

Training Programme in partnership with





Agenda What will we cover today?

			of businesses
Setting the stage The SDGs : many social and environmental challenges to tackle The central role of businesses	 2. The impact measurement space How do we measure the impact of businesses today? What is the issue with ESG data and how can we do better 	3. Who are we? And why this training?	 The key dimensions of impact Different impact at different stages of the product life-cycle Rating and assessing the impact of businesses

5. The art of writing good impact analysis

4. Analysing the impact

- Finding and Impact Topic
- Documenting your analysis : looking for sources
- The structure of a good impact analysis
- Dos and don'ts of a good impact analysis

6. Final: Assignments

What you need to do to get certified

- Deliverables
- Timetable
- Grading and conditions

1.

Section 1: Setting the Stage

The Sustainable Development Goals

Many challenges to face at the same time



THE GLOBAL GOALS For Sustainable Development

17 global goals, further developedin 169 targets, to be reached by2030

The crucial role of businesses

And the importance of measuring their **impact**.



Many social and environmental challenges to solve in a limited amount of time A large part of these challenges are directly related to the impact of businesses



Leverage the power of investors to deeply change the economy

Section 2: Landscaping the impact measurement space

The crucial role of businesses

And the importance of measuring their impact.



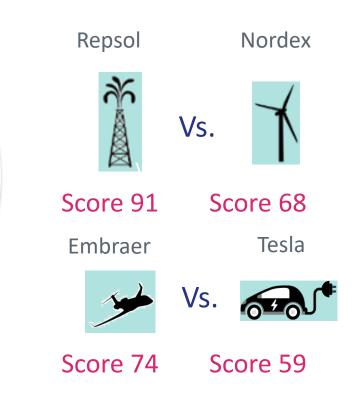
The benefit & limits of ESG Data

Benefits

- It produces a score that is easy to integrate in a decision making process
- It provides a large coverage of companies
- The analysis is made by trusted experts

Limitations

- It mainly focuses on practices/CSR, not the broader picture
- It uses data that predominantly comes from the companies themselves
 - It usually lags in time
 - It is subjective
 - It is reserved to paying clients



Source: Sustainalytics 2019

How can we do better?

Dimensions



Look at the various dimensions through which a company can have an impact on the world, not just its practices

Complexity



Address the complexity of impact measurement by embracing collective intelligence rather than single experts



Allow the analysis to be revised, deepened and broadened at all times

Sources



Open to a much broader range of sources beyond the companies themselves

Availability



Make the data available to all citizens, for free

Varied Data

Produce both a qualitative analysis and a quantitative score

Impaakt

www.impaakt.cor

Section 3: Why this training and why Impaakt?

Impaakt is a collaborative platform that uses collective intelligence to analyse the impact that businesses have on the planet and society

> "Make robust impact analyses available to all. For free. ... and enable the impact economy."

How does it work?



Write

Our analysts write "Impact Notes", i.e. short analyses on the impact that a company has on a specific SDG



Quality

The community assesses how good this contribution is



Rating

The community rates how positive/negative and how small/large is the impact of the company



Calculate

Our algorithms then use these ratings to calculate a consolidated impact score

Impact score Ratings **TESLA** +1.01 Ratings Impact score **NESTLÉ** +0.73 🗅 Ratings Impact score FACEBOOK -0.61 😑

UNILEVER



Impact score

+1.99 😳 🗘

Ratings

730

147

1'048

253

Why this certified training programme?

- Make sure as many citizens as possible have some level of impact analysis skills
- Build a community of analysts who can put their knowledge to work on a daily basis
- Make it easier for future contributors of Impaakt to write and submit their analysis
- Ensure a high level of quality and consistency across the platform



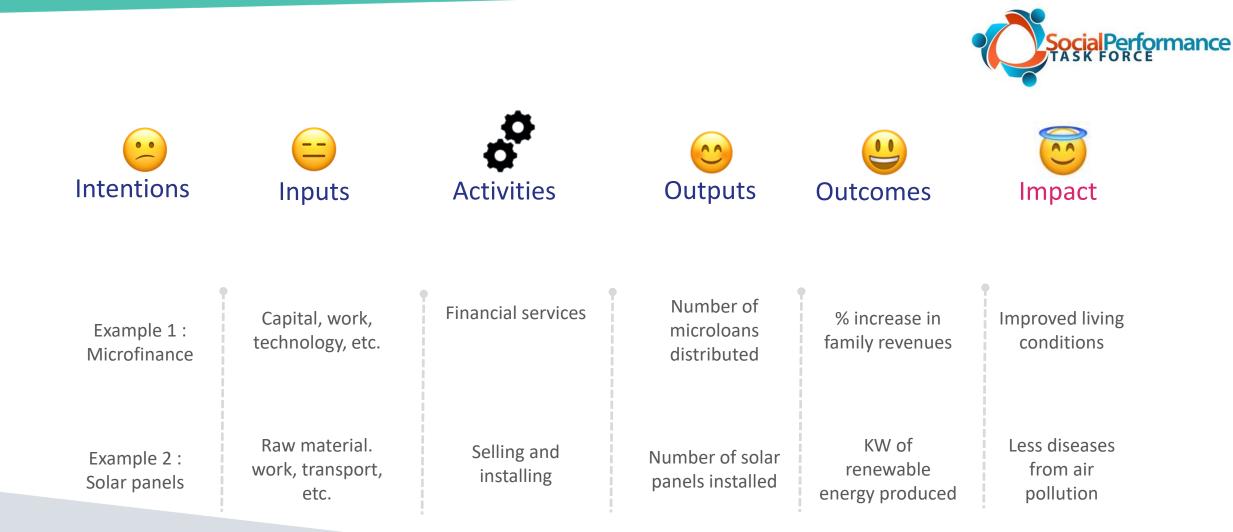
Section 4: Analysing the impact of businesses

