



IMPACT PLAYBOOK

A resource for measuring and managing the impact of your company from seed to growth

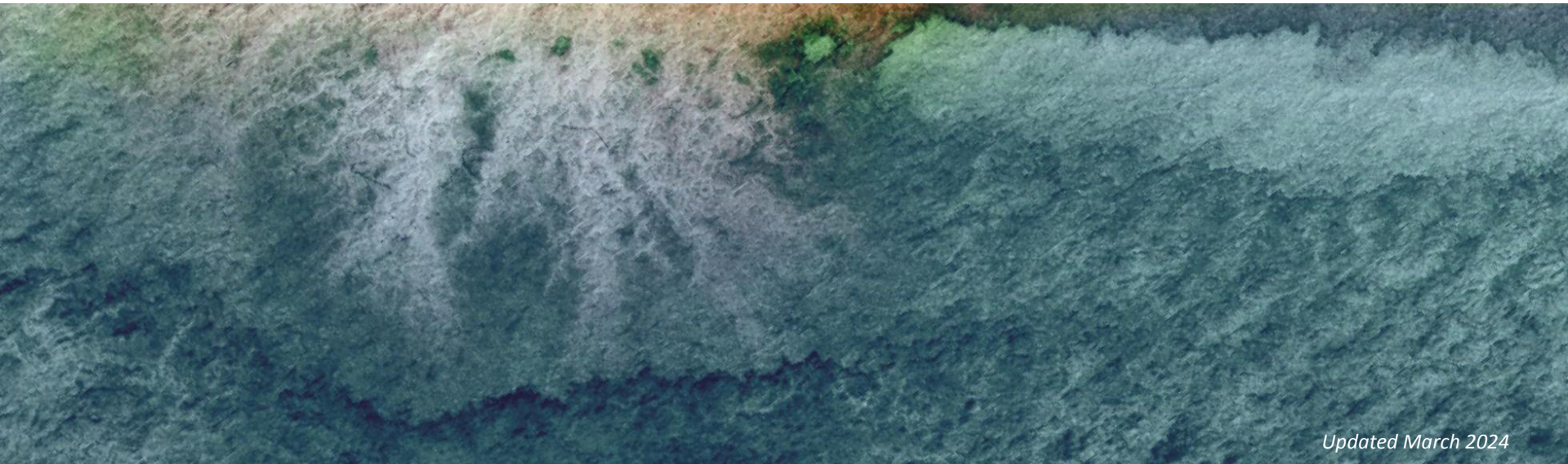


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A Note from S2G

At S2G, we've been steadily building our approach to impact measurement and management (IMM), starting with an acknowledgment that we see it as much more than a box-checking exercise. Rather, we see it as core to generating value for our portfolio companies. We also recognize that there's no one-size-fits-all approach to IMM for growing companies, and that it will happen over time depending on a number of company-specific factors, including sector exposure, ease of access to impact data, and availability of human and financial capital, among other things.

As a value-add investor, S2G is committed to continually strengthening and refining our internal IMM capabilities in service of supporting our portfolio. That includes developing tools and resources to help our portfolio community, and connecting and contributing to the broader impact investing ecosystem. We're excited to make this Impact Playbook accessible to others as a living tool, and we welcome and appreciate all feedback so we can continue improving it over time.



