering social inclusion in rural communities. Nestled amidst rolling hills and fertile landscapes, the company's headquarters serve as a hub for innovation and sustainability in the heart of Hungary's rural landscape.

GreenTech Innovations Hungary – Business Profile

Company Name: GreenTech Innovations Hungary
Founded: 2016
Headquarters: Szombathely, Vas County, Hungary
Industry: Environmental Technology, Recycling, Sustainable Building Materials

Company Overview
GreenTech Innovations Hungary is a pioneering company focused on transforming plastic waste into sustainable building materials. Specializing in the production of EcoBricks, the company contributes to reducing plastic pollution while providing cost-effective, durable solutions for the construction industry. Through strategic partnerships with municipalities and industries, GreenTech collects, processes, and repurposes plastic waste to create high-quality products. Committed to social responsibility, GreenTech actively hires individuals with disabilities, integrating them into its workforce at various stages of the production process.

Products and Services
- **EcoBricks:** Modular, durable building blocks made from 100% recycled plastic.
- **Waste Collection and Recycling Services:** Partnerships with municipalities and industries to collect and repurpose plastic waste.

– **Sustainability Consulting:** Advisory services for waste management optimization and circular economy strategies.

Vision

To lead the global shift towards a circular economy by transforming plastic waste into valuable, sustainable building materials, while promoting social inclusion and environmental stewardship**.**

Mission

To drive environmental sustainability through innovative recycling solutions, transforming plastic waste into valuable building materials while fostering social inclusion and sustainable development in rural Hungary.

Impact goals

1) **Increase Plastic Recycling Capacity**
   "Boost GreenTech's recycling output by 20% (measurable) by expanding partnerships with three new municipal waste collection programs (specific and achievable), allowing us to process an additional 100 tons of plastic annually. This goal supports our mission to reduce plastic waste (relevant) and will be achieved by December 2025 (time-bound)."

2) **Expand Employment Opportunities for People with Disabilities**
   "Increase the proportion of employees with disabilities to 25% of the workforce **(**measurable) by launching a training and recruitment initiative (specific), ensuring inclusive job opportunities across manufacturing and logistics. This initiative aligns with our goal of fostering social inclusion (relevant) and will be completed by June 2025 (time-bound and achievable)."

Core Strengths

– **Sustainability:** GreenTech's process is centered around a circular economy, turning waste into usable products and reducing landfill dependency.
– **Social Inclusion:** The company employs individuals with disabilities in key roles, promoting workforce diversity and inclusion.
– **Innovation:** The development of EcoBricks as an alternative building material sets GreenTech apart in the construction and recycling industries.

Target Markets

– **Construction:** Builders and developers seeking sustainable alternatives to traditional building materials.
– **Municipalities:** Local governments interested in efficient waste management solutions.
– **Corporate Clients:** Companies looking to improve sustainability by reducing plastic waste and integrating recycled materials into their operations.

Business Model

a) **Product Sales:** Revenue from EcoBricks sold to construction companies, retailers, and wholesalers.
b) **Waste Collection Fees:** Fees charged to municipalities and businesses for collecting and processing plastic waste.
c) **Consulting Services:** Providing businesses and local governments with sustainability consulting.

Sustainability Initiatives
GreenTech operates a closed-loop system where old or damaged EcoBricks can be returned for recycling, minimizing waste and promoting resource efficiency. This closed-loop approach enhances the company's environmental impact while contributing to long-term sustainability.

Corporate Social Responsibility (CSR)
GreenTech is deeply committed to creating job opportunities for individuals with disabilities, offering them meaningful employment in the recycling and manufacturing processes. This socially responsible model underscores the company's dedication to inclusivity and community development.

Growth Strategy
GreenTech aims to scale its operations by increasing production capacity, expanding into new markets across Europe, and forming additional partnerships with municipalities to collect more plastic waste. The company is also investing in research and development to innovate its product offerings.

---

1. **Environmental Impact Model: Plastic Waste Reduction through Advanced Recycling Solutions**

   ⇒ **KPI (Key Performance Indicator):** Tons of plastic waste repurposed into reusable materials annually.
   ⇒ **Aim:** To repurpose at least 500 tons of plastic waste annually, mitigating environmental pollution and conserving natural resources. This ties directly to GreenTech's monthly production of around 4,000 EcoBricks, ensuring a clear link between production output and environmental goals.

2. **Social Impact Model: Inclusive Workforce Development for Persons with Disabilities**

   ⇒ **KPI:** Percentage of workforce comprising individuals with disabilities.
   ⇒ **Aim:** To have at least 25% of the workforce comprised of individuals with disabilities, providing meaningful employment opportunities and fostering social inclusion. With a total of 48 employees, this means employing at least 12 individuals with disabilities annually. This commitment not only advances social goals but also qualifies the company for government grants that support inclusive employment.

Revenue Model: GreenTech generates revenue primarily from the sale of its recycled plastic products, including **EcoBricks** and sustainable packaging. These products are sold to construction companies, manufacturers, and retailers. Pricing is competitive, with a slight premium due to the sustainability factor, but GreenTech offsets this through cost-efficient, recycled inputs.

The company also earns revenue by offering waste collection and recycling services. Partnering with municipalities and businesses, GreenTech collects plastic waste for a fee and, in some cases, provides custom recycling solutions for corporate clients.

Government and EU grants form another important revenue source. GreenTech qualifies for environmental and social inclusion grants, as it employs individuals with disabilities and focuses on reducing plastic waste.
GreenTech also partners with businesses seeking to improve their sustainability efforts. These partnerships include consulting services on waste management and sustainable practices, as well as collaborative projects to recycle plastic waste into new products.

Stage	Material/Component	Weight (kg)	Details/Use
Product	Recycled Plastic (HDPE, LDPE)	10,000 kg	Collected from municipal and industrial waste, used as the main component for EcoBricks.
	Additives/Binders	500 kg	Eco-friendly additives to improve durability and molding process.
	Colorants (Optional)	100 kg	Used for customization, only if specific-coloured bricks are requested.
	Mold Designs	N/A	Molds are reusable, so no monthly weight contribution.
Manufacturing	Shredded Plastic	10,000 kg	Same as the input of recycled plastic, prepared for melting and molding.
	Excess/Recycled Plastic Waste	500 kg	Plastic scraps from the molding process, returned to the production cycle.
Logistics	Packaging Materials	300 kg	Cardboard and biodegradable wrapping for product shipping.
	Returned EcoBricks (for recycling)	500 kg	Average amount of returned EcoBricks from customers for recycling.
Suppliers	Plastic Waste Collected (HDPE, LDPE)	10,000 kg	Plastic supplied by municipal waste programs and industrial partners.
	Machinery Maintenance Parts	50 kg	Parts needed to maintain shredders and molding machines.

With a total of **10,000 kg** of recycled plastic available each month, and assuming each **EcoBrick** weighs approximately **2.5 kg**, **GreenTech Innovations Hungary** can produce around **4,000 EcoBricks** per month. This output reflects the company's commitment to repurposing plastic waste into sustainable building materials while maintaining an efficient production process.

Introduction to Impact Verification: As a profit-driven enterprise, GreenTech Innovations Hungary balances its financial goals with a strong commitment to sustainability and social inclusion. The company prioritizes transparent impact verification to ensure accountability for its environmental and social outcomes. GreenTech rigorously monitors its KPIs—such as the tons of plastic repurposed and the percentage of employees with disabilities—to verify that it is meeting its sustainability and social inclusion goals. This verification process helps GreenTech continually improve its practices, demonstrating that profitability and impact can go hand in hand.

B. Practical Example: Demonstrating IMVS Steps and Principles at GreenTech Innovations Hungary

In this section, we showcase the practical application of the Impact Model Verification Standard (IMVS) in an ideal scenario using GreenTech Innovations Hungary as an example. By implementing the IMVS framework, GreenTech applies the Impact+ Model as a blueprint to develop a comprehensive impact model that captures both direct and indirect impacts across their supply chain.

Scenario: Greentech Hungary seeks to have its impact audited. They are confident in the positive outcomes they are achieving and want to communicate this effectively to their stakeholders. They are already gathering data, and their impact model is well-established.

1) **Onboarding & Data Collection**
   Comprehensive Data Gathering: Collecting essential data, conducting thorough background checks, and setting up detailed profiles to establish a robust foundation for further analysis.

Step1

Onboarding Questionnaire Step (I)	
Section 1: Company Information	
1. Company Name (as registered):	GreenTech Innovations Hungary
2. Department (optional):	Sustainability and Innovation Department
3. Registered Headquarters Address (Street, City, Postal Code, Country):	Street: 15 EcoTech Road City: Szombathely Postal Code: 9700 Country: Hungary
4. Legal Business Entity: Specify your business's legal structure (e.g., LLC, Corporation, Partnership).	Limited Liability Company (LLC)
5. Business Registration Number (incl. trade or tax): Provide official business registration number and relevant trade or tax identification.	12345678-1-02 (Hungarian Trade and Tax ID)
6. Company Size:	Small (48 employees)
7. Year of Company Establishment (e.g., 2005):	2016
8. Primary Contact Full Name (First Name, Last Name):	Title: Mr. First Name: András Last Name: Kovács
9. Title of Contact Person (e.g., CEO, Manager, Coordinator):	CEO
10. Contact Person's Email Address:	andras.kovacs@greentech.hu

11.Contact Person's Phone Number:	+36 30 123 4567
11. Company Website/URL:	http://www.greentechinnovations.hu
12. Geographic Scope of Operations (countries/regions of impact activities):	Hungary (Vas County), Central Europe
13. Please provide the NACE code that best represents your main activities (or enter your own description if you don't find a suitable match in the list). If needed, you can find more information about NACE codes here: https://nacev2.com/de	38.32 - Recovery of sorted materials
14. Briefly describe your company's core business activities and operations:	GreenTech Innovations Hungary focuses on recycling plastic waste into reusable materials for construction and packaging industries. The company also provides consulting services on sustainable practices and offers inclusive employment opportunities, particularly for individuals with disabilities.