How can we define impact?

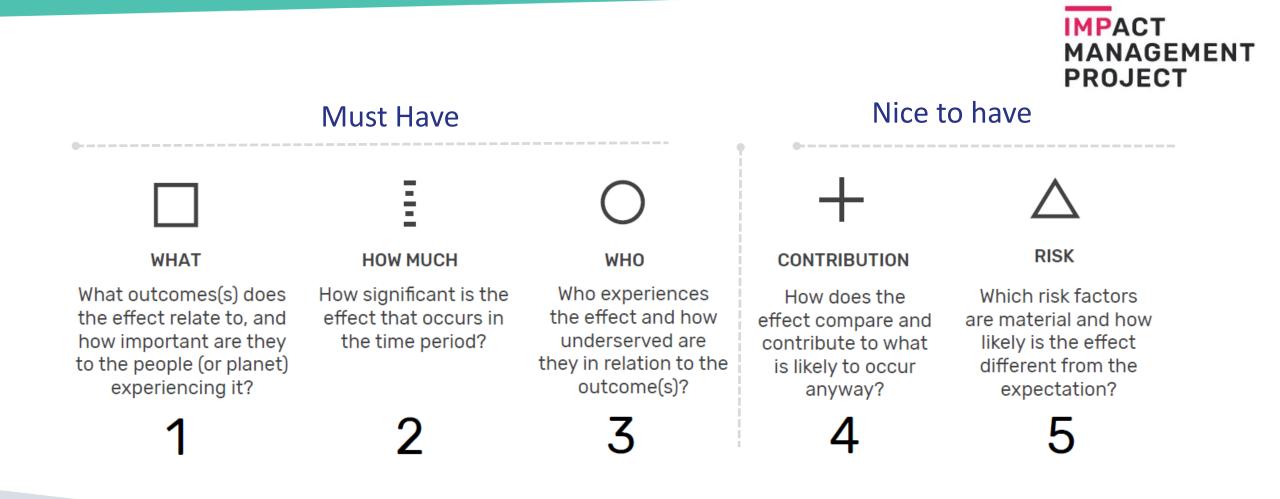


... VAGUE ... LARGE ... COMPLEX ... INTANGIBLE

How can we define impact?