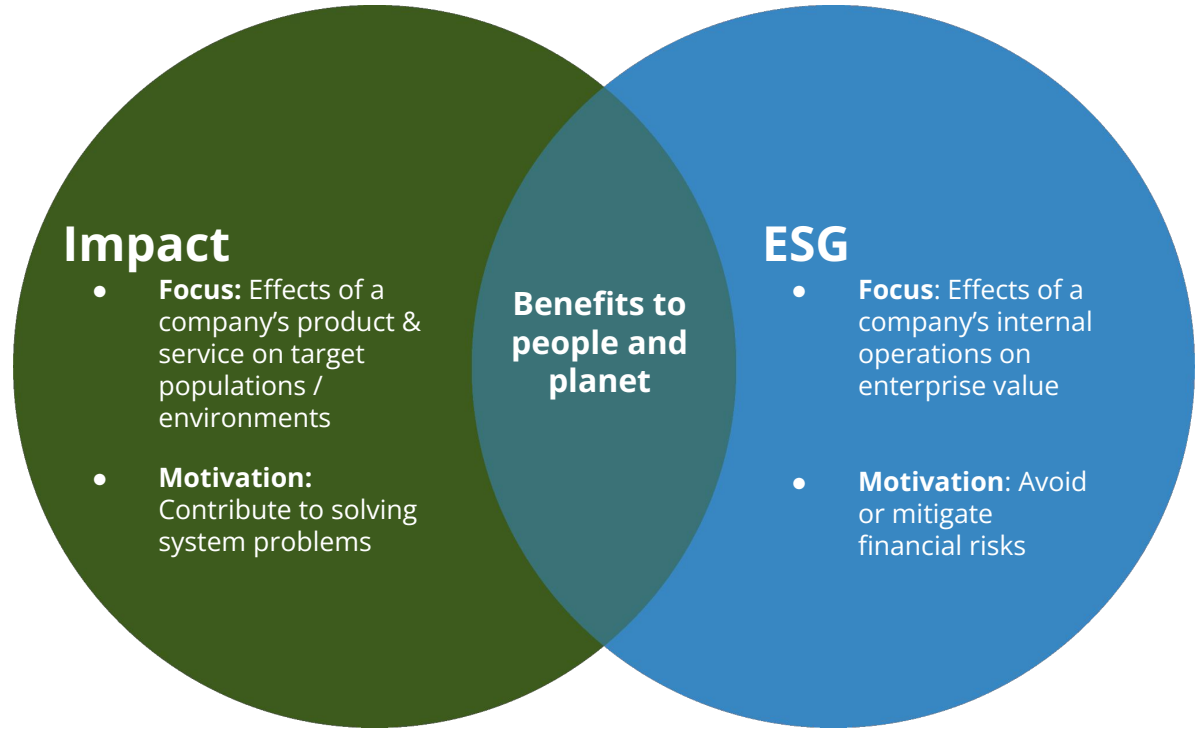
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Understanding Impact and ESG

Impact and environmental, social, and governance (ESG) factors are two related but distinct frameworks for understanding and managing how your company affects people and planet.



Using Impact and ESG Data

Companies can use impact and ESG data in a number of ways.

Measure the positive and negative impacts of a company (either intended or unintended) on people and planet.

Avoid or mitigate financially material risks.

Improve product/market fit.

Adhere to policies and regulations.

Validate impact claims to stakeholders including customers, investors, and the broader public.

Strengthen marketing and communication materials.

Attract investors and strategic partners.

About this Playbook

This playbook offers guidance for how your company can build capabilities for measuring and managing the impact of your products/services and internal operations over time. The maturity model shown below (“Ideate, Validate, Infrastructure, Scale”) is one that S2G uses to describe the stages that a company typically goes through from early- to late-stage growth. We’re using it in this playbook as an organizing tool to help you develop an internal impact measurement and management practice in a way that aligns with your priorities.

In the two sections that follow, we outline **key considerations** across stages of the maturity model. At the end of each section, we provide a **planning worksheet** and **selected resources** that can be helpful to developing your impact and ESG capabilities moving forward.

COMPANY MATURITY MODEL

Focus Area:	1. Ideate	2. Validate	3. Infrastructure	4. Scale
SECTION A Impact: Products/Services	Considerations and resources to help you understand and improve how your products and services affect people and planet, and suggestions for how to evolve your approach as your company grows.			
SECTION B ESG: Internal Operations	Considerations and resources to help you understand the effects of your company's internal ESG practices, policies, and procedures on people and planet, and suggestions for how to evolve your approach as your company grows.			

SECTION A:

Measuring and managing the impact of your company's products/services

- What are the positive and negative impacts my product/service is having on people and planet?
- How can I understand these impacts, communicate them, and continuously work to strengthen the positive and mitigate the negative impacts related to my products/services?



S2G believes your product or service is the core of your company's impact.

Your company's impacts can be both positive or negative, intended or unintended.