Please share more about the project's impacts and their related co-benefits. If there are multiple impact goals within your project, kindly provide key details for each. Keep in mind that impacts are often intertwined with co-benefits. Also, consider that different impacts within the same project require separate evaluations. Please specify how many projects you'd like to have assessed and indicate how many co-benefit ideas/initiatives are connected with each project. If you have any questions or if something isn't clear, please don't hesitate to reach out to us. We're here to help and provide assistance.	1.Environmental Impact: GreenTech Innovations Hungary aims to reduce plastic waste through advanced recycling technologies. The key impact here is the repurposing of 500 tons of plastic waste annually, thereby mitigating environmental pollution and conserving natural resources. Co-benefit 1: Reduction in CO2 emissions due to decreased reliance on virgin plastic production, contributing to overall climate change mitigation. Co-benefit 2: Improved community waste management systems through collaboration with local municipalities and education on sustainable practices, helping rural communities become more environmentally responsible.
	2. Social Impact: GreenTech promotes inclusive employment by hiring at least 50 individuals with disabilities each year. This contributes to greater social inclusion and provides meaningful, sustainable employment opportunities. Co-benefit 1: Enhanced social cohesion and inclusion in rural areas, fostering a culture of diversity and equal opportunity. Co-benefit 2: Increased local economic development as employees with disabilities

	gain skills and contribute to both the company's and the region's prosperity.

Section 2: Project Details and Impact Assessment	
1. Project Name or Initiative you would like to have audited:	Plastic Waste Reduction and Inclusive Workforce Development Project
2. Geographic Area(s) of Impact (countries, regions):	Hungary, primarily in rural Vas County
3. Is the project ongoing or completed?	Ongoing
4. If the project is ongoing, please provide the projected duration: [Start Date] - [End Date] (if applicable)	Start Date: January 1, 2016 End Date: Ongoing
5. Please select the specific impact type you intend to verify. Choose either from a list of SDGs or from a list of various impact categories that may align better with your goals.	Environmental Impact – Plastic Waste Reduction
6. Now let's get more specific. What are the main objectives of your impact assessment? What specific issue are you aiming to address? (Please explore the various predefined categories in the dropdown menu.)	Environmental Goals – Plastic Waste Reduction: GreenTech aims to repurpose at least 500 tons of plastic waste annually, reducing environmental pollution. The company also employs individuals with disabilities to promote social inclusion, with a goal of at least 50 sustainable jobs each year. subcategories).]
7. Please, give us a quick summary of what your project/initiative is about and what you aim to achieve. Essentially, provide a 'pitch' that explains what you do and why.	GreenTech Innovations Hungary seeks to address environmental and social challenges by reducing plastic waste and fostering an inclusive workforce. The company repurposes plastic waste into reusable materials and provides jobs for individuals with disabilities. The goal is to reduce environmental pollution and enhance social inclusion in rural Hungary.
8. In case our questions haven't covered everything you'd like to mention, please give a brief description of the activities connected to each impact type you've selected. (optional)	Alongside its recycling operations, GreenTech runs community education programs to raise awareness about sustainability and collaborates with local governments to improve waste management practices.

Step II

Onboarding Questionnaire (II)	
Section 1: Enhancing Impact Clarity and Verification: Project Details and Collaborations	
1.Kindly summarize again the specific activities associated with each impact type you've chosen. For instance: - Environmental: Implementing carbon offset initiatives and waste reduction campaigns. - Social: Organizing skill development workshops and fostering community engagement.	Environmental: Implementing advanced plastic recycling technologies to reduce plastic waste and mitigate pollution. Social: Providing inclusive employment opportunities for individuals with disabilities to foster social inclusion. Economic: Creating job opportunities in rural Hungary, contributing to local economic growth. Other: Collaborating with municipalities to improve waste management systems.
2. Does your organization currently hold any certificates, reports, or frameworks related to impact? If you have one or more certificates, please select the relevant option from our categorized list or specify it in the text field.	[X] Yes , ISO 14001,Fair Trade certification
3. Is your project aligned with any international standards, guidelines, or frameworks for impact verification? (e.g., UN SDGs, Global Reporting Initiative)	[X] Yes, Aligned with UN SDGs (Sustainable Development Goals)
4. If you collaborated with third-party data providers for impact verification, please provide details about their involvement and role in data collection. (e.g., External agency responsible for data validation and auditing)	[X] No

Section 2: Impact Types and KPIs	
1. Please list the Key Performance Indicators (KPIs) that were utilized to quantify impact for each selected impact type. You may choose multiple KPIs if applicable	Environmental: Waste reduction (tons of plastic recycled annually) Social: Number of employees with disabilities hired Economic: Local job creation (number of new jobs) Cultural: Community engagement in sustainability workshops
2. Specify the measurement unit for each indicator (e.g., Kilograms, Participants).	Environmental: Metric Tons Social: Number of participants (employees) Economic: Number of jobs Cultural: Number of workshops/events

3. Explain how the chosen unit of measurement aligns with the intended outcome (e.g., Carbon reduction measured in kilograms supporting environmental goals).	Environmental: Tons of recycled plastic measure progress in reducing waste and environmental pollution. Social: Number of employees hired reflects progress in providing inclusive employment. Economic: Number of new jobs tracks contribution to local economic growth. Cultural: Number of workshops reflects community engagement in sustainability education.
4. Indicate the frequency of data collection for each KPI (e.g., Monthly, Annually).	Monthly
5. Provide the start date of data collection for each indicator (Date).	January 1, 2016
6. Describe the current status of data collection for each KPI (e.g., Ongoing data collection for all KPIs)	Ongoing
7. Specify the expected or actual completion date for data collection (Date).	Ongoing project, no end date
8. Summarize the degree of accomplishment towards the project's objectives.	Partially Achieved (some employment targets still in progress)

Section 3: Impact Calculation and Methodology	
1. What methods or tools are utilized to gather data for each KPI? (e.g., Surveys, IoT sensors)	Surveys, IoT sensors, Financial records
2. Could you elaborate on the formula or equation employed to derive the impact value from the collected data? (Description of methodology)	Impact is calculated by measuring the tons of plastic recycled each month and multiplying by the industry-standard reduction in carbon emissions per ton of recycled material.
3. Optional: You have the option to upload an Excel spreadsheet that demonstrates the impact calculation process. (File upload)	[File upload]
4. Do you include external benchmarks or industry standards in your project? If yes, please provide more details. You can also choose from the list below.	No
5. Are there any challenges or limitations encountered in the data collection process for impact calculation? Alternatively, you can select from the options below.	Difficulty in accurately measuring indirect social impacts, such as the long-term community benefits of hiring individuals with disabilities.

Section 4: Verification and Impact Calculation

1. How do you establish the baseline measurements for your initiative? (e.g., Historical data, Comparative analysis)	Historical data (comparing pre-2016 plastic waste levels with current levels)
2. Could you briefly outline the problem your initiative aims to address? (Context of the problem)	The initiative aims to reduce environmental pollution caused by plastic waste and to promote social inclusion by creating job opportunities for individuals with disabilities in rural Hungary.
3. Describe the steps taken to ensure data accuracy and precision. (e.g., Regular audits, External validation)	Internal audits are performed by the GreenTech team to ensure the accuracy of data collection from IoT sensors and employee records.
4. How do you verify the accuracy of the methodology used for impact calculation? (e.g., Cross-validation, External audits)	Internal validation
5. How do you ensure that the chosen data contributes effectively to the initiative's goals? (Alignment assurance)	Data is regularly reviewed to adjust recycling targets and employment practices, ensuring alignment with environmental and social goals.

Section 5: Additional Comments	
1. Provide any additional context or information relevant to the impact assessment. (Additional details)	GreenTech is currently exploring the possibility of adopting third-party verification services as the company grows. For now, all data collection and impact reporting are done internally, with a strong focus on improving community engagement in sustainability efforts.

Section 6: Signature	
1. By checking this box, I affirm the accuracy and completeness of the provided information.	[X]
2. I understand that misrepresentation could affect the verification process and outcomes.	[X]

2) **Process & Context Evaluation**
Strategic Context Assessment: Performing legitimacy checks, evaluating the contextual relevance, and ensuring the project's strategic fit for accurate alignment with organizational goals.

3) **Impact Model Analysis**
Detailed Model Evaluation: Conducting an in-depth analysis of the impact model (4), examining the theory of change, logic model, and performing a comprehensive indicator analysis to validate the project's approach.

4) **Impact-KPI Evaluation**
Robust KPI Analysis (C^4-SMART**)**: Scrutinizing key metrics, utilizing evidence-based methods for impact tracking, and performing detailed results analysis to measure the project's effectiveness accurately.

5) **External Benchmarking**
Conformity and Best Practices: Engaging in peer reviews, benchmarking against industry best practices, and reporting on sustainability standards to ensure the project's alignment with established norms.

6) **Adaptive Risk Management**
Proactive Risk Mitigation: Identifying potential risks, planning for various scenarios, and conducting thorough threat analysis to adaptively manage and mitigate risks effectively.

7) **Certify Impact & Quality**
Verified Impact Certification: Conducting rigorous impact verification, implementing stringent quality control measures, and certifying the results to ensure the credibility and trustworthiness of the project's outcomes.

Beneath the main process steps, three foundational pillars are emphasized, each playing a crucial role in supporting the integrity and effectiveness of the entire framework. These pillars serve as guiding principles that ensure assessments are not only technically sound but also aligned with the highest standards of professionalism, quality, and ethics. Together, they form the bedrock upon which reliable, transparent, and impactful assessments are built:

I. Competence and Professionalism
A solid foundation for effective assessments is built on expertise, adherence to standards, and a commitment to ongoing professional development.

II. Quality Control and Assurance
High levels of assurance are achieved through meticulous planning, comprehensive documentation, and continuous monitoring.

III. Ethics and Independence
Integrity in all engagements is maintained by cultivating an ethical culture, safeguarding independence, and encouraging open consultation.

Context

110.1. Use case of the IAOOI withn the IMVS:
The following table illustrates an exemplary application of the IAOOI model for the fictional company GreenTech Innovations Hungary. It succinctly showcases how the company could systematically approach and track its impact on sustainability and social responsibility.

Component	Inputs	Activities	Outputs	Outcomes	Impacts
Description	Initial capital, skilled workforce, technology patents, equipment	Research & development of sustainable technologies, production of green products, educational initiatives for sustainability	Number of green technologies developed, sustainable products manufactured, attendees at educational events	Improvement in environmental quality, behavioural change towards sustainability, adoption of green policies	Long-term environmental health, sustainable economic development, industry benchmarking in sustainability

110.1.4. Applying C⁴-SMART Criteria: Overview for GreenTech Innovations Hungary

This overview demonstrates how GreenTech Innovations Hungary, a fictional company planning global expansion, applies the C⁴-SMART criteria to its strategy. The structured approach ensures effective and sustainable management as the company prepares to enter new global markets. The details below illustrate the application of these criteria, showcasing the strategic planning process of the company.