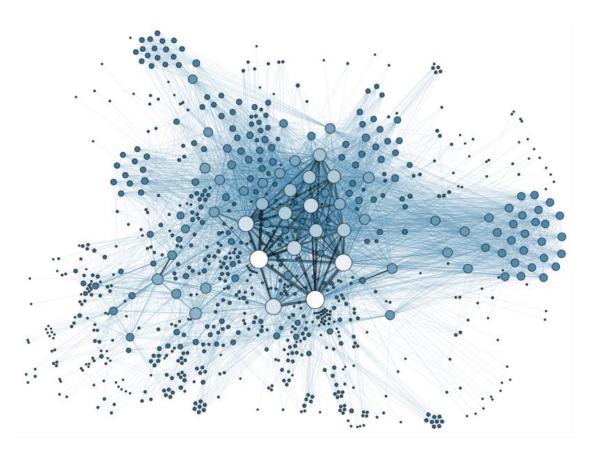


Using the different dimensions of impact



Addressing Complexity

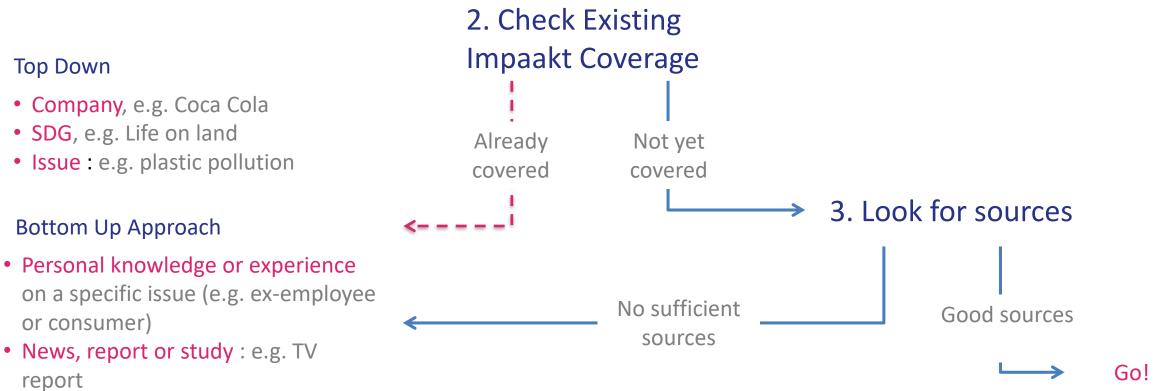
- Analysing the many **impacts** of large companies is highly complex
- In order to proceed, we break that work down into small pieces of analysis that we call "Impact Notes"
- Every Impact Note goes to highest possible level of granularity and only addresses one single impact topic at a time
- Each Impact Note is then related to a SDG to ease knowledge classification



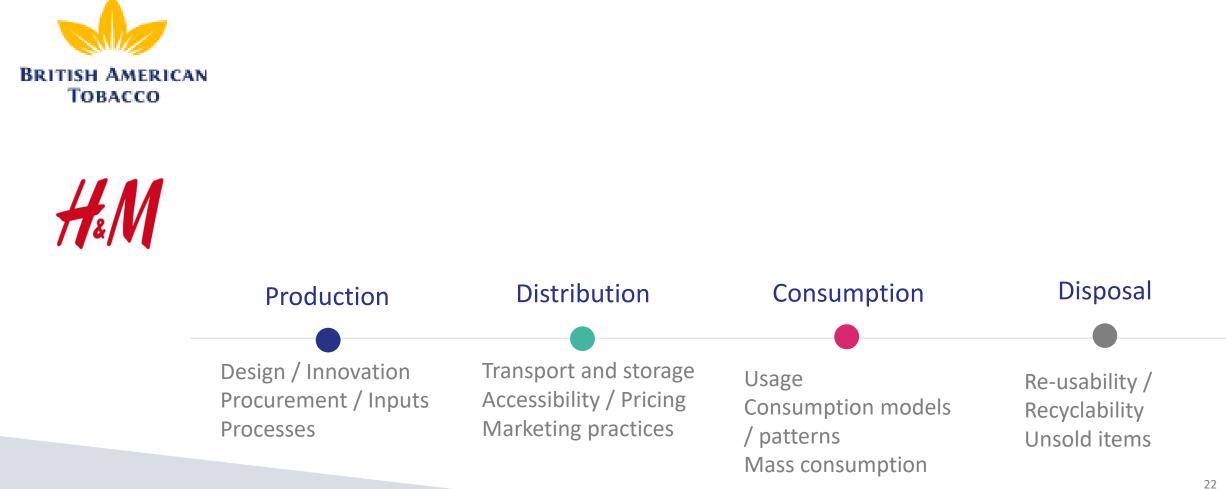
Section 5: The art of writing good analysis, from theory to practice