It may have a positive impact by virtue of being a more healthy or environmentally friendly option compared to alternatives (e.g., [alternative proteins](#), [non-chemical agricultural inputs](#), [electric vehicles](#), etc.), or it may help customers shift behavior to create or improve impact (e.g., sensors to detect GHG emission sources, community solar financing, aquaculture vaccines and therapeutics, etc.).

It could also have a negative impact due to inefficient or polluting manufacturing processes, detrimental influence on the local community, or unintended consequences for the use of the product (e.g., a technology designed for a certain application being used for something different and harmful).

By embedding impact considerations into how you develop, manage, and market your products, you can deepen your positive impacts and avoid or lessen negative impacts. This means thinking about impact during product design, discussing impact with your suppliers, measuring and verifying your product's impact, and communicating your impact to stakeholders.

S2G believes that successful impact measurement and management can help your company develop a competitive advantage with customers, differentiating your product or service and helping you win in the marketplace.

Impact Considerations: Products/Services

Use the questions below to reflect on how your company designs for, measures, verifies, and communicates the impact of your products or services.

Categories	1. Ideate	2. Validate	3. Infrastructure	4. Scale
Product Design & Management Design and improve your products and services with impact in mind	<ul style="list-style-type: none"> Do we understand the problem and customer, and can we identify how the product impacts people and planet? 	<ul style="list-style-type: none"> Have we gathered information on customer feedback and early outcomes? 	<ul style="list-style-type: none"> Have we built impact performance into product development cycles? 	<ul style="list-style-type: none"> Have we embedded impact into decisions about new products and markets?
Supply Chain Ensure accountability for social and environmental performance across your supply chain	<ul style="list-style-type: none"> Have we spoken with vendors to understand options around sustainability? 	<ul style="list-style-type: none"> Have we continued conversations with vendors and aligned on 1-2 key claims to pursue? 	<ul style="list-style-type: none"> Have we created a formal list of vendor sourcing requirements, and ensured vendor alignment? 	<ul style="list-style-type: none"> Have we required all vendors to meet sourcing requirements and considered 3rd-party validation?
Impact Measurement & Management Identify and track the data that will best help you measure and manage your impact over time	<ul style="list-style-type: none"> Have we developed a foundation for impact metrics and data collection? 	<ul style="list-style-type: none"> Have we selected impact metrics with an eye toward industry norms and piloted data collection? 	<ul style="list-style-type: none"> Have we begun full-scale data collection and analysis on impact metrics? 	<ul style="list-style-type: none"> Have we optimized and integrated impact metrics into day-to-day operations and decision-making?
Impact Verification (Certifications & LCA) Engage a third-party to collect independent data and verify the impact of your products and services	<ul style="list-style-type: none"> Have we assessed potential product-specific certifications that lend credibility to our impact claims? 	<ul style="list-style-type: none"> Have we considered third-party impact verification for pilot tests and customer feedback? 	<ul style="list-style-type: none"> Have we considered third-party impact verification or product-specific certifications? 	<ul style="list-style-type: none"> Have we considered third-party impact verification for our most important vendors? Have we conducted an LCA for flagship products, if relevant?
Impact Marketing Define and communicate the positive impact of your products and services to customers, investors, and the community	<ul style="list-style-type: none"> Have we created high-level messaging on the impact of our product/services? 	<ul style="list-style-type: none"> Have we developed consistent and clear impact-related marketing? 	<ul style="list-style-type: none"> Have we supported marketing with data or market research? 	<ul style="list-style-type: none"> Have we adapted marketing to new markets and evolving needs and preferences?

Planning Worksheet: Products/Services

Use the worksheet below to help plan next steps for measuring and managing the impact of your products/services.

Sub-Category	What stage best describes your current capabilities (taken from Impact Considerations page)?	What are your next steps for strengthening impact capabilities?	What resources do you need to support your next steps (refer to next page for ideas)?
Product Design & Management			
Supply Chain			
Impact Measurement & Management			
Impact Verification (Certifications & LCA)			
Impact Marketing			

Selected Resources: Products/Services

Use the list below as a non-exhaustive set of resources that can help support your next steps for measuring and managing the impact of your products/services.

