

Supported by



Federal Ministry  
of Research, Technology  
and Space



Universität Hamburg  
DER FORSCHUNG | DER LEHRE | DER BILDUNG



IMV-Lab

# Impact Readiness Guide

*Your practical guide  
to a new sustainability  
landscape*

Understanding,  
Measuring  
and Managing  
Impact

# Content Overview

## Executive Summary

Pages 1–2

# 1.

## Impact Orientation as a New Core Requirement for Organizations

Pages 3–4

# 2.

## SDGs, Materiality and ESRS as a Structuring Framework for Impact Measurement

**2.1 Sustainability: The Sustainable Development Goals (SDGs) as the overarching reference framework**

**2.2 Materiality Analysis as a Central Steering Instrument for Impact-Oriented Alignment**

**2.3 The European Sustainability Reporting Standards (ESRS) as the Reporting Framework**

**2.4 Impact Measurement**

**2.5 ESRS Reporting Obligation & Impact Measurement**

Pages 5–14

# 3.

## Implementing Impact Measurement – The Three Steps to Impact Readiness

**3.1 Identifying Material Impact Areas**

**3.2 Measuring & Analyzing Impact**

**3.3 Reporting & Managing Impact**

**3.4 Challenges & Pitfalls in Impact Measurement**

Pages 16–33

# 4.

## Conclusion: Impact Readiness as a New Organizational Capability

Page 34

This Impact Readiness Guide is also available in German  
↪ [www.imv-lab.com](http://www.imv-lab.com)

## Executive Summary

### Impact Readiness Guide – Understanding, Measuring and Managing Impact

Organizations today face growing expectations to systematically measure, report and strategically manage their social and environmental impacts. Beyond regulatory requirements such as the CSRD and ESRS, societal and investor demands for transparent and reliable impact information continue to intensify. For startups, small and medium enterprises, new simplified reporting frameworks such as the VSME Standards (Voluntary Sustainability Reporting Standards for SMEs) are currently being developed.

The Impact Readiness Guide provides a practice-oriented roadmap for developing impact-oriented approaches – regardless of an organization’s size or maturity level. It systematically explains:

- ↳ **Why impact measurement is more than compliance,**
- ↳ **How impact can strategically be conceptualized, measured and managed, and**
- ↳ **Which tools support this process – from materiality analysis to monetary valuation of impact.**

### Target Groups

This guide is designed for organizations that seek not only to measure impact, but to integrate it as a strategic lever in their management practices – in particular:

- ↳ **Startups and social enterprises** that intend to make their societal relevance visible and communicate their impact in a robust and credible way.
- ↳ **Small and medium-sized enterprises (SMEs)** looking to integrate impact-oriented practices and position themselves for voluntary or forthcoming reporting obligations.
- ↳ **Public and private funders, impact investors, and foundations** that support portfolio organizations in impact measurement or wish to establish impact-oriented decision logics.
- ↳ **Public institutions, universities, and intermediary organizations** that anchor impact in their own programs or provide advisory services.

## Three Core Steps Towards Impact Readiness

- 1. Understanding Impact:**  
Using double materiality analysis and Theory of Change, relevant impact areas are systematically identified and prioritized.
- 2. Measuring Impact:**  
Organizations select suitable qualitative, quantitative and monetary measurement approaches to analyze environmental, social, economic and governance-related impacts in an evidence-based way.
- 3. Managing & Reporting Impact:**  
Results from impact measurement are integrated into internal management systems, strategic decisions and external reporting (e.g. ESRS-compliant disclosure).

The guide explicitly builds a bridge between scientifically grounded impact measurement and current regulatory sustainability reporting requirements. Through deep dives, practical examples and checklists, it becomes a hands-on toolkit for impact-oriented management – especially for dynamic and resource-conscious organizations.

This Impact Readiness Guide supports you in:

- ↳ Acting in an impact-oriented way,
- ↳ Measuring and reporting impact, and
- ↳ Integrating impact thinking into regulatory requirements.



For selected deep dives, this guide refers to the comprehensive **Impact Measurement Handbook**, structured along the three phases of the impact cycle:



- 1. Motives:**  
Clear definition of goals and their translation into measures and activities  
↳ **Pages 24–33**
- 2. Impact Logic:**  
Definition of inputs and their translation into outputs, outcomes and impact  
↳ **Pages 34–49**
- 3. Impact Measurement:**  
Measurement of relevant data using suitable methods and instruments  
↳ **Pages 50–69**

The **2023 Practice Handbook** has been published in German, thanks to funding from the German Federal Ministry of Research, Technology and Space (BMFTR).