Finding an impact topic

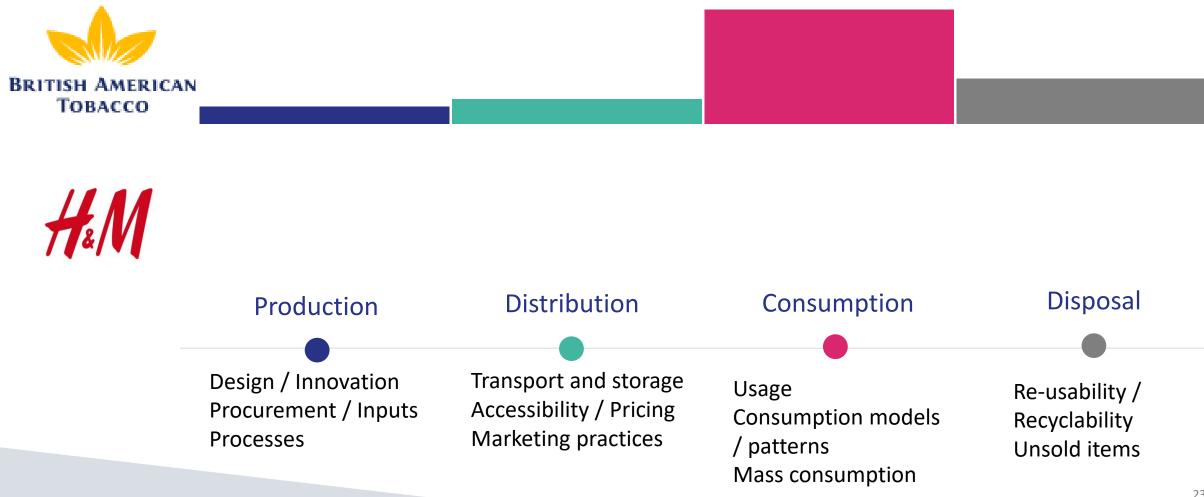
1. Idea Orientation



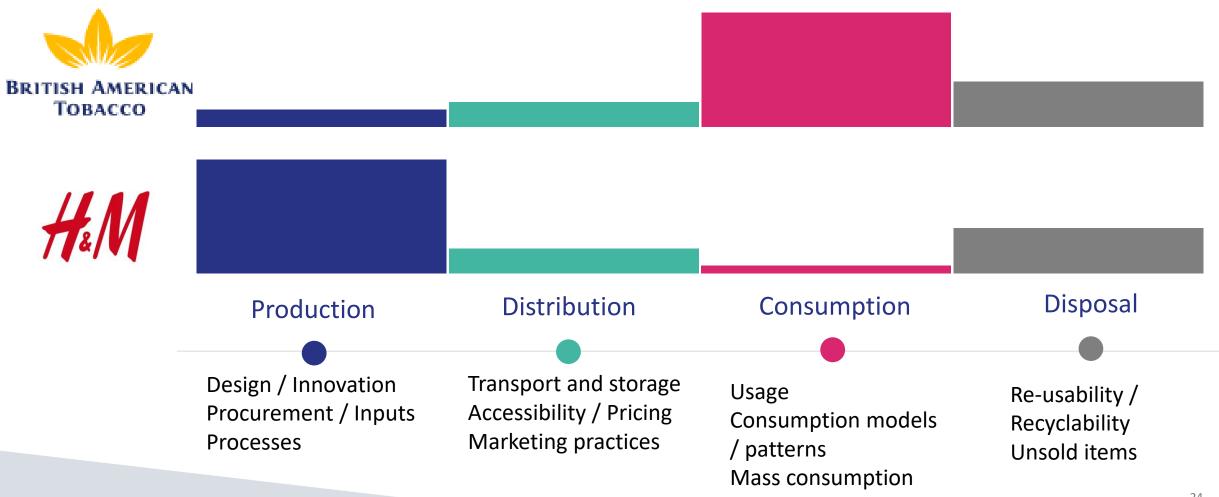
Focus on topics with the most importance first



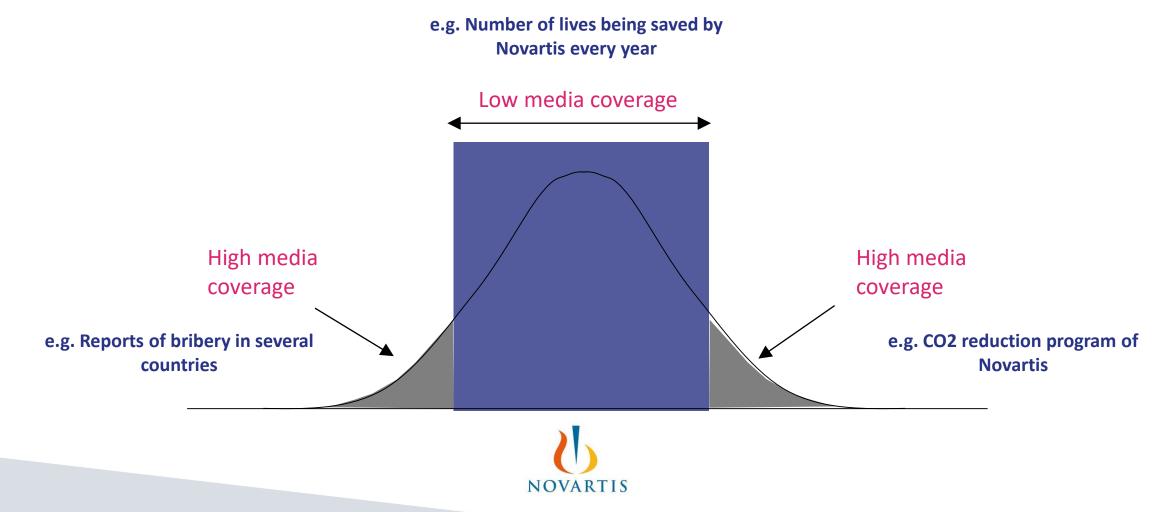
Focus on topics with the most importance first



Focus on topics with the most importance first



Don't forget what goes without saying



Finding reliable sources



Currency – The timeliness of information

When was the information published or posted? Revised or updated? How recent do you need your sources to be for the impact topic you are analyzing?

Relevance – The importance of the information for your needs

Does the information relate to your topic? Does it directly support your analysis? Who is the intended audience? Is it using an appropriate information level (too elementary / too complex, etc.)

Authority – The source of the information

Who is the author/sponsor/source/publisher? What are the authors credentials? What qualifies the author to write this information? Is there contact information? Does the URL reveal authorship?

