



THE IMPACT WAVE AND HOW TO CATCH IT

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SUCCESS FACTORS IN SURF

POSITION

PADDLE

TIME



AGENDA

- Introduction
- Impact in business
- Impact Measurement and Monitoring
- Case study in Fashion

Introduction

Who am I?



Project Manager

*Investment readiness &
Access to finance*



Researcher

*Circular Economy; Risk;
Alternative Finance; Impact
Measurement and
Monitoring;*



Woman in Business

Introduction

And you?



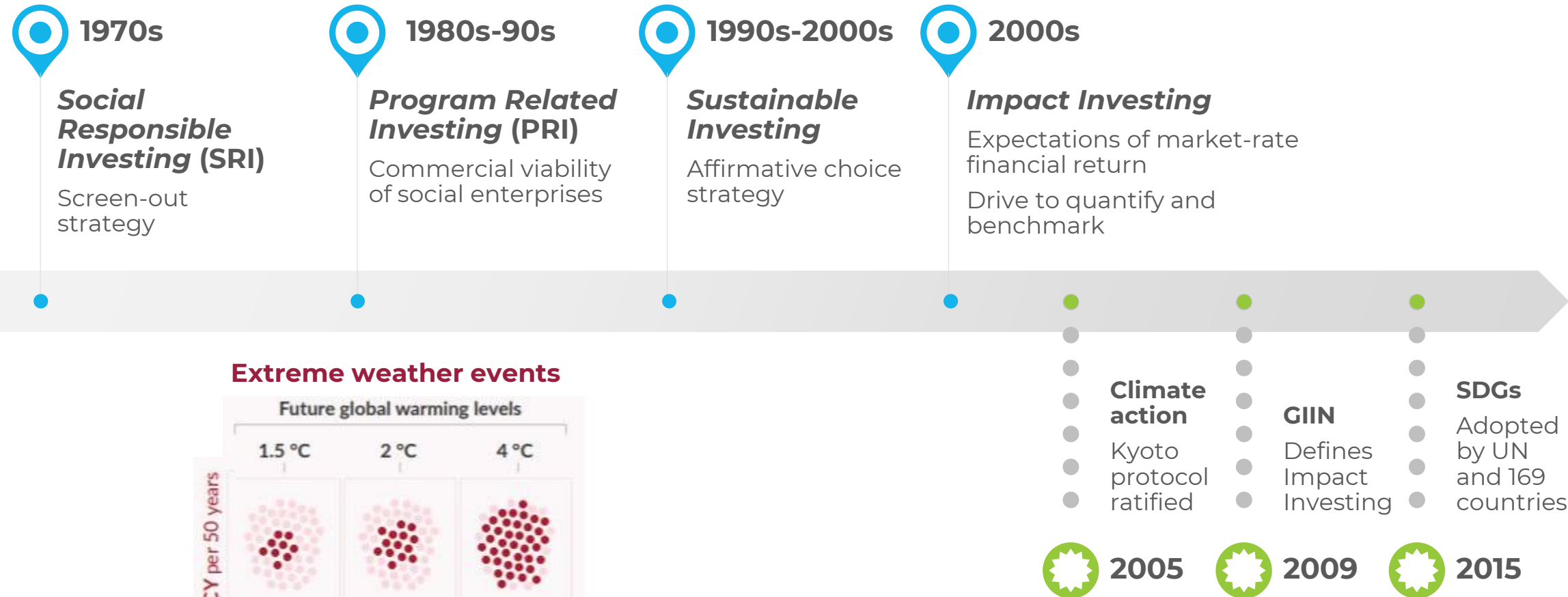
Are you a designer, startup, SME, retailer, buyer, investor, ...?

Where are you based?

Do you measure your impact?