# 1. Impact Orientation as a New Core Requirement for Organizations

Organizations of all kinds – from startups to public institutions – face the central task of systematically capturing, reporting and strategically managing their societal impact. Requirements are increasing: investors, customers, regulators and society demand measurable and transparent impact.

While impact measurement used to be primarily the domain of social enterprises and NGOs, regulatory frameworks such as the CSRD and the ESRS are now key drivers of sustainability-related reporting. These standards cover environmental, social and governance (ESG) criteria, which are used to assess and disclose organizational sustainability performance.

While large organizations fall under the full reporting obligations of the CSRD

and ESRS, simplified voluntary reporting standards (i.e. VSME) are currently being developed for SMEs and startups. These offer a leaner reporting framework that is better aligned with the resource constraints and needs of young, growth-oriented organizations – and is therefore often more practical than the full ESRS requirements.

The Impact Readiness Guide is designed to be fully compatible with both CSRD/ESRS and the VSME principles, thus bridging mandatory reporting standards and voluntary impact measurement. At the same time, pressure is growing from investors, customers and society to deliver **credible and scientifically sound evidence of actual impact**.



## Impact Readiness

An organization is “impact ready” when it does not only know its impact, but also acts upon it. To be successful and impact ready in the long run, organizations must therefore:

- ↪ **Comply with regulatory requirements, and**
- ↪ **Actively and strategically manage their impact.**

The **materiality analysis** plays a decisive role in determining which sustainability aspects are truly relevant for an organization. **Impact measurement** thus becomes a **key organizational capability** – far beyond a mere legal obligation. It enables organizations to understand their **social and environmental responsibility** and integrate it into their **strategic orientation**.

## 2. SDGs, Materiality and ESRS as a Structuring Framework for Impact Measurement

### 2.1 Sustainability: The Sustainable Development Goals (SDGs) as the Overarching Reference Framework

Sustainability goes beyond ESG criteria and refers to the long-term balance between environmental, social, and economic interests, with the aim of ensuring a livable environment for present and future generations. Sustainability is commonly understood across three dimensions:



#### Environmental sustainability

Reducing environmental impacts and creating climate-friendly and regenerative products and solutions.



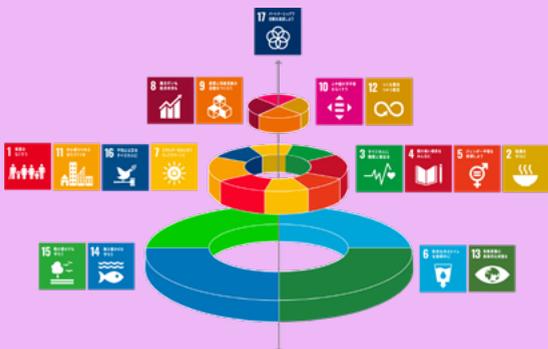
#### Social sustainability

Strengthening social values as a foundation of society, such as equality, education, peace and justice.



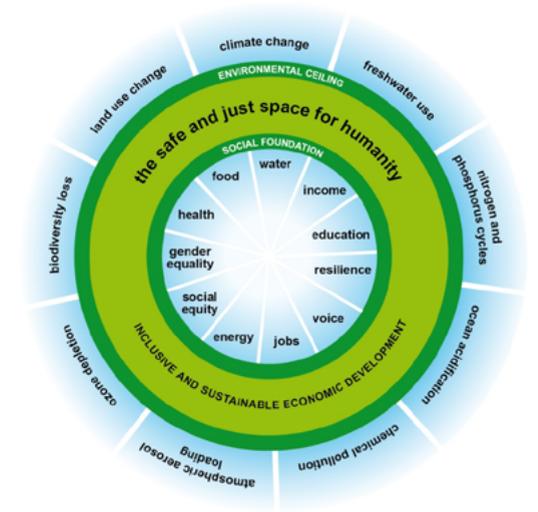
#### Economic sustainability

Establishing economically viable and resilient business models that also contribute to reducing economic inequalities.