Accuracy - reliability, truthfulness, correctness of the content

Where does the information come from? Is it supported by evidence? Has it been reviewed or refereed? Is it similar to other information? Bias-free? Emotion-free? Are there spelling or grammatical errors?

Purpose - reason this information exists

What is the purpose of this information? Is it to inform, teach, sell, entertain or persuade? Is the point of view objective and impartial? Are there political, ideological, cultural, religious, institutional, or personal biases?

Examples of sources that are usually credible:

- •Official government bodies
- •Institutional sites that represent universities, regulatory agencies, and respected organizations with specific expertise
- Peer-reviewed journals
- Reputable news sources

Examples of sources that should be taken with caution:

- Blogs
- •Web forums
- Individual or business websites
- •Materials published by an entity that may have a vested interest

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A

P

How to write an impact note

1. Under "Impact Analysis" select "Write New Impact Note"

2. Select the Company you are analysing

7. Rate the impact value and scale of your impact note

Dashboard Impact analysis - Impa	Act scores - Admin - Select a company -	sylvain.massot@blu
/rite an Impact Note View submitted Impact Note View my draft Impact Note Write new Impact Note		
Select the company your analysis relates to	Select the SDG your analysis relates to*	
Select a company	 Select an SDG 3. Select the SDG your analysis 	
Enter a headline for your Impact Note (max 150 characters		
Summary	refers to	
O character(s) out of max 150		
Enter your Analysis (max 2'000 characters)	4. Insert your descriptive headlin	ne
$\bigcirc \ \bigcirc \ \oslash \ \bigcirc \ \blacksquare \ \ominus \ \underbar \ I X^1 X_1 \mathscr{O} \blacksquare \ \checkmark \ \blacksquare$		
0 character(s) out of 2'000 max.		
Enter your sources Source n°1 Provide source link	6. Indicate your sources by using website links	
Rate the impact described in your Impact Note		
	ct of the company as described in this Impact Note, for the environment and society?	nit vour
	ct of the company as described in this Impact Note, for the environment and society? $\begin{array}{c} 0 \\ 0 \\ -5 \\ -4 \\ -3 \\ -2 \\ -1 \\ 0 \\ 1 \\ 2 \\ 3 \\ 4 \\ 5 \\ \end{array}$ very positive impact $\begin{array}{c} 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 $	note for
Impact value: How positive/negative is the impart Your own rating very negative in	ct of the company as described in this Impact Note, for the environment and society? 8. Subm	note for
Impact value: How positive/negative is the impart Your own rating very negative in	ct of the company as described in this Impact Note, for the environment and society? Apact -5 -4 -3 -2 -1 0 1 2 3 4 5 very positive impact e company as described in this Impact Note, for the environment and society? Why and how should Lansw	note for on

The structure of a good impact note

Split your analysis into 3 sections

1. Introduce the impact issue. Why is this issue important? Why do you want to talk about it? (200-400 signs)

 Develop your analysis. Give details on the company's impact based on facts and figures. Detail potential remediation/acceleration measures taken by the company. Mention your sources (1000-1500 signs)



Show SDG details

Headline (133 characters)	Published by	Published on
BNP Paribas continues to provide financing to coal power development, slowing	Fenrir 🔻	Dec 19th, 2019
down progress towards reaching a 78% reduction by 2030.		

Analysis (1'337 characters)

According to the 2018 IPCC Report, coal-based energy production must be reduced by 78% by 2030 in order to keep the 1.5°C target within reach ^[1p14]. To contribute to these goals, many banks and other financial institutions around the world have already adopted measures to either phase out or completely eliminate direct and indirect investment into the coal industry.

An investigation by a group of NGOs into top financiers of coal power development reveals that BNP Paribas ranks as the 5th largest lender worldwide to coal plant developers. Between 2017 to Q3 2019 it contributed around US\$4.3 billion to the coal industry ^[2p6]. The bank states in its coal power sector policy that "BNP Paribas **will not** provide financial products and services to coal-fired power plant projects, regardless of their location" ^[3p5]; however, it continues to provide finance through general corporate financing methods such as loans and underwriting ^[4p7].

Since 2017 the French banking giant has provided 0.5% of the total US\$745 billion channelled by all lenders to companies developing new coal power plants ^[2p1]. With 1.000 new plants lined up to be built – which would account for a total of 28% increase in global coal energy production – BNP Paribas' contributions represent a setback towards attaining the 2030 reduction goals ^[2p1].

 Recap your main point in 1/2 sentences. Put your analysis in perspective (potential evolutions, etc.) (200-400 signs)

ources

1. https://www.ipcc.ch/sr15/

- 2. https://coalexit.org/sites/default/files/download_public/COP25_PR_Logos.pdf
- 3. https://group.bnpparibas/uploads/file/csr_sector_policy_cfpg.pdf

4. https://shareaction.org/wp-content/uploads/2018/06/InvestorBriefing-BankingBeyondCoal.pdf

How Relevant?

