

## IMPACT VERIFICATION AND ASSURANCE: The hallmark of authentic impact investing

Impact verification and assurance plays an increasingly key role in building confidence in impact investing as a distinct approach to ESG investing.

As market participants and regulators' demands grow for clear criteria for investment products to qualify as pursuing 'impact' objectives, independent assurance can help boost transparency and rigour. It provides an independent perspective on how investors are managing for impact, while verifying their alignment with industry good practices and standards.

### □ WHY US?

#### A leading assurance service rooted in deep impact experience

The Good Economy is a leading impact advisory firm with unique experience across the impact investing 'value chain', from institutional investors to investees, in both emerging and advanced economies.

Impact Assured, our assurance service, is informed by over a decade of experience evaluating and advising on impact strategies for clients. Our methodology meets the requirements of independent verification under the Operating Principles for Impact Management, led by the International Finance Corporation (IFC). Alignment with these Impact Principles, which have now attracted some 150 signatories, is fast becoming the benchmark of authentic impact investing.

### □ HOW DO WE WORK?

#### Supporting clients to prove and improve their impact

Assurance is important in mitigating the risk of 'impact washing'. But it is also an opportunity to help investment managers reflect on and refine their impact management systems. We help investors ensure they are on the right track to delivering meaningful results by increasing accountability over their impact claims, as well as helping them navigate existing and emerging impact standards.

We agree the scope of each assurance exercise with the client, but the three 'I's – intentionality, integration and integrity – always underpin our work since they are the foundation of good impact measurement and management.<sup>1</sup> Each assurance ends in practical recommendations on strengthening impact processes and systems, based on concrete examples of good industry practice.

TYPE OF ASSURANCE	ASSURANCE PILLARS	AREAS COVERED BY OUR ASSURANCE CRITERIA
<ul style="list-style-type: none"> <li>+ Assurance of impact management systems</li> <li>+ Verification of alignment with the Impact Principles</li> </ul>	<p><b>Intentionality</b> of contributing to positive social and environmental outcomes</p> <p><b>Integration</b> of impact across the investment process</p> <p>Maintaining impact <b>integrity</b> through decision-making and disclosures</p>	<ul style="list-style-type: none"> <li>- Impact strategy and goals</li> <li>- Investor contribution</li> <li>- Portfolio impact management</li> <li>- Ex-ante assessments</li> <li>- Risk management</li> <li>- Impact monitoring</li> <li>- Impact at exit</li> <li>- Impact review and reporting</li> </ul>

“ The Good Economy’s advice has been thoughtful, practical and implementable. They constructively challenged us on all dimensions of impact, many of which we had not thought about before and have now implemented. We are extremely pleased with their work and advice.

– Isabelle Irani, Partner, Sumerian Partners

1. Run by an independent team within The Good Economy, Impact Assured has been designed in accordance with the AA1000 Assurance Standard principles of inclusivity, materiality, responsiveness and impact. In the belief that all investors can benefit from assurance, especially new and emerging impact funds, we offer a transparent rate card with prices on a sliding scale based on impact assets under management.