CRITERION	APPLICATION IN GREENTECH	BENEFITS	EXAMPLE
CLEAR	Define project scope and outcomes clearly, detailing the types of plastic to recycle, output, and targeted global markets.	Aligns and clarifies stakeholder expectations.	"Recycle industrial plastic waste, targeting both local and international markets."
CONCISE	Summarize key goals: enhance global recycling rates and expand market reach.	Simplifies communication and enhances focus.	"Goal: Expand to three new international markets by 2026."
CONSISTENT	Align projects with GreenTech's mission to reduce environmental impact, with a focus on global sustainable development.	Ensures strategic alignment with organizational goals.	"Project supports global SDGs, particularly SDG 12 (Responsible Consumption and Production)."
COMPLETE	Include all details: stakeholders, global partners, resources, and expected impacts across all markets.	Facilitates thorough planning and execution.	"List all international partners and roles in the supply chain."
SPECIFIC	Target specific global outcomes: convert 1,000 tons of waste annually into usable materials, with breakdowns by region.	Sharpens project focus and stakeholder engagement.	"Specific targets for waste conversion in Europe, Asia, and North America."
MEASURABLE	Set quantifiable global targets: increase total recycling capacity and track regional contributions to overall targets.	Enables objective performance tracking.	"Measure and report recycling rates by region quarterly."
ATTAINABLE	Assess global market entry strategies and technology capabilities to ensure feasible scaling.	Promotes realistic and sustainable achievements.	"Evaluate and enter markets only after ensuring local recycling standards can be met."
RELEVANT	Ensure projects align with both local Hungarian and international environmental standards and needs.	Maximizes impact relevance and efficacy.	"Align initiatives with EU environmental regulations and explore compliance with EPA standards for US market entry."
TIMED	Establish clear global rollout phases and deadlines, ensuring accountability across different time zones and markets.	Keeps project on track and stakeholders informed.	"Phase 1: EU market by end of 2025, Phase 2: Asian markets by mid-2026."

110.2.2 Verification of Impact Model for GreenTech Innovations Hungary

GreenTech Innovations Hungary, a fictional entity, is committed to addressing environmental challenges while fostering social inclusion in rural communities through its innovative plastic recycling technologies and inclusive employment practices. To scientifically validate their impact model, we apply a comprehensive framework across various dimensions of their operations. The following table presents an analysis of each dimension, outlining the verification approach, tools/methods utilized, and the purpose of verification. By systematically examining these aspects, we aim to ensure the credibility and effectiveness of GreenTech's impact model.

DIMENSION	ASPECT	VERIFICATION APPROACH	TOOLS/METHODS	PURPOSE OF VERIFICATION
OUTCOME AND IMPACT (WHAT)	Environmental and social impact through plastic recycling and inclusive employment.	Establish baselines and clear goals for verification.	Analysis of historical data, setting annual targets for recycled materials and employed individuals.	Ensure alignment of goals with the mission and verify their achievement through quantitative measures.
STAKEHOLDERS (WHO)	Local communities, employees, government, and corporate partners.	Conduct stakeholder feedback to assess perception and engagement.	Surveys, interviews, and community forums.	Verify that the program addresses the needs and expectations of all involved stakeholders.
PROGRAM, SERVICE, ACTIVITY (HOW)	Efficiency and effectiveness of recycling technology and employment practices.	Evaluate process effectiveness and implement changes based on feedback and outcomes.	Program evaluations, continuous improvement methodologies (e.g., PDCA - Plan-Do-Check-Act).	Ensure effective execution of activities and adjust methods to enhance impact.
INDICATOR (HOW MUCH)	Quantitative KPIs: Tons of recycled plastic, number of disabled individuals employed.	Regular monitoring and reporting of KPIs for progress tracking.	Data collection systems, regular reporting intervals, external audits.	Measure and validate ongoing performance, ensuring accountability and transparency.
IMPACT SCALE, DEPTH, DURATION (CONTRIBUTION)	Reach, intensity, and sustainability of environmental and social impacts.	Conduct longitudinal studies and impact assessments to evaluate changes over time.	Impact assessment tools, sustainability reports, third-party evaluations.	Assess long-term effects and sustainability of impacts, verifying depth and duration.
IMPACT RISK (RISK)	Identification and management of potential risks.	Use risk assessment processes to identify, quantify, and mitigate risks.	Risk management frameworks, regular risk audits.	Prevent and mitigate risks to achieving desired outcomes, maintaining project integrity.
TEMPORAL DIMENSION (TIME FRAME FOR IMPACT ACHIEVEMENT)	Timeframes involved in impact realization and evaluation.	Set and review time-bound goals for impact achievement.	Milestone planning, timeline adjustments based on performance.	Ensure timely impact achievement and adapt to changing conditions and results.

VII. Practical Recommendations to Implementing IMVS and Preparing for an Impact Audit

To successfully become ready for an impact audit, organizations must integrate impact measurement and verification into their core processes. These recommendations and tips outline practical steps to ensure your organization is prepared for an audit, with a focus on understanding and internalizing the Impact+ Model, which helps organizations understand their social and environmental impacts. To prepare for an impact audit, you must be fully aware of your impact, which requires measuring and improving performance using a clear and structured approach.

Organizations must clearly define their impact area within this environment, which requires a strong vision and mission. These guiding principles help direct efforts and ensure that impact goals are relevant and achievable within a specific context.

A. IMVS 111: Steps to Prepare for an IMVS Audit

The key to being ready for an IMVS audit lies in ensuring that your organization has a solid understanding of its impact and can provide reliable, measurable evidence of its social and environmental performance. This involves robust data management, strong stakeholder alignment, and the development of relevant KPIs.

111.1. Establish a Robust Data Collection and Management System

Why it matters: Accurate and comprehensive data is the foundation for understanding your organization's impact and is essential for a successful impact audit. Without reliable data, it is impossible to measure, track, or improve impact.

Data Collection and Management

A reliable and comprehensive data collection system is essential for successful IMVS implementation. This involves selecting the most relevant data sources, such as internal records, external databases, or direct observations. It's crucial to ensure data accuracy, consistency, and timeliness. Data management should also include robust storage, processing, and security protocols to maintain the integrity of the data throughout the assessment.

- ✓ **Identify Relevant Data Sources:** Choose accurate and reliable data sources.
- ✓ **Standardize Data Collection:** Develop consistent methods for gathering data.
- ✓ **Ensure Data Integrity and Security:** Implement protocols for secure and reliable data management.

Actionable Steps:

1) Identify and Consolidate Data Sources:
Gather all relevant data from internal and external sources that demonstrate your organization's impact. (Examples: energy consumption reports, waste tracking data, employee satisfaction surveys, supplier sustainability assessments).

– **Recommendation:** Regularly review and update your data sources to ensure they remain relevant and accurate, especially in areas directly linked to your impact goals.

2) Implement Consistent Data Collection Methods:
Standardize the process for gathering data to ensure consistency and accuracy across all departments. (Examples: setting up uniform reporting templates for energy use, implementing regular surveys to measure social impact).

– **Recommendation:** Create clear guidelines for data collection and ensure that all employees involved are trained in these procedures.

3) Ensure Data Integrity and Security:
Put protocols in place to safeguard data integrity and security, ensuring that data remains accurate and protected from tampering. (Examples: secure internal databases, clear version control for data entry, regular data audits).

– **Recommendation:** Periodically audit your data systems to check for discrepancies and ensure compliance with data protection regulations.

4) Leverage the Impact+ Model for Data Analysis:
Use the Impact+ Model to map how your activities create specific social or environmental impacts. (Examples: If you're focusing on reducing your carbon footprint, map how operational changes, such as optimizing supply chains or using renewable energy, contribute to measurable reductions in emissions).

– **Recommendation:** Apply this model regularly to review your data and ensure it aligns with your business's sustainability goals and can be clearly communicated during the audit.

Checklist for Data Preparation:

- ☑ All relevant data sources identified and consolidated
- ☑ Standardized data collection methods implemented
- ☑ Data integrity and security protocols in place
- ☑ Impact+ Model used to map and analyse impact

111.2. Align Stakeholders for the Audit

Why it matters: All stakeholders—employees, investors, partners—must understand the importance of the IMVS audit and how their roles contribute to demonstrating the organization's impact. Clear communication ensures that everyone is aligned and prepared to support the audit process.

- ✓ **Communicate Goals Clearly:** Ensure all stakeholders understand the purpose and benefits of IMVS.
- ✓ **Provide Training:** Offer resources to help stakeholders grasp their roles in impact measurement.

✓ **Foster Commitment:** Encourage a shared dedication to achieving social and environmental impact goals.

Stakeholder Engagement

Engaging stakeholders is key to aligning the organization with IMVS goals. Effective communication about the benefits and objectives of IMVS can help build support among employees, partners, investors, and the wider community. Training and workshops should be used to educate stakeholders on their roles in impact measurement, overcoming any scepticism or resistance to change.

Actionable Steps:

1) Communicate Audit Expectations:

Inform all stakeholders about the upcoming audit, what it entails, and their roles in the process. (Examples: conducting internal briefings, distributing clear guidelines on audit procedures, setting up Q&A sessions for departments).

– **Recommendation:** Use clear, straightforward language when explaining the IMVS audit's significance, ensuring all parties understand its purpose and their contribution to it.

2) Provide Targeted Training:

Offer training sessions to ensure that stakeholders understand how to track and report on impact data relevant to the audit. (Examples: workshops on gathering sustainability data, sessions on reporting social impact, scenario-based training for potential audit questions).

– **Recommendation:** Customize training sessions to address the specific concerns or roles of each department or stakeholder group.

3) Create a Culture of Accountability and Transparency:

Foster a culture where stakeholders take ownership of their contributions to impact measurement. (Examples: making sustainability KPIs part of departmental goals, encouraging teams to report openly on challenges and successes in meeting impact goals).

– **Recommendation:** Encourage regular check-ins with stakeholders to review progress and address any issues in meeting data requirements or audit readiness.