It's about Impact



- Focus on the company's environmental and social impacts only.
- Link it to one specific Sustainable Development Goal (SDG).



Avoid any information that is not relevant to understand the impact of the company.

- Do not analyze the financial performance of the company.
- Do not write a consumer review of the company's products



It's focused



- One Impact Note = One topic.
- If you want to analyse the impact a specific issue has on multiple topics, you must write one Impact Note per topic.



Don'ts

- Do not try to assess the global impact of a company: we need many Impact Notes for that.
- Do not mix different impact topics together.

How Objective?

It's objective

Do's

- A good Impact Note is fact-based.
- Data comes from reliable sources that are mentioned in the Impact Note.
- The analysis must be balanced and fair. Strong views are welcome as long as they are documented.



Don'ts

- No company bashing or glorifying.
- No biased opinions.
- Assertions without sources will be disregarded.

How Insightful?

Do's

It's an analysis



It tackles fundamental topics



Do's

Add value.

• Look at the big picture. Address in priority topics where the company has the most profound impact on the planet and society

Develop your own impact analysis, interpret data

understanding the true impact a company has on

The analysis should be insightful and help

and put them into perspective.

the planet and society.

Look at various forms of impact a company can have through:

Its products and services.

The new production/consumption behaviors it induces. Its capacity to influence other players and shift markets.



- Not a list of figures and data.
- Not an extract from an existing report or study.
- Not a news report or article.
- Not an encyclopedic article on the company.



Don'ts

- Do not limit your analysis to the company's operations and practices. Look beyond CSR (Corporate Social Responsibility).
- Don't focus on impact topics that are peripheral to the company's core activities, unless they have a significant impact on the planet and society.

Writing skills

Writing skills and concision

- Check for typos and spelling mistakes before submitting.
- Make sure your grammar is correct.
- Avoid sentences that are too long and too complex.
- Check that all your points are relevant and contribute to your argument.

No Defamation

Plagiarism

Strictly avoid plagiarism.

"Plagiarism is understood as the complete or partial imitation of the work of another author without citing that work's source and author." Always cite initial authors.

Strictly avoid defamation.

"Defamation is an oral or written communication of a false statement about another that unjustly harms their reputation".

Always check that all the claims you make are true and backed by undisputed facts and figures.

Citing your sources

Referencing

Introducing source referencing standards

Sources should always be referenced in the body of your analysis following the standard below :

[N] or [N;pX] or [N;pX-Y]

Where N=source number, X=page number within the source and X-Y=page range within the source

The references should be inserted in superscript using the button available in the formatting toolbar.

For example:

[...] This policy was pushed even further with the introduction of the Prime service that now registers more than 100 million consumers [2;p22-24]. Not only do Prime members have free delivery without any minimum purchase, they can also get their parcel delivered in the same day (or even in less than 2 hours) depending on their location. As a result, Amazon Prime members buy more (\$1'300 per year against \$700 for non-Prime members)^[4] and more often: 45% of them make a purchase at least once a week ^[3;p109]

Examples

LafargeHolcim balanced commits to help communities worldwide

LafargeHolcim (LH) is a Swiss multinational company that produces building materials. It has a presence in around 80 countries, employs around 80,000 employees, and operates four businesses segments: cement, aggregates, ready-mix concrete and "solutions & products" (including precast concrete, asphalt, mortar and building solutions)¹.

Concerning LH's governance, there is a lack of diversity among its members: only one woman sits in the Board of Directors (vs. nine men), and only one woman takes part in the Executive Committee (vs. eight men). Among these 17 members, there is no Asian and only one member comes from Africa, even though LafargeHolcim employs about 36,000 workers in Asia and Africa².

Concerning its products, the company produces building components that tick almost all the boxes in terms of environmental degradation (by the way, cement is one of the least sustainable building materials⁴). Thus, LH generated more than 2 mio of tons of waste and emitted 30 tons of heavy metals in 2018⁵. Overall, it seems obvious that the activities of LH are disastrous on an environmental perspective.

By the way, the Swiss corporation offers many benefits and compensations (financial or not) to its employees. In addition, LH commits to make its worldwide presence useful for communities by setting volunteering programs in which about nine thousands of its employees participated in 2018 and it spent 47.8 million in community programs⁶.

Examples

Swiss RE is an example of sustainable asset allocation

Swiss RE is not only one of the biggest re-insurers, it is also a leader in terms of responsible investment. In 2017, the firm decided that its entire investment portfolio should follow sustainable guidelines.

The strategy is designed to promote climate-resilient business and help transition the economy to a low-carbon intensity. It is segmented in three parts:

First, every single investment or collaborations with external manager are measured against sustainable benchmarks. This means it would not be considered as an under-performance for the firm if unsustainable asset (like coal) are performing well financially.

Second, the firm is very active in the Green Bond market (bonds that are earmarked to sustainable developments) as well as investing in infrastructure in clean-energy production.