Impact in business

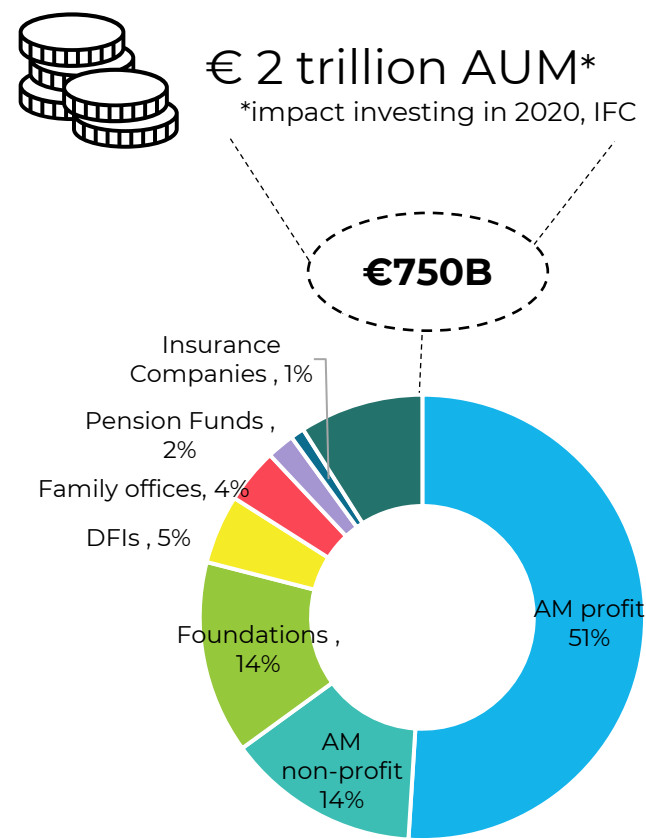
Timeline



*IPCC, 2021

Impact in business

Impact Investing is a diverse asset class

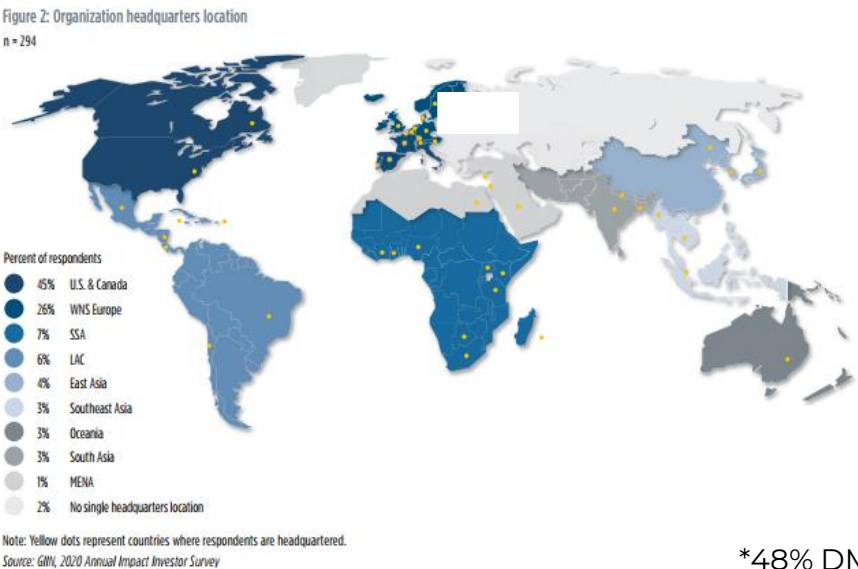


By Investor type

2% of global AUM

70% of investors expect impact to **grow steadily**

€23 trn projected size *



By Geography

*48% DM-focused
43% EM-focused

Impact in business

What makes you impact



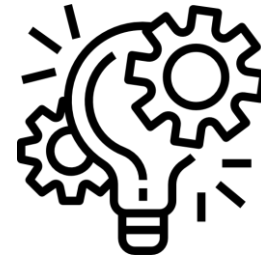
Intentionality

Declared aim to contribute to social or environmental outcomes