Checklist for Stakeholder Engagement:

- ☑ Audit expectations clearly communicated to all stakeholders
- ☑ Targeted training sessions provided
- ☑ Culture of accountability and transparency fostered
- ☑ Set up impact+ model

111.3. Develop Measurable KPIs and Impact Models

Why it matters: Being ready for an IMVS audit requires that you not only track your impact but also measure it against clear, specific goals. KPIs (Key Performance Indicators) give the auditor concrete metrics to evaluate how well your organization is meeting its social and environmental objectives.

- ✓ **Map Impact Relationships:** Link business activities with their social and environmental impacts.
- ✓ **Select Relevant KPIs:** Choose indicators that measure impact effectively.
- ✓ **Ensure Realistic Measurement:** Balance detail and practicality in KPI selection.

Measuring Development

An impact model defines how business activities lead to social and environmental outcomes. Identifying which activities generate significant impact is essential, and this should be measured with carefully selected Key Performance Indicators (KPIs). These KPIs should be relevant, specific, and quantifiable, offering a realistic view of the organization's impact over time.

Actionable Steps:

1) Define Clear KPIs Using the Impact+ Model:

Use the Impact+ Model to map out how your activities contribute to measurable impacts and create specific KPIs to track these impacts. (Examples: for energy use, set a KPI to reduce consumption by 10% over 12 months; for waste reduction, track decreases in waste output per production cycle).

– **Recommendation:** Ensure each KPI is realistic, time-bound, and directly linked to your organization's sustainability goals.

2) Regularly Monitor and Report on KPIs:

Implement a regular monitoring process to track progress against KPIs and identify any areas that need improvement. (Examples: quarterly reviews of energy use metrics, monthly waste reduction reports, annual social impact evaluations).

– **Recommendation:** Set up a reporting schedule that aligns with the IMVS audit timeline, ensuring that you have up-to-date, accurate data when it's time for the audit.

3) Refine and Adjust KPIs Over Time:

As your organization progresses, revisit and refine your KPIs to ensure they remain aligned with evolving sustainability goals and standards. (Examples: adjusting targets as new regulations are introduced, increasing ambition in KPIs after initial goals are met).

– **Recommendation:** Use feedback from both internal reviews and stakeholder feedback to continuously refine your KPIs and improve impact measurement accuracy.

Checklist for KPI Development:

- ☑ KPIs established using the C^4 SMART & Impact+ Model
- ☑ Regular monitoring and reporting systems in place
- ☑ KPIs refined and adjusted as needed

B. IMVS 112: Change Management and Continuous Green Improvement for Audit Readiness

Successfully preparing for an IMVS audit is not just about demonstrating compliance at a single point in time but about embedding continuous improvement and sustainability into the organization's DNA. Effective change management is essential to ensure that sustainability is fully integrated into the company's values, decision-making, and daily operations. Preparing for an audit requires an organizational shift in mindset. Change management ensures that sustainability and impact measurement are embedded into day-to-day operations, making audit preparation a seamless process. To prevent greenwashing, the organization must genuinely believe in its impact and live these values consistently, both internally and externally. Change management drives this deep transformation, making sustainability a core component of business strategy rather than a superficial marketing tool.

112.1. Embedding a Green Mindset through Change Management

Why it matters: Building a genuine green culture is critical for audit readiness and preventing greenwashing. For sustainability to be meaningful, it must be embedded into the company's DNA, influencing every decision and action. Change management plays a crucial role in facilitating this cultural shift, ensuring that sustainability is not just a trend, but a core value lived across the organization.

- ✓ **Embed Sustainability:** Integrate sustainability into daily operations.
- ✓ **Train for Adaptability:** Equip teams to handle evolving standards.
- ✓ **Use Feedback:** Continuously improve through regular feedback.2. Adapting to Evolving Standards and Best Practices

Actionable Steps:

1) Foster Leadership Commitment to Sustainability:

Leadership must champion sustainability not just in words but in everyday actions, demonstrating a genuine commitment to environmental and social responsibility. (Examples: senior leaders setting measurable sustainability goals, sustainability updates as part of regular leadership meetings, personal involvement in green initiatives).

→ **Change Management Tip:** Create a "green leadership" team dedicated to overseeing sustainability efforts and driving the cultural shift throughout the organization. This team can act as role models for others.

2) Communicate a Shared Vision for Sustainability:

Develop a clear and compelling sustainability vision that aligns with the company's mission and is communicated across all levels of the organization. (Examples: company-wide meetings to discuss sustainability goals, internal campaigns to showcase successful impact initiatives, making sustainability part of the company's core values).

→ **Change Management Tip:** Use storytelling and real-world examples to connect employees emotionally to the sustainability vision, making it more relatable and meaningful.

3) Engage Employees as Change Agents:

Empower employees at all levels to take ownership of sustainability initiatives. This can be achieved by involving them in decision-making and recognizing their contributions to impact goals. (Examples: employee-driven sustainability projects, green champions in each department, innovation labs for sustainability solutions).

→ **Change Management Tip:** Train employees not just in the "what" of sustainability but in the "why"—help them understand the broader purpose behind sustainability efforts and how their roles contribute to real-world impact.

4) Create Accountability for Green Practices:

Sustainability goals should be integrated into performance reviews and team KPIs to ensure accountability. (Examples: department-specific sustainability targets, impact-related incentives in employee appraisals, reporting on progress toward sustainability milestones).

→ **Change Management Tip:** Build transparency by publicly sharing progress reports on sustainability goals within the organization, celebrating successes and addressing areas that need improvement.

Checklist for Embedding a Green Mindset:

- ☑ Leadership actively drives sustainability initiatives
- ☑ Clear and shared sustainability vision communicated
- ☑ Employees empowered to contribute to sustainability efforts
- ☑ Accountability for sustainability integrated into performance metrics

112.2. Preserving Authenticity in Impact: Preventing Greenwashing

Why it matters: Greenwashing occurs when companies project an image of sustainability that isn't backed by real, measurable impact. Avoiding this requires a genuine, company-wide commitment to transparency and authenticity in sustainability efforts. Through careful change management, the organization can ensure that its sustainability claims are supported by tangible results and a culture that values true impact over marketing.

- ✓ **Communicate Honestly:** Share progress and challenges in sustainability efforts openly.
- ✓ **Define Clear Metrics:** Set specific, measurable, and realistic sustainability goals.
- ✓ **Prioritize Long-term Impact:** Focus on meaningful, lasting changes over short-term wins.

Actionable Steps:

1) Commit to Transparent Communication:

Openly communicate both successes and challenges in achieving sustainability goals. Avoid exaggerating small achievements or presenting them as the centrepiece of your impact. (Examples: sustainability reports that show both progress and areas for growth, internal town halls discussing where improvements are needed).

→ **Recommendation**: Set up regular internal and external feedback loops where employees, stakeholders, and customers can voice concerns about sustainability claims, helping the company stay grounded in reality.

2) Set Realistic and Measurable Goals:

Ensure that all sustainability goals are specific, measurable, and time-bound, and that they are regularly reviewed for progress. (Examples: "Reduce carbon emissions by 15% over three years," "Increase use of recycled materials by 30% within two years").

→ **Recommendation**: Involve employees in setting these goals, making sure they are both ambitious and achievable. This will foster a sense of ownership and avoid overpromising on sustainability outcomes.

3) Ensure Third-party Verification of Impact:

To avoid greenwashing, it is crucial to have third-party verification of your sustainability claims. Independent audits, certifications, or partnerships with trusted environmental organizations provide external validation. (Examples: IMVS audits, certifications like B Corp or ISO 14001, collaborations with NGOs).

→ **Recommendation**: Make third-party validation part of your long-term sustainability strategy, not just for the audit. Use external benchmarks to guide internal changes and ensure continuous improvement.

4) Focus on Meaningful, Long-term Change:

Avoid focusing only on short-term wins or symbolic changes. Instead, prioritize initiatives that have a real, lasting impact on your environmental footprint and social contributions. (Examples: reducing carbon emissions across the entire supply chain, implementing a comprehensive waste reduction program).

→ **Recommendation**: Build long-term sustainability goals into the company's strategic plan, ensuring they are treated as core business objectives rather than side projects.

Checklist for Preventing Greenwashing:

- ☑ Sustainability goals are transparent, realistic, and measurable
- ☑ Transparent reporting on both progress and challenges
- ☑ Focus on long-term, meaningful sustainability changes
- ☑ Clear, measurable metrics in place to track sustainability goals

112.3. Embedding Impact in Decision-Making

Why it matters: A company can only avoid greenwashing and be ready for an audit if its sustainability goals are embedded in every decision, not just in high-level strategy but in everyday operations and decision-making processes. The green mindset should influence how the business operates at every level.

- ✓ **Integrate Sustainability:** Embed sustainability in all business decisions.
- ✓ **Strategic Alignment:** Link sustainability goals with long-term business plans.
- ✓ **Cross-Department Collaboration:** Ensure all teams share responsibility for impact.

Actionable Steps:

1) Sustainability in Strategic Planning:

Make sustainability a core component of the company's strategic planning. (Examples: integrating environmental goals into five-year business plans, aligning sustainability targets with revenue or operational growth strategies).

→ **Recommendation:** Include sustainability goals in regular business reviews, ensuring they are treated with the same importance as financial and operational objectives.

2) Impact-based Decision Making:

Decisions should be made with an understanding of their potential social and environmental impacts. (Examples: before launching a new product, assessing its lifecycle impact on the environment; before expanding operations, considering the carbon footprint of the supply chain).

→ **Recommendation:** Create an internal process where all major business decisions must pass a sustainability check, ensuring that long-term impact is always considered alongside profitability.

3) Cross-functional Collaboration:

Impact and sustainability should not be the responsibility of one team; it requires collaboration across departments. (Examples: marketing working with the sustainability team to ensure that green claims are accurate, HR aligning employee performance reviews with sustainability goals, operations adjusting workflows to minimize waste).

→ **Recommendation:** Set up cross-functional sustainability committees to ensure that impact is embedded into all areas of the business, fostering shared ownership of sustainability goals.

Checklist for Embedding Impact in Decision-Making:

- ☑ Sustainability integrated into strategic planning processes
- ☑ Decisions made with clear consideration of social and environmental impact
- ☑ Cross-functional collaboration fostered to ensure widespread responsibility for sustainability

VIII. Conclusions and Recommendations

A. IMVS 113: Summary and Strategic Recommendations

The IMVS (Impact Model Verification Standard) is designed to provide organizations with a comprehensive framework to document, understand, and communicate their social and environmental impact. By leveraging methodologies from agile practices, scientific approaches, and business thinking, IMVS helps companies not only meet compliance standards but also internalize and effectively articulate their impact. Central to this approach is the Impact+ Model, which integrates business-specific data, financial metrics, and impact-relevant values into a holistic view that aligns with external frameworks like the UN Sustainable Development Goals (SDGs).