Categories	Selected Resources
Product Design & Management	<ul style="list-style-type: none"> • IDEO Field Guide to Human-Centered Design: Step-by-step guide and case studies to help understand your customer. • Circular Design Guide: Resources and workshops on circular strategies, circular ventures, safe & circular product redesign. • Acumen Lean Data / Lean Data Field Guide: Customer-centric approach to impact measurement via phone surveys. • 60 Decibels: Impact assessment and surveying services with focus on hearing directly from customers, employees, or beneficiaries.
Supply Chain	<ul style="list-style-type: none"> • ICC: Guide with practical steps for companies to influence and monitor social and environmental performance in global supply chains. • Sedex: Membership network and online platform for companies to manage and improve working conditions in global supply chains. • SASB Standards for Suppliers: Standards designed to help companies disclose financially-material sustainability information to investors.
Impact Measurement & Management	<p>General:</p> <ul style="list-style-type: none"> • UN Sustainable Development Goals (SDGs): Global partnership and 17 goals. • SDG Compass: Guidance on how companies can align their impact strategies and measure and manage their contribution to the SDGs. • Theory of Change (SoPact): Step-by-step guide to building a social impact framework. • IRIS+: Generally accepted system for measuring, managing, and optimizing impact. Managed by the Global Impact Investing Network (GIIN). • Impact Management Project (now Impact Frontiers): Shared norms and resources for managing impacts on people and planet. • Ventures at the Helm: Guide to support development of impact measurement and management practices and performance. • BCTA Impact Lab: Framework for measuring how operations, strategies, and goals contribute to the SDGs. <p>Oceans:</p> <ul style="list-style-type: none"> • Ocean Impact Navigator: Open-source impact KPI framework for the Ocean Innovation Ecosystem. <p>Energy:</p> <ul style="list-style-type: none"> • GOGLA Impact Metrics: Global association for the off-grid solar energy industry. • Measuring Social Impact in the Clean and Efficient Cooking Sector: A How-To Guide: Indicators, methodologies, and tools for measuring the impacts of clean and efficient cookstoves and fuels.

Selected Resources: Products/Services

Use the list below as a non-exhaustive set of resources that can help support your next steps for measuring and managing the impact of your products/services.

Categories	Selected Resources
Impact Verification (Certifications & LCA)	<ul style="list-style-type: none"> • Biodegradable Products Institute: Science-driven organization that supports a shift to the circular economy. • Compost Manufacturing Alliance: National certifier of compostable products for compost facilities. • USDA Organic: USDA portal for programs, services, and educational materials to help organic farms and businesses. • Marine Stewardship Council: Maintains standards that are consistent with industry best practice codes and guidelines. • Green-e: Global standard for renewable energy certification. • Fairtrade: Sustainability label and Fairtrade standards designed to support small producer organizations and agriculture workers in developing countries. • Leadership in Energy and Environmental Design (LEED): Global green building certification program developed by the U.S. Green Building Council • The Good Economy: Impact measurement and management platform for due diligence, assessment and reporting, verification and assurance. • BlueMark: Provider of third-party verification of impact claims and practices. • CDP: Global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts. • Rainforest Alliance: Data-informed certification programs for sustainable products or ingredients. • ProTerra Standard: Standards and certifications that promote sustainability in the food and feed supply chain and segregated non-GMO materials.
Impact Marketing	<ul style="list-style-type: none"> • Net Promoter Score (NPS): Score to measure customer experience and predicts business growth. • Sustainable Brands: Global community of brand innovators.

SECTION B:

Measuring and managing your company's internal operations related to ESG factors

- What are the ESG values that drive my company, and how can I embed them in our culture and operations?
- How can I engage with staff, investors, customers, and the broader ecosystem to strengthen my company's positive effects on people and planet as it grows?



S2G believes that building a company that has impact in its DNA is critical to enabling your company to remain committed to impact over the long-term, and it can also help you understand and manage risks to your business.

Prioritizing ESG factors that are most important to your mission, vision, and purpose can [help](#) all employees understand how what they do every day connects to driving positive impact for people and the planet.

Then, by supporting these concepts with policies and practices, and managing them over time, you can further strengthen and institutionalize how your company holds itself accountable to driving impact while mitigating ESG-related risks. In doing so, your company will be [well-positioned](#) to address demands from customers, investors, and other stakeholders to align with emerging ESG standards.