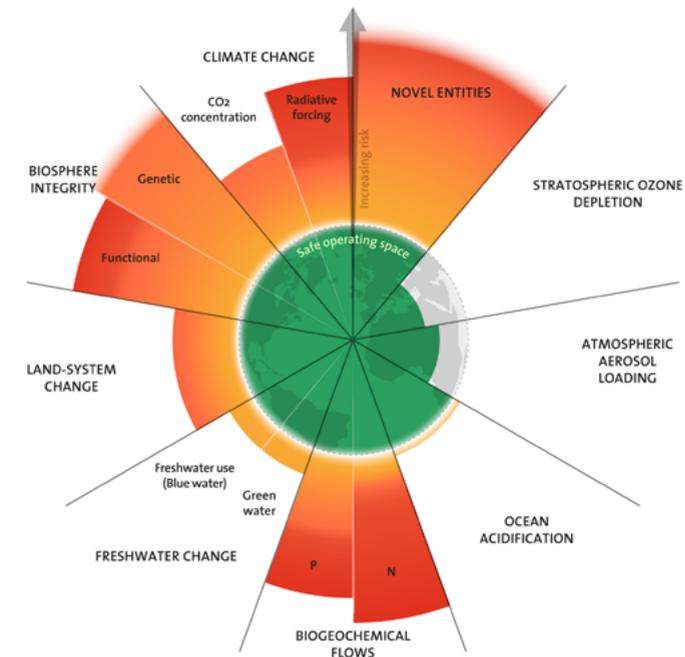
The 17 **Sustainable Development Goals (SDGs) of the United Nations** provide a global reference framework for sustainable development. Organizations can map their positive contributions and negative impacts to the SDGs to sharpen their strategic orientation.

In 2016, Johan Rockström and Pavan Sukhdev introduced the concept of the SDG Wedding Cake Model to visualize the implementation logic of the SDGs. The model structures the goals into three interdependent layers: the biosphere as the foundation, society embedded within it, and the economy embedded within society. At all levels, partnerships are required to achieve the goals, illustrated by SDG 17 overarching all layers. The model highlights the systemic interdependencies between these levels and the respective sustainability challenges.



Raworth (2012).

Kate Raworth's Doughnut Economics provides an integrated framework that links ecological limits with the basic social conditions required for human well-being, offering a practical lens for sustainable development.



## 2.2

### Materiality Analysis as a Central Steering Instrument for Impact-Oriented Alignment

The double materiality analysis is a central element of the CSRD. It is a systematic method for determining which sustainability topics are particularly relevant for an organization. Two complementary perspectives on impact are considered:

#### Outside-in perspective

„Financial Materiality“:

Which sustainability topics have material effects on the financial performance and resilience of the organization?



#### Inside-out perspective

„Impact Materiality“:

How does the organization affect the environment, society and stakeholders?



## 2.3

### The European Sustainability Reporting Standards (ESRS) as the Reporting Framework

↪ The ESRS are the EU reporting standards for organizations. They are regulated under the CSRD.

The ESRS are structured into three overarching categories. This categorization is based on the ESG framework.



#### ESRS E1-E5 (Environmental)

**Environmental standards**, e.g., climate change, biodiversity, circular economy  
Example indicator: CO<sub>2</sub> emissions (in tons)



#### ESRS S1-S4 (Social)

**Social standards**, e.g., working conditions, human rights, diversity & inclusion  
Example indicator: gender pay gap



#### ESRS G1 (Governance)

**Governance standards**, e.g., corporate governance, integrity, compliance  
Example indicator: existence of a supply chain due diligence program

#### Governance-related aspects include:

1. Sustainability strategy and integration into organizational governance

2. Ethics, corruption prevention and responsible corporate governance

3. Sustainability-related incentive systems and remuneration models for executives

4. Transparency and stakeholder engagement

↪ A comprehensive concept of impact management should therefore give equal consideration to all three dimensions (E, S, G).

#### Note for startups and SMEs

The reporting obligations under the ESRS apply in full only to large companies within the scope of the CSRD. For startups and small and medium-sized enterprises (SMEs), a voluntary and simplified reporting framework – **the VSME Standard** – is currently being developed. This framework is also based on the core principles of ESG criteria and the concept of double materiality, but formulates

significantly reduced requirements with regard to data availability, reporting processes and documentation obligations.

The objective is to enable resource-constrained, growth-oriented organizations to enter sustainability reporting without overburdening their organizational and financial capacities.

## 2.4

### Impact Measurement

Impact measurement goes beyond ESRS reporting by fundamentally examining the actual changes caused by an organization. It is frequently used by NGOs, social enterprises and impact investors to analyze how an organization's actions affect the environment and society.



#### Environmental impact measurement

Includes impacts on the environment, e.g., through changes in CO<sub>2</sub> emissions, altered resource use, increased biodiversity or circular economy.