The following recommendations will enable organizations to strengthen their impact reporting and verification, ensuring transparency, alignment with global standards, and clear communication of their sustainability efforts. By adopting these practices, companies can build credibility with stakeholders and position themselves as leaders in sustainability.

113.1 Key Takeaways from the IMVS Framework

(1) **Holistic and Structured Impact Measurement:** IMVS emphasizes creating a comprehensive approach to measuring impact, covering environmental, social, and economic dimensions. Organizations must adopt structured methodologies to gather data on their operations and outcomes, ensuring that all relevant aspects of their impact are captured accurately and consistently.

(2) **Verification and Transparency:** At its core, IMVS prioritizes the verification of impact data. Organizations must ensure that their sustainability claims are backed by verifiable, accurate data, which can withstand scrutiny from stakeholders, auditors, and regulators. Transparency in how data is collected, managed, and reported is essential to maintain credibility and build trust.

(3) **Scalability and Adaptability:** IMVS encourages organizations to develop impact measurement processes that are scalable and can evolve with the organization. As businesses grow, their impact measurement systems must be able to accommodate increasing complexity, allowing them to track larger datasets across different regions or product lines while maintaining consistency.

(4) **Alignment with Global Standards and Frameworks:** A key feature of the IMVS is its alignment with international frameworks such as the UN Sustainable Development Goals (SDGs) and other relevant standards. Organizations are encouraged to map their impact against these frameworks to ensure their efforts contribute to globally recognized goals, improving their credibility and reach.

(5) **Stakeholder Communication and Engagement:** Clear and effective communication is crucial. IMVS advocates for organizations to share their verified impact data with stakeholders, including investors, customers, employees, and communities. This fosters transparency and helps demonstrate genuine commitment to sustainability. It also opens the door for deeper engagement and feedback.

(6) **Continuous Improvement and Feedback Loops:** Organizations are expected to adopt a mindset of continuous improvement. IMVS promotes the idea of regularly updating and refining impact measurement processes based on the feedback received, new data, and evolving stakeholder expectations. This ensures that impact measurement remains relevant and effective over time.

(7) **Data Integrity and Security:** In the digital age, the integrity and security of impact data are critical. The IMVS framework requires organizations to ensure that their data is both accurate and protected from tampering. Data integrity builds trust with stakeholders and ensures that the impact results are verifiable. This becomes particularly relevant for organizations that handle sensitive data, especially in sectors like finance, healthcare, or public services.

(8) **Standardization Across Different Regions and Units:** For large multinational companies, standardizing impact measurement across different geographic locations and business units is crucial. IMVS promotes standardization of metrics and methodologies to ensure comparability and consistency in reporting. Standardized approaches facilitate benchmarking and allow organizations to aggregate data across different operational areas, providing a clear, holistic picture of the company's overall impact.

(9) **Long-Term Perspective and Resilience:** Sustainability initiatives often focus on long-term impacts, and the IMVS encourages organizations to take a forward-looking perspective when measuring and verifying their impact. Organizations should anticipate future challenges—whether they're regulatory shifts, technological advancements, or changes in consumer behavior—and build resilience into their sustainability strategies. By using long-term impact models, organizations can ensure that their efforts remain relevant and effective over time.

(10) **Incentivizing Internal Accountability:** Another key aspect of the IMVS framework is fostering internal accountability. Organizations should build internal systems of accountability where employees and departments are held responsible for achieving sustainability targets. The IMVS encourages setting clear goals, linking performance metrics to sustainability outcomes, and incorporating these targets into employee reviews and department-level KPIs. This approach drives internal commitment and accountability, making sustainability a shared responsibility across the organization.

(11) **Embed Business Logic in Impact Modelling:** The **Impact+ Model** is built on business-specific data and operational metrics, making it highly adaptable to different industries. Organizations should ensure that their impact assessments are closely tied to their business operations and financial outcomes. (Examples: calculating the financial savings of energy efficiency projects alongside their environmental benefits, tying community engagement initiatives to customer satisfaction and retention).

113.2 Customized Recommendations for Different Sectors

Across industries, organizations are increasingly expected to demonstrate their environmental and social impact, but many struggle with the complexities of reliable impact verification. **Startups and SMEs** often lack the resources and expertise to measure their impact effectively, which limits their ability to scale sustainably or attract conscious investors. **Multinational corporations** face the daunting task of managing sustainability efforts across complex global supply chains, often leading to inconsistencies in impact reporting and difficulties in aligning regional initiatives with corporate sustainability goals. In the **public sector**, governments and institutions are under constant scrutiny to show the tangible outcomes of their sustainability policies, yet transparency and data accuracy remain ongoing challenges. For **non-profits and NGOs**, proving the real-world effectiveness of their programs is critical for securing funding and advocacy, but they often struggle with aligning mission-driven goals with rigorous impact measurement. Finally, **educational institutions** are balancing the need to embed sustainability in curricula while ensuring their operational practices reflect the values they teach, yet they often lack comprehensive systems to measure and communicate their institutional impact.

The following Customized Recommendations for Different Sectors provide short tips to help organizations leverage the IMVS effectively. By addressing the unique challenges faced in each sector, these recommendations aim to facilitate accurate impact measurement, foster continuous improvement, and ultimately drive meaningful, verifiable change.

For Startups and Small-to-Medium Enterprises (SMEs): Startups and SMEs should begin by embedding impact measurement into their core operations, even if at a small scale. Starting with simple, cost-effective data collection methods is key, as it enables early measurement of critical aspects such as carbon footprint and resource use. As they grow, these companies should focus on scaling up their systems, ensuring that

their impact measurement evolves with their business. Agile methods will allow SMEs to adapt their impact processes quickly, making adjustments as they gain new insights from the data they collect.
For Multinational Corporations: Multinational corporations must prioritize consistency and alignment in impact verification across their global operations. Due to the complexity of large-scale operations, IMVS recommends implementing advanced data management systems that enable real-time tracking of impacts across multiple regions or product lines. These organizations should ensure that their local sustainability initiatives are aligned with global corporate goals, and that their impact measurement contributes to overarching frameworks like the SDGs. Verification and third-party audits can help ensure the credibility of their sustainability claims.

For Government and Public Sector Organizations: Public sector organizations are encouraged to prioritize transparency and public accountability in their impact measurement. IMVS suggests aligning KPIs with societal goals, ensuring that sustainability initiatives deliver long-term benefits for the community. Impact data should be made available to the public, helping to build trust and demonstrating the tangible outcomes of public policies. Regular reviews and feedback loops should be built into policy processes, allowing for agile adaptation in response to new data or changing public needs.

For Non-Profit Organizations and NGOs: Non-profit organizations and NGOs must focus their impact measurement on achieving mission-critical goals. By aligning their metrics with their organizational missions, these entities can ensure that their efforts are directly contributing to the desired social and environmental outcomes. IMVS encourages non-profits to engage their stakeholders, particularly beneficiaries, in the impact measurement process. This ensures that the collected data is relevant, accurate, and truly reflective of the organization's work. Transparent reporting to donors and communities builds credibility and strengthens support for the organization's initiatives.

For Educational Institutions: Educational institutions can leverage the IMVS framework to not only promote sustainability within their own operations but also educate future leaders on the importance of impact measurement. By integrating sustainability into curricula, these institutions prepare students to contribute to global sustainability efforts. Additionally, implementing sustainability initiatives on campus serves as a model for students and the community. Educational institutions should also report on their sustainability efforts, creating transparency and driving innovation in education for sustainability.

B. IMVS 114: Future Trends – PDCA Cycle (Plan, Do, Check, Act)

In the evolving landscape of sustainability, organizations must adopt a flexible and adaptive approach to impact verification. This requires moving away from static assessments and embracing a dynamic process of continuous learning, iteration, and improvement. By integrating principles from **agile, scientific, and business-driven approaches**, organizations can ensure their impact verification processes are responsive and resilient, keeping pace with shifting business demands, regulatory frameworks, and global sustainability goals.

114.1. The PDCA Cycle as a Call for Agile and Adaptive Impact Verification

Plan: Embrace Flexible and Forward-Thinking Strategy

Organizations should focus on setting impact goals that are ambitious but adaptable. Planning should not be seen as a one-time exercise but as an evolving process that allows for adjustments based on new data, external pressures, and internal developments. The future of impact verification demands a flexible, responsive approach that embraces continuous learning, iterative improvement, and alignment with changing societal expectations. Companies must be prepared to move away from static, one-time assessments and towards a dynamic, ongoing process that evolves alongside their business operations, external regulations, and global sustainability goals.

Planning must also involve regular reassessment, ensuring that the organization remains aligned with industry trends and stakeholder expectations. Flexibility in the planning phase helps organizations remain agile in their response to changes in environmental regulations or market dynamics. This forward-thinking strategy ensures that organizations stay on course while remaining open to necessary adjustments

Do: Act with Agility, Pilot, and Scale Quickly

Execution should focus on quick, agile cycles of action. Instead of waiting for perfect conditions or exhaustive plans, organizations should implement impact strategies through small, manageable initiatives that allow for real-time learning and improvement. Pilot projects or iterative implementation phases help organizations test solutions, gather feedback, and refine their approach.

Organizations should not wait for perfection before taking action. Instead, the focus should be on starting with well-informed pilot projects and making incremental improvements over time. Once successful initiatives have been proven, they can be scaled up and integrated into larger systems across the organization, fostering a culture of continuous action and responsiveness.

Check: Regular Evaluation and Feedback for Continuous Improvement

Regularly evaluating the success of sustainability initiatives is crucial for maintaining the relevance and effectiveness of impact verification processes. Organizations should establish regular feedback loops, both internally and externally, to assess how well their impact efforts are aligning with their set goals and broader industry standards. This ongoing evaluation ensures that impact verification is not a static process but one that evolves in response to changing conditions, being aligned with both internal business objectives and external standards.

Incorporating scientific methods into this evaluation phase allows for data-driven insights. Regular analysis and review help organizations identify gaps in their sustainability strategies, enabling them to refine data collection methods and improve overall performance. Frequent checks, rather than periodic reviews, allow for faster course correction and help maintain transparency and accountability.