An important part of this process is to make sure that your company is committed to impact at the highest levels of the organization. This means creating accountability for impact within both your board of directors and your senior leadership team.

For many early-stage companies, growth is a top priority. For an impact-oriented company, it is important to incorporate ESG considerations into your growth plan as the organization becomes larger and more complex.

For instance, when building relationships with investors, fundraising, and conducting M&A due diligence, companies should vet potential investors/partners for impact orientation, thus creating like-minded partnerships. They can also leverage investors who have “been there before” to advise them on where to focus when it comes to impact and ESG. This will also help early-stage companies build accountability and reporting capabilities in a way that will be meaningful to investors, corporate partners, and the broader community.

ESG Considerations: Internal Operations

Use the considerations below to reflect on your company's internal policies, practices, and procedures related to ESG factors:

	Categories	1. Ideate	2. Validate	3. Infrastructure	4. Scale
ENVIRONMENTAL	Environmental Impact Consider your company's direct and indirect environmental impacts. Potential areas to assess include carbon emissions, facilities, energy usage, supply chain, and manufacturing	<ul style="list-style-type: none"> Have we considered how our internal operations impact the environment? 	<ul style="list-style-type: none"> Have we put policies or processes in place to demonstrate our commitment to mitigating our environmental impact? 	<ul style="list-style-type: none"> Have we engaged with suppliers, business partners, or customers to reduce the environmental impact of activities across our supply chain? 	<ul style="list-style-type: none"> Have we considered engaging external support to capture our Scope 1, Scope 2, or Scope 3 emissions?
SOCIAL	Workforce & Community Review internal practices related to compensation, benefits, employee ownership, work environment, and community engagement	<ul style="list-style-type: none"> Is there a company employee handbook? 	<ul style="list-style-type: none"> Have we benchmarked our employee benefits against industry standards? 	<ul style="list-style-type: none"> Is an employee satisfaction survey conducted? How are we responding to the feedback we receive? 	<ul style="list-style-type: none"> How are we engaging our broader set of stakeholders in the business and our mission – employees, community, customers, suppliers, investors, etc.?
	Diversity of Employees & Senior Leadership Incorporate diversity considerations, reporting, and initiatives across all levels of the organization	<ul style="list-style-type: none"> Are we collecting self-reported diversity metrics from employees and senior leadership? 	<ul style="list-style-type: none"> Do we have an internal diversity, equity, and inclusion policy? 	<ul style="list-style-type: none"> Are we providing diversity, equity, and inclusion trainings for all employees and management? 	<ul style="list-style-type: none"> Are we proactively reviewing HR policies to ensure inclusivity?

ESG Considerations: Internal Operations

Use the considerations below to reflect on your company's internal policies, practices, and procedures related to ESG factors:

Categories	1. Ideate	2. Validate	3. Infrastructure	4. Scale	
GOVERNANCE	Vision, Mission, Purpose Build impact and ESG into your company's purpose early on, establishing authentic impact aims. Incorporate impact and ESG considerations into the due diligence processes for potential mergers and acquisitions	<ul style="list-style-type: none"> Have we developed company impact aims, mission, and values, including our intended impacts to people and planet? 	<ul style="list-style-type: none"> Have we made specific commitments for driving towards our mission and values? 	<ul style="list-style-type: none"> Have we institutionalized and continually assessed performance against our mission and values? Are we considering impact and ESG for potential M&A events? 	<ul style="list-style-type: none"> Have we signaled our commitment externally, including considering B Corp certification? If M&A is a consideration, do we have a plan for maintaining a focus on ESG post-merger?
	Board of Directors & Senior Leadership Engage with your board and leadership to include impact and ESG in governance and decision making	<ul style="list-style-type: none"> Have we integrated impact into existing leadership's responsibilities; lean on advisors and BOD? 	<ul style="list-style-type: none"> Have we formalized discussion on impact frameworks and decisions at board and leadership meetings? 	<ul style="list-style-type: none"> Have we assigned a team member to own impact / ESG and begin to collect metrics, and added impact / ESG expert to the board? 	<ul style="list-style-type: none"> Have we assigned a Board committee or senior leader to oversee impact / ESG strategy and engaged with stakeholders?
	Policies Author internal- and external-facing ESG policies to promote a culture of integrity and communicate to stakeholders	<ul style="list-style-type: none"> Have we begun to identify the ESG policies that are key to our vision and/or required by law? 	<ul style="list-style-type: none"> Have we continued to add internal-facing policies as appropriate to foster a culture of integrity? 	<ul style="list-style-type: none"> Have we considered adding external-facing policies such as a vendor code of conduct? 	<ul style="list-style-type: none"> Have we authored public-facing policies, communicated them on our website, and incorporated them into RFPs?

