



PwC's Impact Investing Approach



September 2021



Focusing on specific ESG topics will help funds differentiate

Illustrative

Defining the Material ESG Issues for Value Creation becomes your intellectual property. We will help you inform this view.

Financial	Economic	Brand	Environment				Social				Governance		Reporting	Technology
Corporate Performance	Indicators	Perception	Climate Change	Natural Capital	Pollution & Waste	Environment Opportunities	Human Capital	Product Liability	Stakeholder Opposition	Social Opportunities	Corporate Behaviour	Corporate Culture	Corporate Reporting	Digitization
Profitability	Economic Multiplier	Customer experience	GHG Emissions	Water Stress	Toxic Emissions & Waste	Opportunities in Green Building	Human Capital Development	Responsible Investments	Controversial Investments	Community Development / Growth	Business Ethics	Values & Strategic Direction	Tax Transparency	Privacy & Data Security
Revenue Growth	Local Business Investment	Employee experience	Carbon Footprint	Biodiversity & Land Use	Packaging Material & Waste	Opportunities in Clean Tech	Health & Safety	Chemical Safety	Controversial Sourcing	Access to Health & Education	Corruption & Instability	Transparent Communications	Ownership & Control	Digital upskilling
Cash Flow Management	Ecosystem Health	Transparency & Fairness	Financing Environment Impact	Raw Material Sourcing	Electronic Waste	Opportunities in Renewable Energy	Labour Management	Product Safety & Quality	Controversial Political Backing	Community Empowerment	Governance Mechanisms	Corporate Accountability	Accounting Practices	Automation
Cost Efficiency	Immigration	Safe Offerings	Climate Change Vulnerability				Supply Chain Labour Standards	Health & Demo. Risk		Social Enterprise Engagement	Financial System Instability		Sustainable KPIs	AI Bias
Employee Compensation							Diversity & Inclusion				Board Structure and Actions		Executive Comp.	Digital Partnerships



The building blocks of an impact framework

A strategic framework should set out ambitions, how strategy will be implemented and how one can measure and manage the impact.

Strategy

What impact are you aiming to achieve?

- Articulate your definition of impact
- Identify specific strategic impact goals / objectives, including impact appetite
- Establish a governance process for impact, which integrates into your investment lifecycle processes

Ambition and governance structure

What difference do you **intend** to make?

Implementation

How will impact be considered across the investment lifecycle?

- Sourcing & due diligence
- Deal execution
- Tracking and optimising impact performance, identifying areas for improvement and value creation
- Exit

Policies and procedures (manual)

How will you integrate impact across the lifecycle?

Impact measurement

How will you measure potential and actual impact?

- Develop impact pathways to map the outputs, outcomes and impacts from the investment
- Define the dimensions of impact
- Develop an impact assessment methodology
- Determine the KPIs for measuring and managing impact

Consistency, comparability, consolidatable, communication, difference made

What is the impact that you **have made** and how **confident** are you?

Critical success factor: a clear understanding by everyone in the organisation why you are doing this and the role they play in implementing the strategy