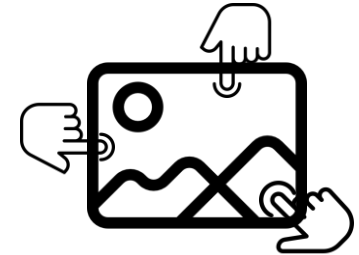
Evidence

Impact is proven by data and measured through KPIs



Management

Impact data are analyzed to improve performance overtime



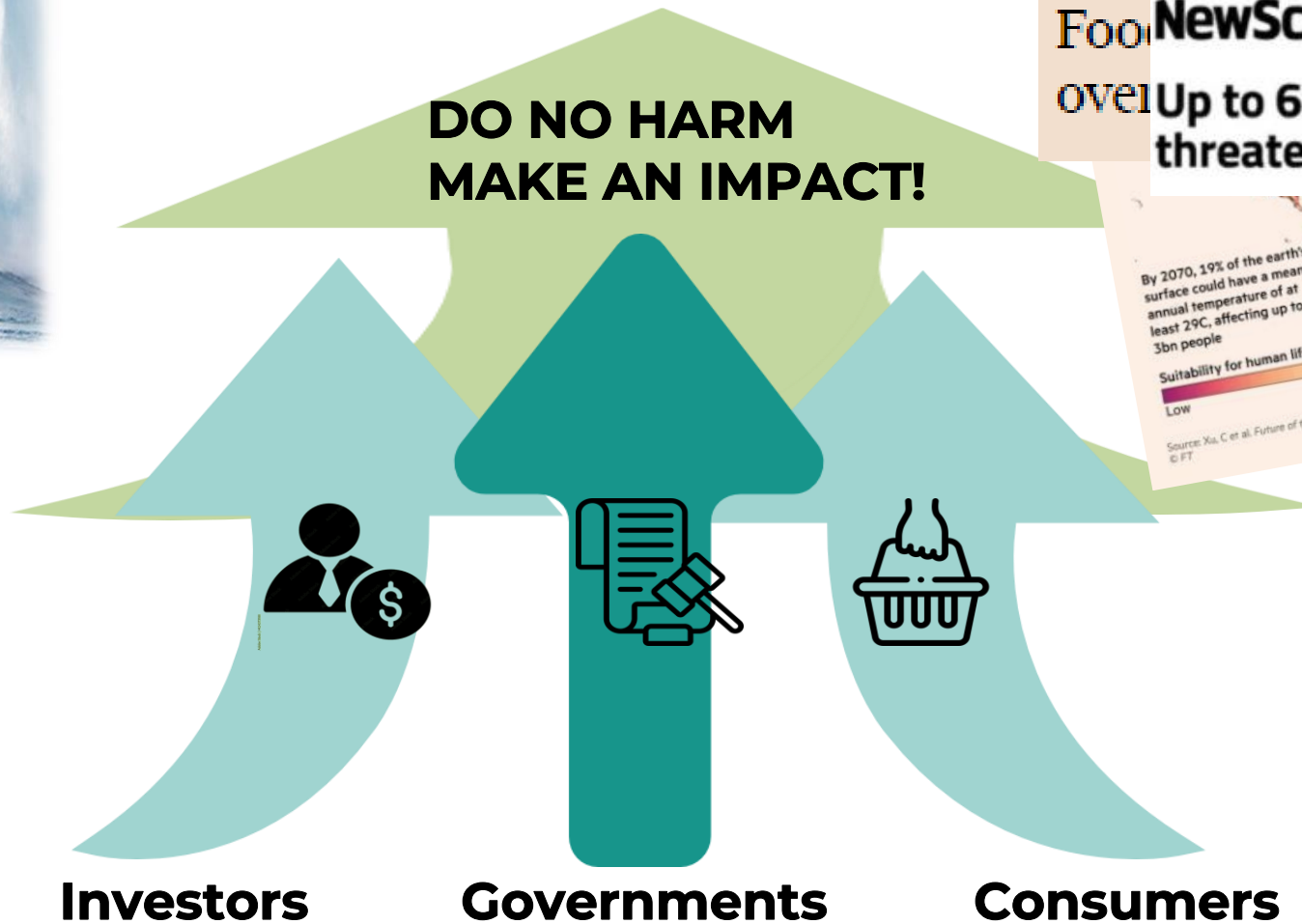
Fieldbuilding

Contribute to the growth of impact investing



Impact in business

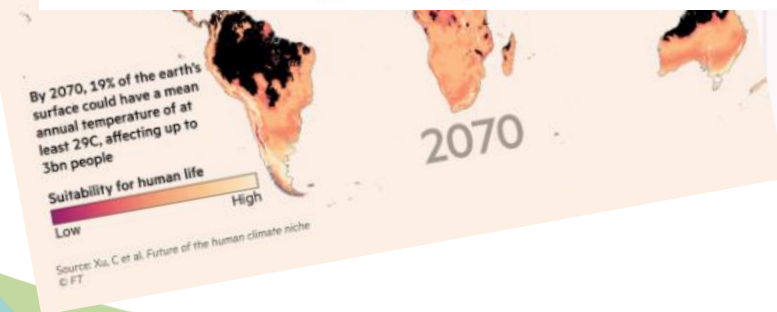
Impact investing is living momentum



Extreme weather events

Migration will soon be the biggest climate challenge of our time

NewScientist
Up to 630 million people could be threatened by rising seas