**Examples** (related to SDGs):

- ↪ Changed water consumption
- ↪ Reduction of emissions
- ↪ Increase in the share of recycled materials



#### Social impact measurement

Includes the influence on people and society, for example through changes achieved by fair working conditions, diversity & inclusion, or educational support.

**Examples** (related to SDGs):

- ↪ Increase in satisfaction due to improved working conditions
- ↪ Improved integration of social groups
- ↪ Reduction of medical interventions through improved coordination of service providers



#### Economic impact measurement

Includes the economic impact, both for organizations and for society.

**Examples** (related to SDGs):

- ↪ Financial inclusion of social groups
- ↪ Reduction of medical care costs at constant quality
- ↪ Macroeconomic indicators, e.g., the creation of new jobs



#### Governance indicators as a deepening of impact measurement

Includes the impact of good corporate governance and ethical decision-making on organizations and society.

**Examples** (related to SDGs):

- ↪ Reduction of compliance risks and corruption
- ↪ Increase in employee participation and co-determination
- ↪ Promotion of sustainable strategies and responsible corporate governance

## 2.5

### ESRS Reporting Obligation & Impact Measurement



#### ESRS

**Regulatory reporting** on ESG topics with a focus on transparency and comparability.

#### Note for startups and SMEs:

VSME standards, which are currently being developed, provide a simplified, voluntary framework for sustainability-related reporting.



#### Impact Measurement

**Methodological analysis of actual social and environmental changes,** mostly based on individual indicators and Theories of Change.

Criterion	Sustainability reporting	Impact measurement
<b>Objective</b>	Standardized reporting on ESG topics	Analysis, measurement and reporting of environmental, social, and economic impacts as well as governance aspects
<b>Obligation</b>	Mandatory for large companies within the scope of the CSRD, defined by regulation	Methodological analysis, not necessarily mandatory (in some cases required by funders)
<b>Focus</b>	Transparency and comparability of ESG data, often with a stronger focus on countable outputs (e.g., number of active users of an app)	In-depth analysis of outcomes and impact (actual changes in the target group of activities and in society)
<b>Data source</b>	Standardized metrics and data	Theories of Change (ToC) and individual indicators
<b>Target group</b>	Primarily external (investors, authorities, stakeholders)	External and internal (e.g. for strategic orientation)

### Why do both?

↳ Impact measurement is an important strategic instrument and supports the double materiality (financial and impact materiality) of sustainability reporting.

↳ Impact measurement helps to identify and address material sustainability topics more precisely, thereby strengthening the strategic orientation of sustainable organizational management.

↳ Outcomes and impact from impact measurement provide deeper insights that increase the quality and credibility of sustainability reporting.



## 3. Implementing Impact Measurement – The Three Steps to Impact Readiness

### 3.1 Identifying Material Impact Areas

#### Motives and logic: Who does my organization impact, and how?

- ↳ Identification of the central impact areas based on the ESRS
- ↳ Stakeholder surveys & risk analyses for validation