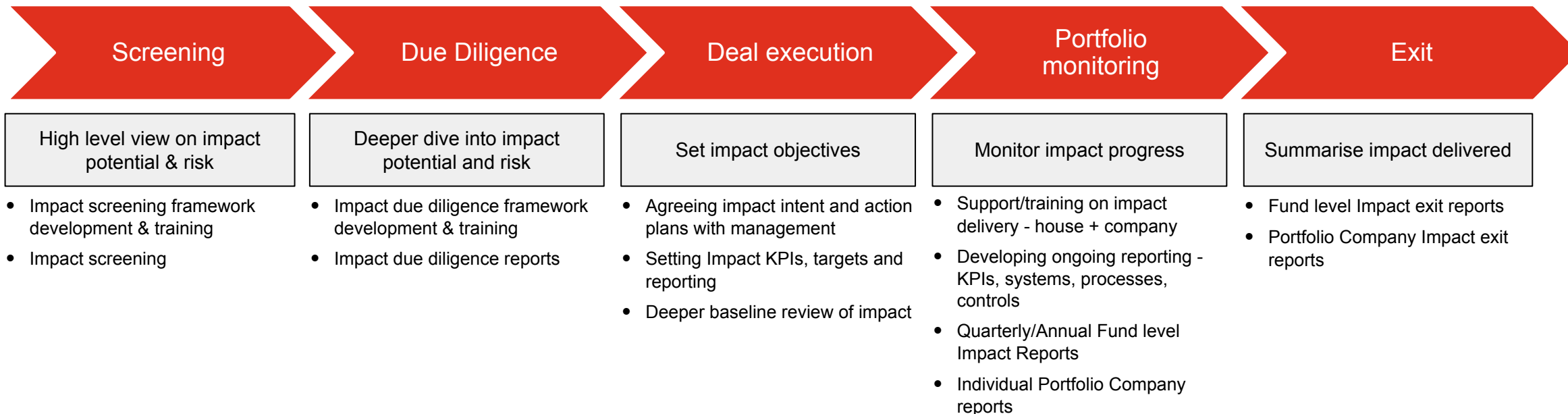
PwC's Impact Strategy and Deployment

We help our clients in a variety of ways and across the investment lifecycle. We can develop or refine an overarching strategic approach to impact and/or support identification, analysis and quantification across the different stages of the investment lifecycle.

Develop overarching Strategy and Impact Framework

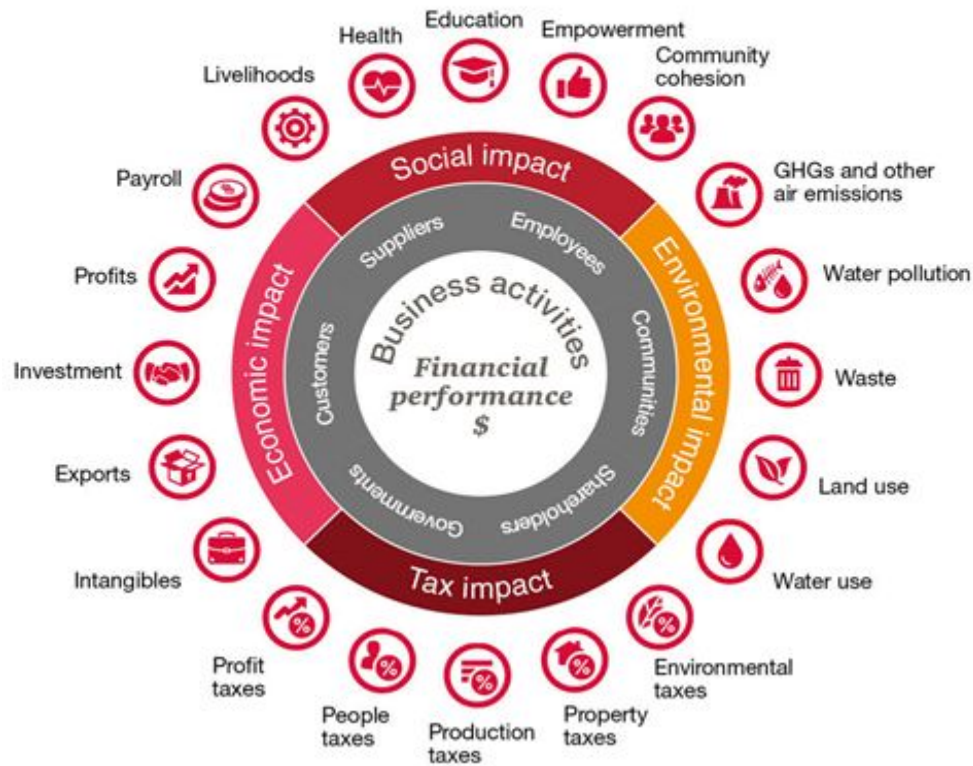
- Define what impact means for a fund(s)
- Identify strategic impact goals
- Set governance for implementing impact across the investment lifecycle
- Define policies, procedures, processes, controls and guidance for each step of the investment lifecycle
- Define reporting: format, audience, frequency, content

Support Identification, Analysis and Quantification across the Investment Lifecycle



Total Impact Measurement and Management - PwC's TIMM framework

PwC's TIMM framework is a flexible framework which can be tailored to cover the impacts which are material to your business. The framework helps companies understand and manage impact and facilitate strategic decision making and performance management.



Total	A holistic view of social, environmental, fiscal and economic dimensions – the big picture
Impact	Look beyond inputs and outputs to outcomes and impacts – understand your footprint
Measurement	Quantify and monetise the impacts – value in a language business understands
Management	Evaluate options and optimise trade-offs – make better decisions

Strictly private and confidential