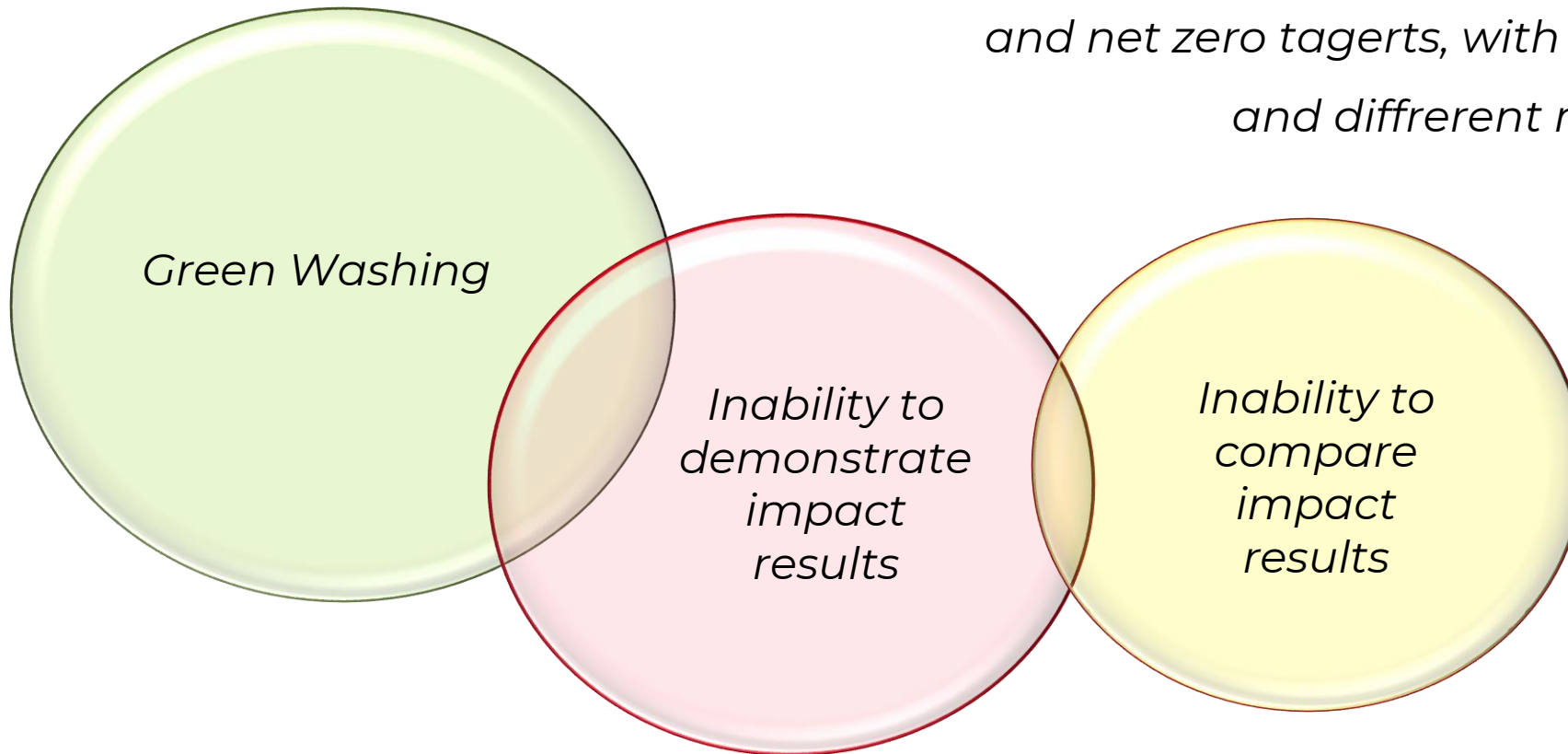


Impact in business

Major challenges for the asset class

« There is still a deficit of credibility and a surplus of confusion over emission reductions and net zero tagerts, with different meanings and diffrent metrics »

Antonio Guterres,
UN Secretary General, COP26



TAKEAWAYS

- 1) Market forces are **pushing** market actors toward responsible business models
- 2) To be competitive tomorrow, companies need to set up their impact framework **today**