Finally, they totally exclude investments that are not in line with the climate strategy, such as thermal coal or tar sands.

Swiss RE's strategy asset allocation not only makes sense from a sustainable perspective, but it also makes sense from a business and finance point of view. The firm proved that it can generate good financial performance with a return on investment (ROI) of 2.8%3 in 2018, which is quite large for a long-term investor in a world of negative rates.

It is difficult to quantify exactly the impact of such reallocation of financial support but one can readily assume it has lasting and sizeable consequences

Successful impact notes



Total launch into the production of biodegradable plastics https://app.impaakt.com/impactnotes/420



PepsiCo's instrumental role in initiating and escalating the obesity epidemic <u>https://app.impaakt.com/impact-</u> <u>notes/538</u>



Medtronic leads the way in AF ablation <u>https://app.impaakt.com/impact-</u> notes/574



McDonald's uses its scale to reduce youth unemployment and promote career development <u>https://app.impaakt.com/impact-</u> notes/556

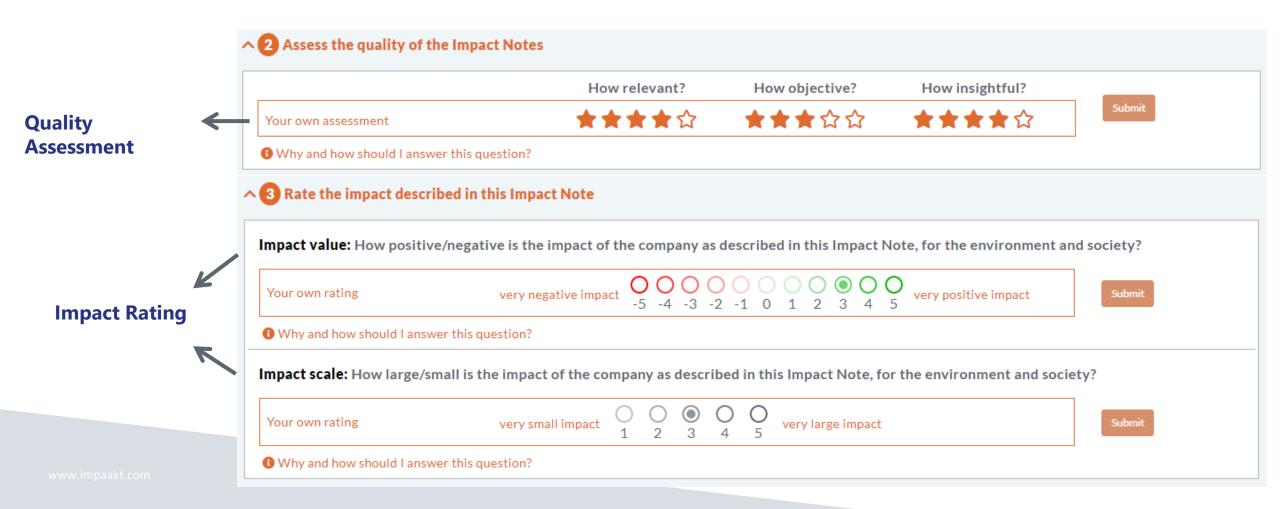


Assignments

What you need to do to be certified

Deliverable 1: Rate 15 Impact Notes

Learning from you peers, read, assess the quality and rate the impact of companies in minimum 15 Impact Notes



Assignments

Deliverable 2: Write 3 Impact Notes

Learning from Impaakt's team of specialists write and submit on the platform minimum three distinct Impact Notes You are free to write on the impact topics of your choice!

However :

•At least one Impact Note should be written on one of the top 25 priority companies (see appendix)

•The remaining Impact Notes should be written on companies taken from the list of top 100 priority companies (see appendix).

•You are free to write and submit more than three Impact Notes. If you have submitted more than three Impact Notes, the final grading will be based on average of the Impact Note written on a priority company and the two best grades of all the remaining Impact Notes you submitted.

•You cannot write on topics that have already been covered by fellow analysts, unless you can demonstrate you are bringing a fundamentally new information / angle / analysis to a topic already covered.

•Each Impact Note you submit must relate to a different impact topic, and preferably to a different company.

•All your Impact Notes will be reviewed and commented by one of Impaakt's specialists. You will have the chance to re-submit your Impact Note once if you did not get a sufficient grading to be certified

Grading and requirements to get Certified

The grading is made in the following way:

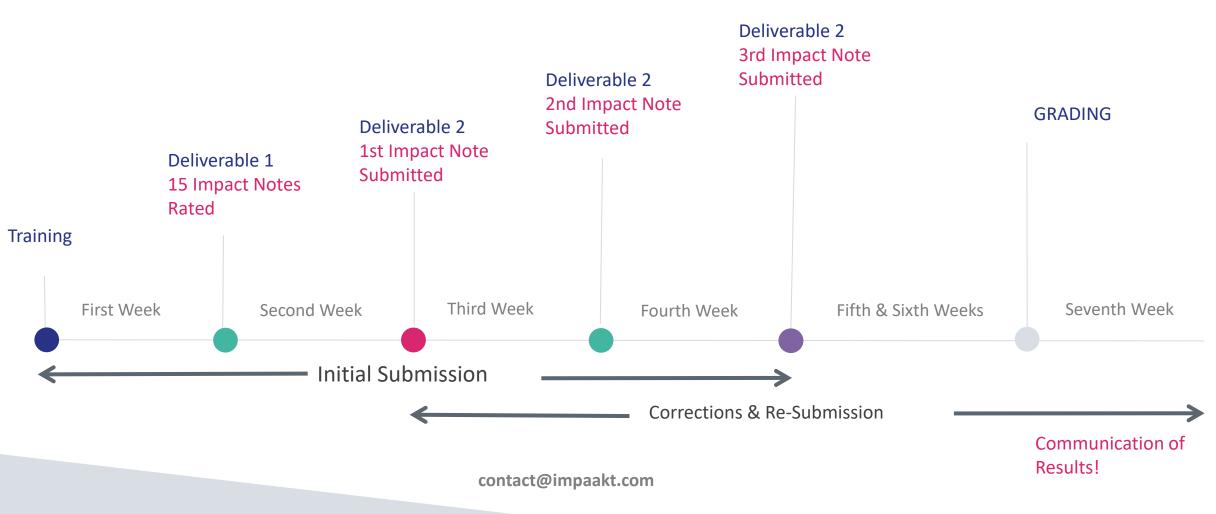
The rating of 15 Impact Notes is not graded but is compulsory. Instructors will keep the right to deny certification if they suspect that the rating has not been done seriously and accurately.

Each Impact Note will be graded by Impaakt's instructors from 0 to 5 (5 being the highest grade). The final grade will be the average of :

- •The grade obtained on the Impact Note written on a top 25 priority list company
- •The two best grades obtained on all the other Impact Notes submitted
- •To be certified, candidate must have submitted their assignments on time and comply with the following conditions
- •Each of the 3 retained Impact Notes must reach a minimum grade of 3.50
- •The 3 retained Impact Notes taken together must reach an average grade of 3.75

Deadlines

Timelines for assignment submissions



Your contribution counts

Earn Points = Donations



Tangible Skills

Licenses & Certifications		+
*	Certified Impact Analyst Impaakt Issued Oct 2019 · No Expiration Date	ľ
	Endorsements Add a new skill kill quiz	1
Public S	peaking · 4	

Appendix

Impaakt 25 Priority Companies

Priority companies		
Abbott Laboratories	Informa	
Abbvie	Johnson & Johnson	
Adecco	Kingspan	
Allianz	L'Oreal	
Cisco Systems	LafargeHolcim	
Coca Cola	LVMH	
Comcast	Priority Companies	
Danone	Royal Dutch Shell	
ExxonMobil	Total	
Facebook	Toyota Motor	
Home Depot	Volkswagen	
Inditex	Wells Fargo	

At least one of your Impact Note should be written on one of these 25 companies.

You cannot write on topics that have already been covered by fellow analysts, unless you can demonstrate you are bringing fundamentally new information or angle or analysis to a topic already covered.

Impaakt Priority Coverage

The rest of your Impact Notes can be written on any of these companies:

Priority 100 companies

3M **ABB** Group **Abbott Laboratories** AbbVie Accenture Adecco Adobe Systems AIA Group Allianz Altria Group Amgen Anheuser-Busch InBev **AP Moeller Maersk** AT&T Banco Santander Bank of America **Berkshire Hathaway BHP** Billiton **BNP** Paribas Boeing **Booking Holdings** BP British American Tobacco Broadcom Chevron

Cisco Systems Citigroup Coca Cola Comcast Credit Suisse Danone Dow ExxonMobil Facebook Geberit General Electric Givaudan Glencore Home Depot Honeywell International HSBC IBM Inditex Informa Intel Johnson & Johnson JP Morgan Chase Julius Baer Kering Kingspan

L'Oreal LafargeHolcim Lonza Group LVMH Mastercard **McDonalds** Medtronic Merck & Co. Microsoft Morgan Stanley Netflix Nike Novo Nordisk Oracle Pentair PepsiCo Pfizer Philip Morris International Richemont **Rio Tinto** Roche Royal Bank of Canada **Royal Dutch Shell** Sanofi SAP

Schlumberger SGS Siemens Sika Starbucks Swatch Swiss Life Holding Swiss Re Swisscom **TD Bank Group** Tesla **Texas Instruments** Total **Toyota Motor** UBS **Union Pacific** United Parcel Service United Technologies UnitedHealth Group Verizon Communications Visa Volkswagen Walt Disney Wells Fargo **Zurich Insurance**

Bold: Top Priority List

Measuring the real impact of businesses. Together.

RELITERA A



Thanks for joining us!