ESG Considerations: Internal Operations

Use the considerations below to reflect on your company's internal policies, practices, and procedures related to ESG factors:

Categories	1. Ideate	2. Validate	3. Infrastructure	4. Scale	
GOVERNANCE	Accountability & Reporting Be transparent about measuring, managing, and communicating the impact of your products and services and/or your company's operations	<ul style="list-style-type: none"> Have we outlined a high-level pitch on the impact of the product and the company, and identified legal or investor-specific reporting requirements? 	<ul style="list-style-type: none"> Have we become familiar with industry impact / ESG reporting frameworks, discussed reporting with investors, and planned and budgeted for reporting? 	<ul style="list-style-type: none"> Have we actively communicated impact and ESG metrics and certifications on website and/or in an impact/ESG report? 	<ul style="list-style-type: none"> Have we optimized ESG metrics, and integrated them into decision-making and future planning?
	Fundraising Understand investors' expectations around impact and ESG in advance of fundraising to position your company to win	<ul style="list-style-type: none"> Have we integrated impact into existing leadership's responsibilities; lean on advisors and BOD? 	<ul style="list-style-type: none"> Have we formalized discussion on impact frameworks and decisions at board and leadership meetings? 	<ul style="list-style-type: none"> Have we assigned a team member to own impact / ESG and begin to collect metrics, and added impact / ESG expert to the board? 	<ul style="list-style-type: none"> Have we assigned a Board committee or senior leader to oversee impact / ESG strategy and engaged with stakeholders?

Planning Worksheet: Internal Operations

Use the considerations below to reflect on your company's internal policies, practices, and procedures related to ESG factors:

	Sub-Category	What stage best describes your current capabilities (taken from Summary ESG Considerations page)?	What are your next steps for strengthening impact capabilities?	What resources do you need to support your next steps (refer to next page for ideas)?
ENVIRONMENTAL	Environmental Impact			
SOCIAL	Workforce & Community			
	Diversity of Employees & Senior Leadership			

Planning Worksheet: Internal Operations

Use the considerations below to reflect on your company's internal policies, practices, and procedures related to ESG factors:

Sub-Category	What stage best describes your current status (taken from Summary ESG Considerations page)?	What are your next steps for strengthening impact capabilities?	What resources do you need to support your next steps (refer to next page for ideas)?
GOVERNANCE	Vision, Mission, Purpose		
	Board of Directors & Senior Leadership		
	Policies		
	Accountability & Reporting		
	Fundraising		

Selected Resources: Internal Operations

Use the list below as a non-exhaustive set of resources that can help support your next steps for measuring and managing your company's internal operations related to ESG factors.

	Categories	Selected Resources
ENVIRONMENTAL	Environmental Impact	<ul style="list-style-type: none"> • Climate Disclosure Standards Board: Reporting framework for climate disclosure and elements of environmental and natural capital disclosure. • FTC Green Guide: Designed by the Federal Trade Commission to help marketers avoid making environmental claims that mislead customers. • Task Force on Climate-related Financial Disclosures (TCFD): Task Force designing recommendations on the types of information companies should disclose to support with appropriate assessment and pricing of risks related to climate change.
SOCIAL	Workforce & Community	<ul style="list-style-type: none"> • GRI Sustainability Reporting Standards: Global standards for sustainability reporting. • 60 Decibels: Impact assessment and surveying services with focus on hearing directly from customers, employees (via employee engagement surveys), or beneficiaries.
	Diversity of Employees & Senior Leadership	<ul style="list-style-type: none"> • Jopwell: Career advancement platform designed for Black, Latinx, and Native American students and professionals. • Fairygodboss: Online professional community for women, providing career connections, job opportunities, and advice. • Inclusively: Professional network transforming the way candidates with disabilities, mental health, and chronic illnesses find jobs and connect to inclusive employers. • theBoardList: Platform that connects diverse candidates with global Board opportunities. • Hone: Online, interactive classes on leadership and management topics. • B Lab: Nonprofit network transforming the global economy.