Act: Adapt, Improve, and Innovate

After evaluating results, organizations must act swiftly to implement changes based on new insights. The ability to adapt quickly to feedback, shifting external conditions, or internal business priorities is key to maintaining leadership in impact verification. This involves refining strategies, updating data collection methods, or even redefining goals to ensure alignment with broader sustainability trends.

By continuously integrating agile, scientific, and business-driven approaches, organizations can ensure that their impact verification processes remain adaptive and effective. This approach fosters a culture of continuous improvement, where sustainability efforts evolve in line with changing conditions and new insights.

A Call to Action: Transform Impact Verification into a Catalyst for Leadership
Sustainability today demands more than compliance—it requires a dynamic, ongoing commitment to impact verification that drives real change. Here's how your organization can lead:

Make Impact Core to Your Culture: Embed sustainability into your operations and values. Let every employee, from leadership to staff, understand and act on your impact goals.
Be Authentic to Avoid Greenwashing: Ensure your sustainability efforts are genuine, measurable, and clearly communicated. Focus on results, not just messaging, to build trust.
Collaborate Across Teams: Break down silos and foster cross-functional innovation. Engage different departments to tackle complex sustainability challenges with fresh, diverse perspectives.
Embrace Continuous Learning and Adaptation: Sustainability is ever evolving. Stay agile by incorporating new insights, trends, and technologies. Keep refining your strategies to stay ahead.
Empower Stakeholders: Engage with suppliers, customers, and partners in your sustainability journey. Foster shared responsibility to drive broader systemic change.
Set Ambitious Goals and Lead by Example: Challenge your organization with bold sustainability targets. By aiming high, you set a benchmark for your industry and inspire others.
Act Now for a Sustainable Future: Make impact verification a proactive, ongoing strategy. Your leadership today contributes to a sustainable tomorrow.

Now is the time to act—lead with purpose, innovate boldly, and transform impact verification into a powerful tool for lasting change.

114.2 Key Trends Shaping the Future of Impact Verification

The future of impact verification will be driven by the convergence of cutting-edge technologies, evolving societal expectations, and the increasing integration of sustainability into core business strategy. As organizations adapt to this new landscape, they will need to stay ahead of the following trends to ensure their impact verification processes are both relevant and future-proof.

1. Real-Time, Predictive Impact Monitoring:
The move from periodic assessments to real-time monitoring is inevitable. With advancements in IoT, sensors, and AI, organizations will continuously gather data on their environmental and social impacts, allowing them to adjust strategies on the fly. Real-time data will lead to faster decision-making and the ability to address risks and opportunities as they arise, making sustainability efforts far more agile and responsive.

2. AI-Driven Autonomous Impact Verification:
The rise of AI and machine learning will enable autonomous verification systems that continuously analyze complex datasets without human intervention. These systems will not only track and verify sustainability metrics in real time but also predict future impacts, allowing businesses to anticipate challenges and adjust strategies before negative outcomes materialize. AI will allow for greater precision and proactive adjustments to sustainability initiatives.

3. Hyper-Contextualized Impact Data:

Organizations will increasingly collect hyper-contextualized impact data that is highly tailored to specific regions, communities, or ecosystems. Technologies like geo-spatial mapping and remote sensing will enable localized impact assessments that reflect the specific environmental and social challenges of each area, providing organizations with granular insights that enhance the accuracy of their impact reporting.

4. Quantifying Intangible Impacts:
As stakeholders demand a more holistic understanding of organizational impact, the future will bring new methods for quantifying intangible social metrics, such as mental health, community trust, and social cohesion. Advances in neuroscience, behavioral analytics, and psychology will allow organizations to measure these impacts with greater precision, providing a fuller picture of their contributions to society.

5. Blockchain for Transparent and Immutable Impact Records:
Blockchain technology will revolutionize impact verification by providing a decentralized, tamper-proof ledger for recording and verifying sustainability data. This technology will ensure that impact reports are immutable and traceable, increasing transparency and trust. Smart contracts could automate verification processes, validating sustainability claims as soon as predefined conditions are met, streamlining the audit process.

6. Regenerative Impact Models:
The shift from sustainability to regeneration is the next frontier for impact verification. Future impact models will focus not just on minimizing harm but on actively restoring ecosystems, regenerating natural resources, and uplifting communities. Organizations will need to track and report their net-positive contributions, demonstrating how they leave the world in a better state than they found it.

7. Holistic Integration of Environmental, Social, and Governance Metrics (ESG):
Impact verification will expand to include not just environmental data but also comprehensive social and governance metrics. As ESG expectations grow, organizations must incorporate metrics on diversity, inclusion, human rights, and labor practices. Future impact verification systems will need to provide a unified view of environmental, social, and governance performance, offering a full-spectrum analysis of corporate impact.

8. Impact as a Currency:
In the future, impact will evolve into a tradable asset, much like carbon credits. Verified positive impacts, such as reforestation or community health improvements, will be monetized and exchanged between organizations. This will create a market for positive social and environmental outcomes, allowing companies to offset negative impacts or invest in regenerative initiatives.

9. Human-Centric Verification through Crowdsourced Data and Citizen Science:
The future will see greater involvement of citizens and communities in impact verification through crowdsourcing and citizen science. Individuals will collect and contribute real-time data, verifying corporate sustainability claims directly. This democratized model of verification will not only increase transparency but also engage local communities in holding companies accountable for their environmental and social impacts.

10. Quantum Computing for Complex Impact Modeling:

As global sustainability challenges become more interconnected, traditional computing may struggle to process the complexity of multi-variable systems. Quantum computing will enable businesses to model intricate relationships between environmental, social, and economic variables on a global scale, providing far more accurate predictions of future impacts. This will allow companies to plan long-term sustainability strategies with unprecedented precision.

114.3 Strategic Actions to Future-Proof Impact Verification

To navigate these emerging trends, organizations must implement strategic actions that ensure their impact verification processes remain robust, adaptable, and aligned with the future of sustainability:

1. Build Real-Time, Predictive Data Systems:
Organizations must invest in real-time data collection systems that enable continuous monitoring of their environmental and social impacts. These systems should be adaptive, capable of integrating new data sources such as IoT devices, drones, and AI-driven insights. Predictive models will allow businesses to adjust sustainability strategies proactively, rather than reacting to past data.

2. Foster a Culture of Innovation and Scientific Rigor:
Encourage a culture that values evidence-based decision-making and continuous experimentation. By fostering innovation, organizations can regularly test new sustainability strategies, refine impact metrics, and avoid the pitfalls of greenwashing. This scientific approach to sustainability ensures that companies remain focused on genuine impact rather than marketing-driven claims.

3. Implement Blockchain for Transparency and Trust:
Adopting blockchain technology will provide organizations with a transparent, tamper-proof system for recording and verifying impact data. By utilizing blockchain, companies can offer stakeholders verifiable proof of their sustainability efforts, building trust and streamlining the audit process. Blockchain will also enable decentralized verification networks, where stakeholders can contribute to the verification process.

4. Expand Impact Verification to Address Holistic ESG Metrics:
Future-proofing impact verification means broadening the scope to include holistic ESG metrics, capturing the full spectrum of an organization's impact. Organizations must develop systems that can track and verify not only environmental performance but also social and governance factors, such as human rights, diversity, and labour conditions, ensuring their reporting aligns with growing stakeholder expectations.

5. Integrate Regenerative Impact Goals:
Go beyond sustainability by setting regenerative impact targets. Organizations should aim to create positive contributions to ecosystems and communities, ensuring that their activities leave the environment and society better off than before. Impact verification systems must evolve to measure these net-positive impacts and report on how companies are actively restoring what they use.

6. Leverage Crowdsourced Data for Enhanced Verification:
Organizations should develop platforms that allow citizens and communities to contribute data for impact verification. By integrating crowdsourced data into their reporting processes, businesses can validate their sustainability claims while engaging communities in the verification process. This democratization of impact data fosters deeper stakeholder engagement and accountability.

7. Prepare for Quantum Computing-Driven Impact Models:
Quantum computing will revolutionize how organizations model and predict their impacts. Organizations should prepare for this shift by investing in research and partnerships that explore the application of quantum computing to sustainability challenges. This will enable businesses to handle the complexity of global impact systems and predict future sustainability outcomes with greater accuracy.

114.4 The Future of Impact Verification: Lead with Innovation and Purpose

The future of impact verification will be defined by technological innovation, proactive adaptation, and a deep commitment to transparency and accountability. Organizations that embrace real-time data systems, blockchain transparency, AI-driven insights, and regenerative impact goals will lead the way in shaping a sustainable and equitable world.
Impact verification is evolving from a backward-looking audit to a forward-thinking strategy, where businesses continuously monitor, predict, and adjust their sustainability efforts in real time. By leveraging these emerging trends and technologies, organizations can create a future where sustainability is not just a compliance requirement but a core driver of innovation, trust, and long-term success.
Leading companies will not only meet but exceed sustainability expectations, positioning themselves as catalysts for positive, regenerative change. This future is not just about minimizing harm—it's about creating a world where businesses actively restore ecosystems, uplift communities, and drive collective progress towards a sustainable and equitable global economy.

IX. Catalogues of Impact Types (Outlook)

This section is envisioned as a future reference guide for various types of impact verification. It will provide a comprehensive resource outlining the methodologies and approaches used to audit different categories of impact—environmental, social, and economic. The guide will offer foundational principles and detailed procedures, allowing users to understand how these diverse impact types have been assessed and verified. This evolving repository will serve as a go-to tool for organizations seeking clarity on best practices in impact verification across all dimensions of sustainability.

How Does It Work?

- **Dynamic Sub-Catalogues**: IMVS is structured around different categories of impact (e.g., environmental, social, governance), with sub-catalogues that capture specific metrics and criteria for each type of impact. These sub-catalogues are designed to evolve as new requirements or insights arise. For example, the climate change sub-catalogue might expand to include metrics for carbon sequestration as these become more widely measured and valued.
- **Organic Expansion**: The system is built to organically expand by integrating new types of impact without needing a complete overhaul. For instance, a company focused on circular economy practices could add specific material loop metrics to the IMVS sub-catalogue for "Resource Efficiency" if those metrics become relevant to their operations.