Impact Measurement and Monitoring

Key steps

1. Define ToC
2. Identify Stakeholders
3. Quantify Impact Opportunity
4. Set KPIs
5. Measure

Stakeholders



Theory of Change

Materiality



**IMPACT
MANAGEMENT
PROJECT**



Impact Measurement and Monitoring

Validated tools



Developer: Sustainability Accounting Standards Board

Year: 2011

Key tool: [Materiality Map](#)



Materiality =
affecting **financial**
performance

Identifies relevant **topics** across **11 sectors** and **78 industries**.
Provides indicators for each material topic

	Apparel, Accessories, Footwear	E-commerce	Indicator (e.g.)
Energy management			<i>energy consumed, percentage renewable</i>
Customer privacy			<i>#users whose information is used for secondary purposes</i>
Data security			<i>#data breaches, #users affected</i>
Product quality and safety			<i>compliance with restricted substances regulation</i>
Employee engagement and inclusion			<i>gender/ethnic representation in management, staff trainings, career development policy ..</i>
Product design and LCM			<i>product footprint, take-back programs</i>
Supply chain management			<i>% suppliers compliant with wastewater discharge permits, that completed Higg FEM</i>
Material sourcing			<i>% raw material purchases third-party certified</i>

Impact Measurement and Monitoring

Validated tools



Developers: GIIN

Year: 2008

Online tool: [Iris+ Dashboard](#)

Do you want to start by SDG or by Impact Category?

SDGs

Impact Categories

Overview

Offer summary of impact dimensions.