Selected Resources: Internal Operations

Use the list below as a non-exhaustive set of resources that can help support your next steps for measuring and managing your company's internal operations related to ESG factors.

Categories	Selected Resources	
GOVERNANCE	Vision, Mission & Purpose	<ul style="list-style-type: none"> • Social Enterprise Toolkit: Mission & Purpose: Resources and toolkit for communities and individuals setting up a social enterprise. Regulations are specific to Ireland, but Mission & Purpose chapter is widely relevant. • Patagonia's Core Values
	Board of Directors & Senior Leadership	<ul style="list-style-type: none"> • Corporate Responsibility, Sustainability, and Governance Committee Charter from Nike • Model Charter for Sustainability Committee of the Board from NACD
	Policies	<ul style="list-style-type: none"> • B Lab: Nonprofit network transforming the global economy. • Unilever's Sustainable Business Policies • Benson Hill's Purpose & Core Values • Ben & Jerry's Values & Mission
	Accountability & Reporting	<ul style="list-style-type: none"> • IRIS+: Generally accepted system for measuring, managing, and optimizing impact. Managed by the Global Impact Investing Network (GIIN). • Impact Management Project (now Impact Frontiers): Shared norms and resources for managing impacts on people and planet. • IFRS Foundation (SASB): Accounting and sustainability disclosure standard-setting organization. • GRI: Global standards for sustainability reporting. • Climate Disclosure Standards Board: Reporting framework for climate disclosure and elements of environmental and natural capital disclosure. • FTC Green Guide: Designed by the Federal Trade Commission to help marketers avoid making environmental claims that mislead customers. • B Corp: Designation that a business meets the highest standards of verified performance, accountability, and transparency factors. • Sustainalytics: ESG and corporate governance research, ratings, and analytics firm.
	Fundraising	<ul style="list-style-type: none"> • Impact Management Project (now Impact Frontiers): Shared norms and resources for managing impacts on people and planet.

Appendix

- Glossary of Terms
- Acknowledgments

Glossary of Terms

Environmental, Social, and Governance (ESG):

A way of categorizing the effects of a company's internal operations using environmental, social, and/or governance considerations. For example, potential ESG considerations include GHG emissions generated by the company's operations ("E"), employee working conditions ("S"), and the practices of the board of directors ("G").

Greenhouse Gas (GHG) Assessment:

An evaluation of GHG emissions produced through a company's operations. Typically described as Scope 1 (direct emissions by owned or controlled sources), Scope 2 (indirect emissions, e.g., emissions from purchased electricity), and Scope 3 (upstream emissions from suppliers, and downstream emissions from use of the product).

Impact:

The positive and negative effects of a company's products/services and internal operations on people and planet. For example, one potential positive impact of a company that sells low-cost, healthy meals in food deserts is to increase access to healthy food. A potential negative impact of that company is the carbon emissions associated with its food production.

Life Cycle Assessment (LCA):

An evaluation of the environmental impact of a product throughout its entire lifecycle, including input sourcing, manufacturing, transportation, use, and disposal.

Materiality Assessment:

An evaluation to understand which impact considerations are most important, or material, to a business. A materiality assessment will typically include interviews and/or surveys of key stakeholders.

Maturity Model:

A maturity model is a framework that is used to evaluate the maturity of a company's capabilities, typically by allowing a company to benchmark its own capabilities vs. its peers and/or best practices. Note that S2G uses the framework "Ideate, Validate, Infrastructure, Scale" to describe the maturity stages we typically see.

Acknowledgments

This playbook is a living document that will evolve as S2G learns more about how companies measure and manage their impact for business growth. We are grateful for the support of the Builders Vision team, external advisors and portfolio company leaders listed below who contributed to the development of this first version. We look forward to gathering additional feedback and insights from our entire S2G community.

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