- **Benefits for Companies and Stakeholders**:
  - **Adaptability**: Companies can tailor the standard to meet their specific industry or project needs by tracking relevant impacts through the evolving sub-catalogues.
  - **Holistic Capture**: Through the organic expansion of sub-catalogues, companies and auditors can comprehensively assess all relevant impacts, including new or emerging ones, rather than being confined to rigid categories.
  - **Increased Transparency**: This structure also allows external stakeholders like investors or regulatory bodies to better understand the full scope of a company's impact and more accurately assess the breadth and relevance of its sustainability commitments.

A. IMVS 200: Environmental Impact

1. **Classification and Measurement Methods**:
   - → **Classification**: Environmental impacts are classified into specific areas like greenhouse gas emissions, resource consumption (water, energy), waste generation, and impacts on biodiversity and ecosystems.
   - → **Measurement Methods**: Utilizes a combination of quantitative tools like carbon footprint calculators, water usage meters, and qualitative assessments such as environmental impact studies. These methods are supplemented by emerging technologies like remote sensing for ecosystem health monitoring.
2. **Evolving Environmental Concerns and Metrics**:
   - → **Concerns**: Recognizes the need to address contemporary issues like climate resilience, sustainable resource use, and pollution reduction.
   - → **Metrics**: Proposes the incorporation of modern metrics such as renewable energy adoption rates, sustainability indexes, and circular economy practices. Regular updates to these metrics are suggested to keep pace with scientific advancements and environmental policy changes.

B. IMVS 300: Social Impact

1. **Social Impact Categories and Measurement Challenges**:
   - → **Categories**: Delineates social impacts into workforce development, community engagement, diversity and inclusion, health and safety, and human rights.
   - → **Challenges**: Acknowledges the inherent difficulties in quantifying social impact, such as measuring the long-term effects of community programs or the indirect benefits of improved health and safety practices.
2. **Methods for Capturing Qualitative Social Impacts**:
   - → **Mixed-Methods Approach**: Advocates for a combination of surveys and interviews to gather quantitative data and personal narratives or case studies for qualitative insights.
   - → **Social Impact Metrics**: Suggests metrics such as employee engagement scores, community investment figures, and diversity indices. Encourages the use of social media analytics to gauge public sentiment and engagement.

C. IMVS 400: Economic Impact

1. **Defining Economic Impact Types with Examples**:
   - → **Impact Types**: Includes direct impacts like job creation, indirect impacts such as supply chain enhancements, and induced impacts like increased local spending due to higher employment.
   - → **Examples**: Demonstrates these impacts through case studies, such as the effect of a new manufacturing plant on local employment and the broader economic stimulus from increased spending by employees in the local economy.
2. **Methodologies for Economic Impact Assessment and Reporting**:
   - → **Assessment Methodologies**: Describes the use of input-output models to understand the ripple effects of economic activities, cost-benefit analysis for evaluating project viability, and econometric models to predict long-term economic impacts.
   - → **Reporting**: Stresses the importance of consistent economic reporting standards, using guidelines like the Global Reporting Initiative (GRI) for comparability and transparency.

The IMVS provides a detailed and structured approach to understanding and reporting on the various impact types. This comprehensive approach ensures organizations can accurately capture and communicate their multifaceted influence on the environment, society, and economy.

X. Potential Shortcomings of the IMVS Framework

While the **Impact Model Verification Standard (IMVS)** presents a promising and structured approach to impact verification, several inherent complexities and limitations must be addressed for it to achieve its full transformative potential. The framework's success depends on a range of internal and external factors, from dedicated internal resources to sector-wide collaboration and the quality of audits. Below are the key challenges facing the IMVS and its future development.

1. The Need for Dedicated Internal Stewardship

A critical challenge for the successful implementation of the IMVS framework is the need for dedicated individuals or teams within organizations to drive and manage impact-related activities. The task of overseeing impact measurement, data collection, and verification processes cannot be relegated to a peripheral function. Without an empowered internal leader or team, the integration of impact strategies into core business processes becomes inconsistent and lacks strategic depth.

For many organizations, particularly those with constrained resources or competing priorities, establishing this internal stewardship is difficult. Impact measurement often requires specialized knowledge and cross-departmental coordination, which can be resource-intensive. As a result, impact verification risks being sidelined, leading to poor-quality data, incomplete assessments, and reduced organizational alignment with sustainability goals. This internal dependency makes it clear that the IMVS framework, while valuable, cannot succeed in a vacuum—it requires committed human capital to embed and operationalize it within organizational structures.

2. The Challenge of Quantifying Intangible Impacts

One of the more complex challenges inherent in the IMVS framework is the difficulty of accurately capturing and verifying **intangible impacts**—such as social cohesion, employee well-being, or public trust. While measuring tangible impacts like carbon emissions or energy consumption is relatively straightforward, intangible impacts present a different level of complexity. They are often influenced by subjective, cultural, or behavioral factors that defy easy quantification.

Moreover, organizations and industries must reach consensus on the Key Performance Indicators (KPIs) used to track these impacts. There is an inherent risk that KPIs, which are often quantifiable by nature, could oversimplify or reduce complex social or psychological phenomena into narrow metrics, losing the broader context of what is being assessed. For example, measuring employee well-being solely through absenteeism rates or survey responses may fail to capture deeper systemic issues affecting organizational culture. The challenge, therefore, is twofold: agreeing on appropriate KPIs for intangible impacts and ensuring that these indicators reflect the complexity and depth of the actual effects being measured.

3. The Growth of the IMVS Framework Relies on Collective Participation

The success and scalability of the IMVS framework depend heavily on **sector-wide collaboration**. The IMVS aspires to become a comprehensive, evolving repository of methodologies for auditing various types of impact—environmental, social, and economic. However, the framework's future growth is contingent upon widespread participation from diverse organizations, sectors, and industries. For the IMVS to grow into a robust and versatile tool, companies and auditors must actively contribute insights, data, and audit results to build a knowledge base that is both expansive and flexible.

This reliance on collective contribution poses a significant challenge. Without active engagement from a broad spectrum of stakeholders, the framework risks stagnation. If only a small segment of industries contributes to its evolution, the IMVS may develop gaps or limitations, making it less relevant for other sectors. Additionally, in sectors where impact verification is less mature or where sustainability is not yet a priority, organizations may be reluctant to engage fully. For the IMVS to fulfill its potential, it must foster an environment of collaboration where companies see the value of contributing to and utilizing the framework. Only with such broad participation can it offer adaptable, industry-specific solutions.

4. The Role of the Auditor: A Double-Edged Sword

The quality and rigor of any impact audit conducted under the IMVS framework are only as strong as the **expertise and integrity of the auditor**. While the framework provides the guidelines and methodologies, much of the responsibility for ensuring a high-quality audit lies with the auditor’s competence, experience, and understanding of the complexities of impact measurement. There is a risk of inconsistency, as not all auditors may interpret or apply the framework with the same level of rigor.

Moreover, the relationship between the auditor and the audited organization plays a pivotal role in the quality of the process. A successful impact audit depends not just on the auditor’s skills, but also on the **willingness of the organization to engage** transparently and openly. Organizations must provide accurate, comprehensive data and actively participate in the auditing process. However, tensions may arise if

companies view the audit as a purely compliance-driven exercise rather than an opportunity for meaningful improvement. Thus, the IMVS framework, while robust, is fundamentally reliant on the collaborative dynamic between the auditor and the organization being audited. Without this partnership, audits may fail to capture the full scope of an organization's impact or lead to underreporting of challenges and areas for improvement.

5. Ensuring the Framework Evolves with Emerging Needs

The IMVS framework aims to be a dynamic and evolving tool, capable of adapting to new methodologies and accommodating a growing range of impact types. However, the challenge lies in ensuring that the framework evolves rapidly enough to stay relevant amid changing global sustainability trends and business needs. The **pace of innovation** in sustainability, driven by technologies such as artificial intelligence, blockchain, and IoT, is accelerating, and impact verification systems must keep pace with these advancements.

Moreover, as societal expectations around corporate accountability continue to evolve, the IMVS must continuously refine and expand its methodologies. There is a risk that without sustained input and innovation, the framework could become outdated, unable to address new forms of impact, such as digital footprints, AI ethics, or social justice issues. To avoid stagnation, the IMVS needs a proactive approach to incorporating emerging trends and needs into its structure. This requires ongoing contributions from a wide array of industries, researchers, and impact auditors to ensure that the framework remains at the cutting edge of impact verification practices.

XI. Glossary:

- **Assessment:** The systematic evaluation of an organization's performance, impact, or progress against predefined criteria or benchmarks, used to inform improvements and strategic adjustments.
- **Audit:** An audit is a systematic evaluation of an organization's processes and records against established standards, ensuring the accuracy and reliability of reported impact data.
- **Biodiversity:** The variety and variability of life on Earth, including diversity within species, between species, and of ecosystems.
- **Carbon Footprint:** The total amount of greenhouse gases emitted directly or indirectly by an individual, organization, event, or product.
- **Circular Economy:** An economic system aimed at minimizing waste and making the most of resources through reuse, recycling, and regeneration.
- **Economic Impact:** The effect of an organization's activities on the economy, including factors such as job creation, revenue generation, and economic growth.
- **Environmental Impact:** The effect of an organization's activities on the natural environment, including pollution, resource depletion, and habitat destruction.
- **Goal:** A specific, measurable target that an organization seeks to achieve within a set timeframe.
- **Greenwashing:** Misleading or deceptive claims about the environmental benefits of a product, service, or organization.