Evidence

Gather **reports** and figures about the **impact opportunity**

Core Metrics

Suggest appropriate **metrics** and how to calculate them

Download

Allow export of for IMM **templates**



Impact Measurement and Monitoring

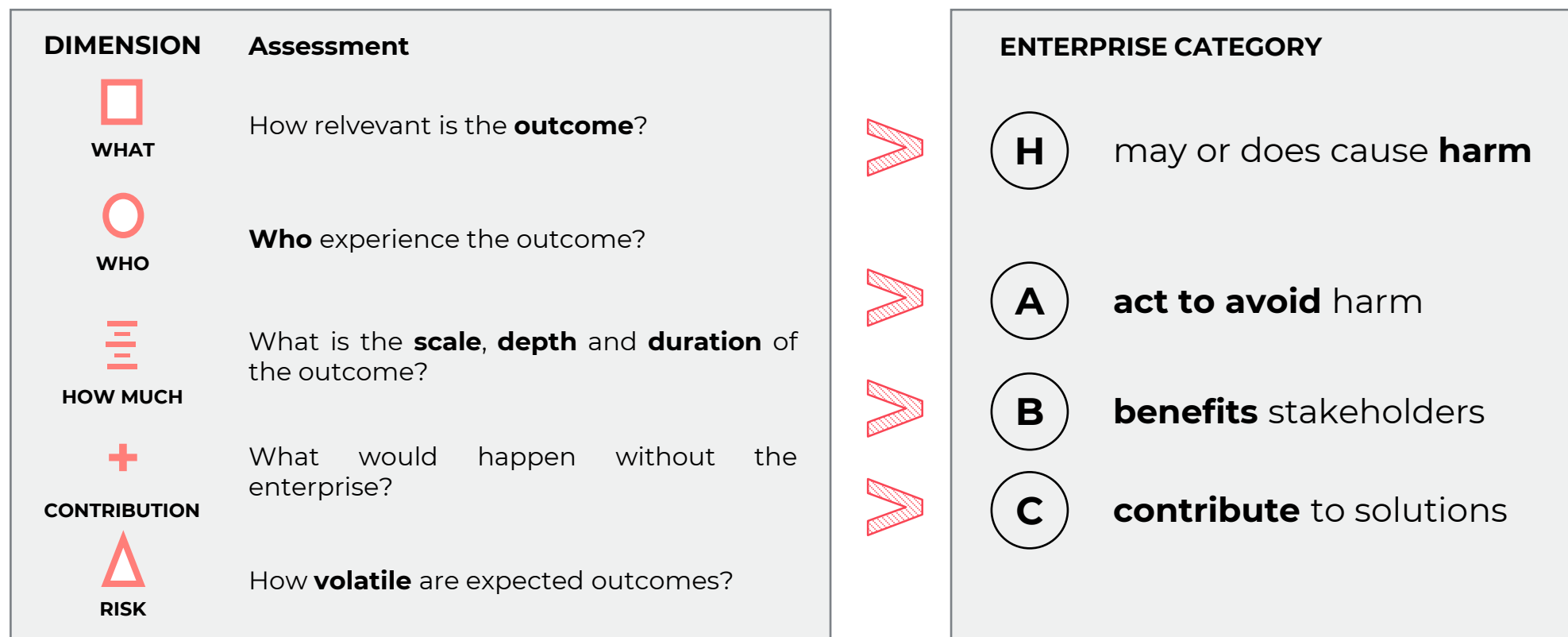
Validated tools

IMPACT MANAGEMENT PROJECT

Developers: UNDP, IFC, OECD, GRI, GIIN, ...

Year: 2010

Online tool: [Impact data template](#)



Impact Measurement and Monitoring

Validated tools



Developer: Calvert Foundation

Year: 2004

Key tool: [SROI](#)

$$SROI = \frac{\text{Net benefits}}{\text{Net investment}}$$

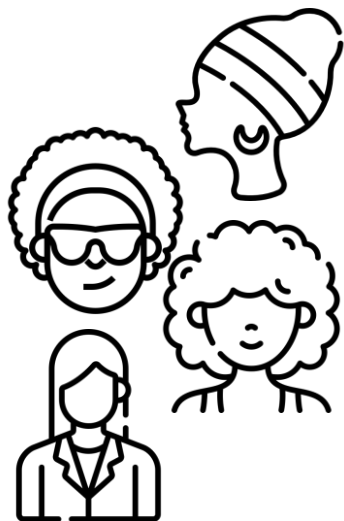
Net monetized benefits to stakeholder groups (wage increase, savings) **minus negative** externalities (tax increase)

Capital to realize products or services

$$\text{Discounted Impact Flow} = \frac{\text{Net benefits}_{\text{anno1}}}{1 + d} + \frac{\text{Net benefits}_{\text{anno2}}}{(1 + d)^2} + \dots + \frac{\text{Net benefits}_{\text{annoT}}}{(1 + d)^T}$$

Impact Measurement and Monitoring

Gender-smart investment



FOUNDER /
INVESTOR

LEADERSHIP

WORKPLACE
EQUITY

Governance

FOR WOMEN
& GIRLS

FOR HUMAN
RIGHTS OR
SOCIAL
JUSTICE

ETHICAL
VALUE
CHAIN

Solution



IMM IN PRACTICE: A CASE STUDY

ECONOMY
COMMUNITY

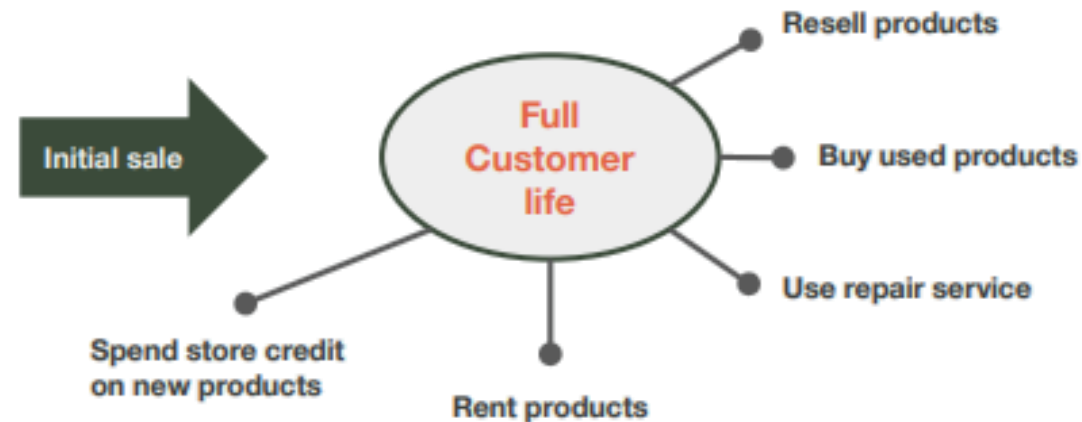
Impact Measurement and Monitoring, in practice



Continued Fashion

Year Founded: 2017

*The retail platform for **systemic change** in the fashion industry, enabling brands to offer products through **circular models** such as rental or resale reducing **waste** and **idleness, energy** and **water** consumption from clothes production*