For further details in the Practice Handbook:  
↳ Pages 24–33

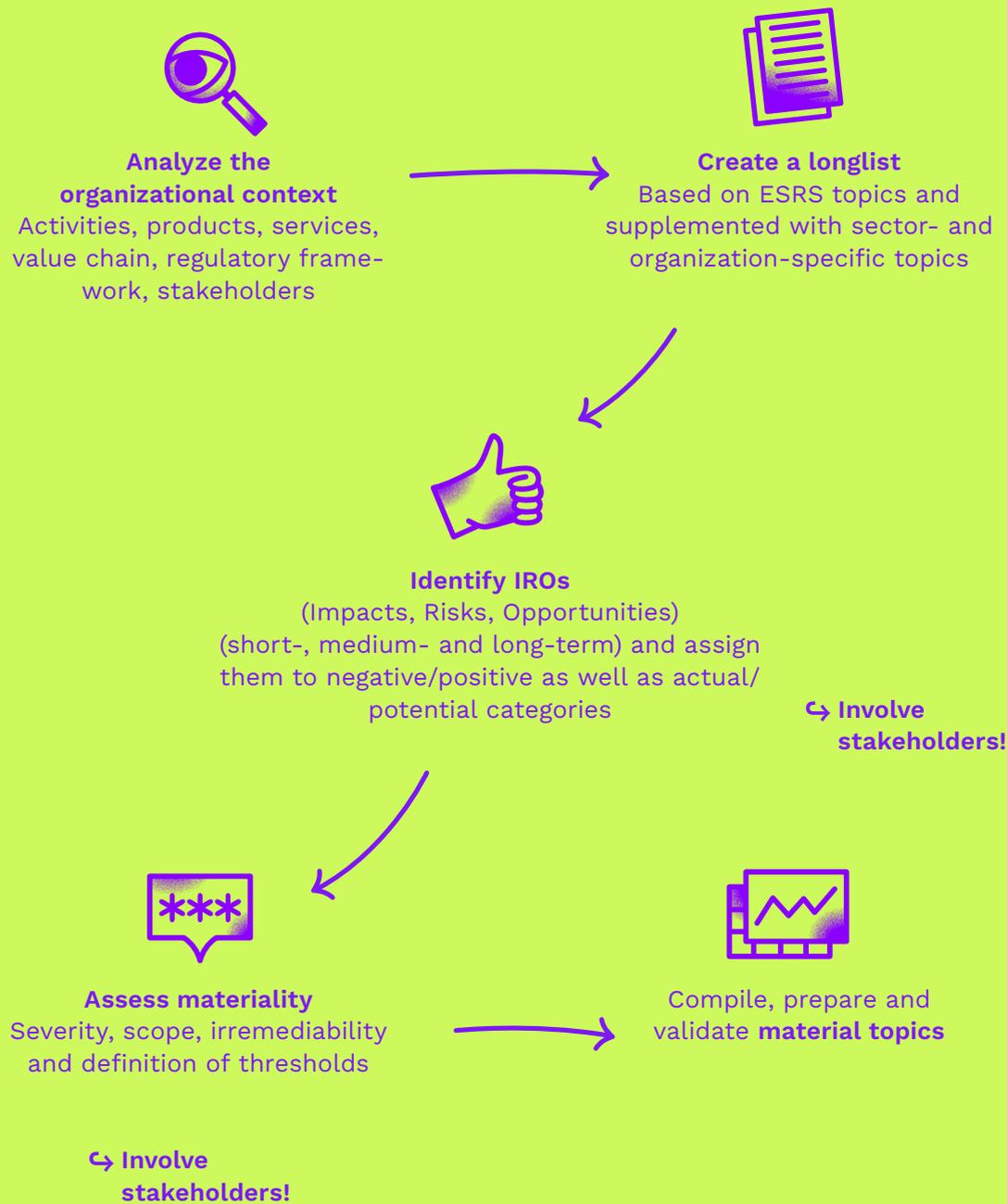
Clearly defining your **own motives** and involving all relevant stakeholders fosters the **credibility and legitimacy** of the organization. Here you will find details on:

- Purpose
- Vision, e.g. vision workshops
- Mission, e.g. SMART objectives
- Stakeholders, e.g. participatory approaches



Based on the ESRS, organizations should determine their central impact areas. This can be done through the double materiality analysis, which combines financial materiality and impact materiality.

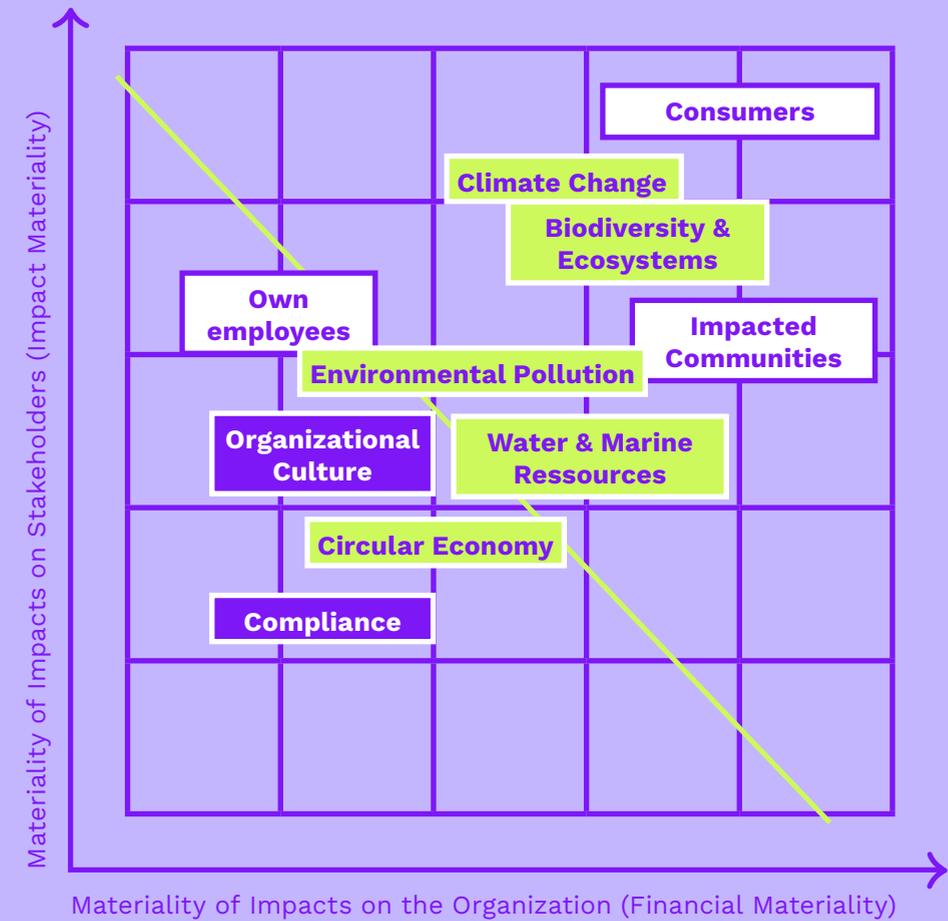
### Exemplary Process of a Materiality Analysis