- **Impact Assessment:** The process of evaluating the potential social, environmental, and economic effects of a project or policy before it is implemented.
- **Impact model:** An impact model is a framework that outlines the relationships between an organization's activities, their outcomes, and the broader effects on stakeholders and the environment.
- **Impact Verification:** The process of confirming and validating the social, environmental, and economic outcomes of a project or initiative.
- **Impact:** The significant effect or change resulting from an organization's activities, both intended and unintended, on stakeholders or the environment.
- **Impact+ model:** The Impact+ Model enhances traditional impact models by integrating context, baseline data, and a theory of change. It includes Key Performance Indicators (KPIs) and aligns with external frameworks like the UN Sustainable Development Goals (SDGs) to provide a comprehensive view of an organization's sustainability contributions.
- **Intention:** A deliberate aim or purpose that guides decision-making and actions, reflecting what an organization seeks to accomplish.
- **Key Performance Indicator (KPI):** A KPI is a measurable value that demonstrates how effectively an organization is achieving key objectives, used to track progress toward specific impact goals.
- **Key Results:** Specific, quantifiable outcomes that indicate progress toward achieving broader objectives, often used in performance management frameworks like OKRs (Objectives and Key Results).
- **Materiality:** The significance or importance of an issue or impact often assessed based on its potential to affect stakeholders or the organization's objectives.
- **Mission:** A concise declaration of an organization's core purpose and focus, explaining why it exists and what it seeks to do.
- **SDGs (Sustainable Development Goals):** A collection of 17 global goals set by the United Nations General Assembly in 2015 for the year 2030, aimed at addressing various social and environmental challenges.
- **SMART Goals:** Goals that are Specific, Measurable, Achievable, Relevant, and Time-bound, often used for setting objectives and performance targets.
- **Social Impact:** The effect of an organization's actions on the well-being of society, including factors such as employment, community development, and social equity.
- **Stakeholder Engagement:** Involving individuals or groups who have an interest or stake in a project or organization in the decision-making process.
- **Strategy:** A comprehensive plan outlining how an organization will achieve its long-term goals by leveraging resources, capabilities, and market opportunities.
- **Theory of Change:** A comprehensive description and illustration of how and why a desired change is expected to happen in a particular context.
- **Transparency:** The practice of openly and honestly sharing information, decisions, and processes with stakeholders to promote accountability and trust.
- **Transparency:** The practice of openly sharing information and processes to foster trust and accountability.
- **Triple Bottom Line:** A framework that evaluates an organization's performance based on three factors: social, environmental, and financial.
- **Vision:** An aspirational statement outlining what an organization desires to become or accomplish in the long-term future.

XII. List of Abbreviations:

- **ToC:** Theory of Change
- **SMART:** Specific, Measurable, Achievable, Relevant, Time-bound
- **GRI:** Global Reporting Initiative
- **ISO:** International Organization for Standardization
- **SROI:** Social Return on Investment
- **KPI:** Key Performance Indicator
- **ROI:** Return on Investment
- **NGO:** Non-Governmental Organization
- **CSR:** Corporate Social Responsibility
- **ESG:** Environmental, Social, and Governance
- **OECD:** Organization for Economic Co-operation and Development
- **SDGs:** Sustainable Development Goals
- **UN:** United Nations
- **GDP:** Gross Domestic Product
- **CSR:** Corporate Social Responsibility
- **ESG:** Environmental, Social, and Governance

XIV. References

Arctic Project Lapland AB (2014): SMARTe Ziele: Wie funktioniert die SMART-Formel? Zuletzt aktualisiert am 16.02.2022. Online unter https://projekte-leicht-gemacht.de/

Arvidson, Malin, and Fergus Lyon. "Social impact measurement and non-profit organisations: Compliance, resistance, and promotion." VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations 25 (2014): 869-886.

blog/methoden/projektziele/die-smart-formel/ [Abruf am 15.12.2023]

Costanza, Robert, et al. "The value of the world's ecosystem services and natural capital." *nature* 387.6630 (1997): 253-260.

Doran, George T. "There'sa SMART way to write management's goals and objectives." *Management review* 70.11 (1981): 35-36.

Ebrahim, Alnoor, and V. Kasturi Rangan. "What impact? A framework for measuring the scale and scope of social performance." California management review 56.3 (2014): 118-141

Elkington, John, and Pamela Hartigan. The power of unreasonable people: How social entrepreneurs create markets that change the world. Harvard Business Press, 2008.

Fichter, Klaus. "IMPACT Guide: Von der Evaluation zum Impact-Management von Gründungsförderprogrammen." (2021).

Fox, Mark, and Kate Ruff. "CIDS: An Ontology for Representing Social and Environmental Impact." ICBO. 2021.

Fryirs, Kirstie A., Gary J. Brierley, and Thom Dixon. "Engaging with research impact assessment for an environmental science case study." Nature communications 10.1 (2019): 4542.

Glasrud, Bruce. "The muddle of outcome measurement." Nonprofit World 19.6 (2001): 35-37.

Green, Stuart D. "Beyond value engineering: SMART value management for building projects." International Journal of Project Management 12.1 (1994): 49-56.

Grieco, Cecilia, Laura Michelini, and Gennaro Iasevoli. "Measuring value creation in social enterprises: A cluster analysis of social impact assessment models." Nonprofit and voluntary sector quarterly 44.6 (2015): 1173-1193.

Grillitsch, Waltraud, et al. "Grundlagen Projekt und Projektmanagement." *Projektmanagement in Organisationen der Sozialwirtschaft: Eine Einführung* (2021): 7-25.

Hameed, Irfan. "Impact of monetary policy on gross domestic product (GDP)." Interdisciplinary journal of contemporary research in business 3.1 (2010): 1348-1361.

International Auditing and Assurance Standards Board (IAASB). "International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information—Final Pronouncement. (December)." (2013).

International Ethics Standards Board for Accountants. "Handbook of the international code of ethics for professional accountants." (2023).

Junior, Renzo Mori, Peter J. Best, and Julie Cotter. "Sustainability reporting and assurance: A historical analysis on a world-wide phenomenon." Journal of business ethics 120 (2014): 1-11.

Leeuw, Frans L. "Linking theory-based evaluation and contribution analysis: Three problems and a few solutions." *Evaluation* 18.3 (2012): 348-363.

Maas, Karen, and Kellie Liket. "Social impact measurement: Classification of methods." Environmental management accounting and supply chain management (2011): 171-202.

McLaughlin, John A., and Gretchen B. Jordan. "Logic models: a tool for telling your programs performance story." Evaluation and program planning 22.1 (1999): 65-72.

Meldrum, Bev, Pete Read, and Colin Harrison. "A guide to measuring social impact." Social Impact Traker (2017).

Morgan, Branwen. "Research impact: Income for outcome." Nature 511.7510 (2014): S72-S75.

Oecd, Dac. "Glossary of key terms in evaluation and results-based management." DAC Network on Development Evaluation, OECD, Paris (2002).

Peter F. Drucker: *People and Performance: The Best of Peter Drucker on Management*. Harper's College Press, New York 1977.

Phillips, Patricia Pulliam. Green scorecard: measuring the return on investment in sustainability initiatives. Hachette UK, 2010.

Porter, Michael E., and Mark R. Kramer. "Creating shared value: How to reinvent capitalism—And unleash a wave of innovation and growth." *Managing sustainable business: An executive education case and textbook*. Dordrecht: Springer Netherlands, 2018. 323-346

Roche, C (1999). Impact Assessment for Development Agencies. Oxford: Oxfam/NOVIB

Rosenzweig, William. "Double bottom line project report: Assessing social impact in double bottom line ventures." (2004).

Sen, Amartya. "Development as freedom (1999)." *The globalization and development reader: Perspectives on development and global change* 525 (2014).

Simnett, Roger. "Assurance of sustainability reports: Revision of ISAE 3000 and associated research opportunities." Sustainability Accounting, Management and Policy Journal 3.1 (2012): 89-98.

Singhal, Rajat, and Nicolas Berlinger. "How to bell the cat named Social Impact Measurements: Challenges and Limitations in setting up Social Impact Measurement." (2018).

Suarez, B., and A. Vargas. "Innovation Management, from Materiality Assessment to Sustainability Reporting, opening the Social Impact Black Box." (2021).

Vergel, Yolanda Bravo, and Mark Sculpher. "Quality-adjusted life years." Practical neurology 8.3 (2008): 175.

Weiss, Carol H. "Theory-based evaluation: past, present, and future." *New directions for evaluation* 76 (1997): 41-55.

Primec, Andreja, and Jernej Belak. "Sustainable CSR: Legal and Managerial Demands of the New EU Legislation (CSRD) for the Future Corporate Governance Practices." *Sustainability* 14.24 (2022): 16648.

I. Kornieieva et al. "Single electronic format of non-financial reporting." Naukovi pratsi NDFI (2022). https://doi.org/10.33763/npndfi2022.01.104.

Heidi Vander Bauwhede et al. "Determinants and Value Relevance of Voluntary Assurance of Sustainability Reports in a Mandatory Reporting Context: Evidence from Europe." Sustainability (2022). https://doi.org/10.3390/su14159795.

Mejía-Trejo, Juan. "Social Impact Startups, Business Model innovation and Female Management: Lessons for the Next Normal in Mexico using fsQCA." *Nova scientia* 14.28 (2022).

D. Bishop et al. "Key Performance Indicators: Ideation to Creation." IEEE Engineering Management Review, 46 (2018): 13-15. https://doi.org/10.1109/EMR.2018.2810104.

Paulo R. M. Andrade et al. "Improving business decision making based on KPI management system." 2017 IEEE International Conference on Systems, Man, and Cybernetics (SMC) (2017): 1280-1285. https://doi.org/10.1109/SMC.2017.8122789.

Kamila Zelga et al. "Key Performance Indicator as a Type of Performance Measurement - Analysis of a Chosen Enterprise." , 45 (2018): 127-135. https://doi.org/10.12775/AUNC_ZARZ.2018.011.

Elkington, John. "The triple bottom line." *Environmental management: Readings and cases* 2 (1997): 49-66.

Smith, Roger O., Kathy Longenecker Rust, and Stephanie Siegler. "Assistive technology devices and universal design assessments: theoretical relationships and implications on measurement." Medical Instrumentation. CRC Press, 2006. 119-130.

Sustainable Development Goals (SDGs): United Nations. (2015). *Transforming our world: the 2030 Agenda for Sustainable Development*. Available at: https://sdgs.un.org/goals

Global Reporting Initiative (GRI): Global Reporting Initiative. (2016). *GRI Standards*. Available at: https://www.globalreporting.org

United Nations Guiding Principles on Business and Human Rights (UNGPs): United Nations. (2011). *Guiding Principles on Business and Human Rights*. Available at: https://www.ohchr.org

Carbon Disclosure Project (CDP): CDP Worldwide. *CDP Climate Change Report*. Available at: https://www.cdp.net

ISO 26000 for Social Responsibility: International Organization for Standardization (ISO). (2010). *ISO 26000: Guidance on Social Responsibility*. Available at: https://www.iso.org

XV. List of Figures

XVI. List of Tables

Disclaimer:

This text is currently under active development and continuous improvement. While some sections are more advanced in the revision process, others are still in earlier stages. Please be aware that updates and changes will be made as the content evolves.