Impact Measurement and Monitoring, in practice



Materiality

Product Lifecycle Management
Waste
Water and Energy consumption
Data security & Privacy



Inputs

Apparel, both new and 2hand



Outputs/Activities

Take back
Refurbish
Repair
Recycle
Resell



Outcomes

Resources efficiency
Waste reduction
Lower water and energy consumption



Impacts

Consumers and brands shift toward circular models and adopt a more sustainable and aware lifestyle

Fashion & retail industries more climate smart

Stakeholders

Buyers (low income?)
Service providers (SMEs? Freelancers?)
Parents
Brands

KPIs

clothes bought with resale option
clothes resold
#lifecycles of clothes
liters water spared (estimate)

.....

Impact Measurement and Monitoring, in practice



WHAT

Is the outcome **positive/negative**, **direct/indirect**?



WHO

Who experience the outcome?



HOW MUCH

What is the **scale**, **depth** and **duration** of the outcome?



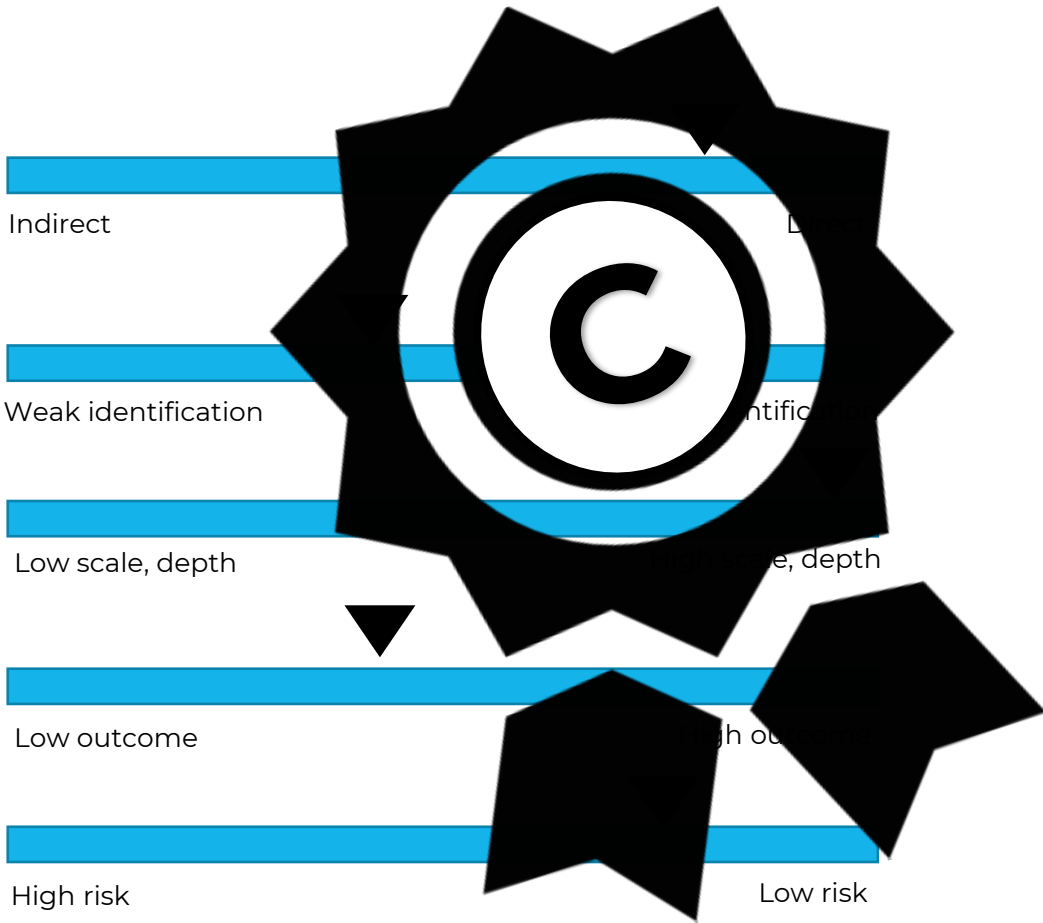
CONTRIBUTION

What would happen without the enterprise?



RISK

How **volatile** are expected outcomes?



TAKEAWAYS

- 3) IMM should be tailored, simple and based on readily available data
- 4) Contrary to common sense, lean IMM does not require excessive costs or time



Thank you!!

For more on the topic:
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