### Recommended Methodology

Stakeholder Dialogues	Risk & Opportunity Analyses	Benchmarking
Interviews/focus groups with internal experts as well as customers, investors and NGOs	e.g. scenario analyses on the financial relevance of climate risks	Comparison with other organizations and industry standards

↪ The result can be visualized in the form of a materiality matrix (illustrated as an example below). Organizations can alternatively use different visualizations such as heat maps or scoring systems.





For further detail in the Practice Handbook:  
 ↪ Pages 34–49

The **impact logic** illustrates the connection between the resources used, the outputs achieved, the outcomes, the long-term effects, and the societal impact.

### IOOI-Modell und Theory of Change (ToC)

↪ Definition of the causal relationships between organizational activities and impacts

↪ Structuring according to the Input–Output–Outcome–Impact model (IOOI)



**Input Organization**

Financial expenditure



**Output Organization**

Development and publication of an app



**Outcome Target group**

Users significantly improve their language skills



**Impact Society**

Contribution to equal opportunities through improved access to education

### Why should I take a closer look here?

**Outcomes** are the effects achieved in the **target groups**.

↪ Does our product/service improve the **quality of life of specific target groups**?

↪ Does our business model **reduce resource consumption** or **environmental impact**?

↪ Does our business model promote **fair wages** or **regional value creation**?

↪ Do we support **sustainable consumption** or **conscious behavioral change**?

↪ **Measuring outcomes helps to draw well-founded conclusions about the societal impact achieved.**



Frequently used outcome indicators.  
 For further detail in the Practice Handbook:  
 ↪ Pages 42–44



### Impact Readiness Checklist for Step 1: Analyzing Material Impact Areas

- Define target groups and stakeholders:** Who are our target groups and which stakeholders are relevant?
- Set SMART objectives:** Are the impact objectives specific, measurable, achievable, relevant and time-bound?
- Include the needs of target groups and stakeholders:** What needs do our target groups and stakeholders have?
- Develop the impact logic:** How do our inputs lead to outputs, outcomes and impact? What are the causal relationships?
- Define material topics:** Which objectives and sustainability topics are relevant for us with regard to the discussed needs (based on ESRS)?

## 3.2

### Measuring & Analyzing Impact

**Measurement:**  
How do I measure the impacts of my organization?



For further detail in the Practice Handbook:

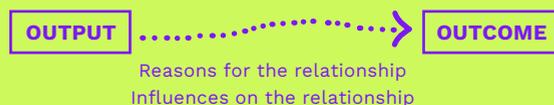
↳ Pages 51–69

Based on the impact logic and the impact objectives, the measurement approach is defined and the relevant data are collected. Our approach aims at the attribution of impact to the services provided. An iterative process is recommended to review the quality, consistency and reliability of the data. Here you will find details on:

- ☑ the distinction between correlation and causality,
- ☑ methodological approaches, e.g. types of surveys,
- ☑ guidance on data analysis, e.g. scales.

### Why should I take a closer look here?

Does my organization actually generate this impact – is there therefore a causal relationship? How can I determine and prove this?



- ↳ Weighing the effort and scope of data collection in relation to the purpose
- ↳ Selection of quantitative and qualitative indicators
- ↳ Methodological design of data collection (e.g., surveys, interviews, KPI analyses)

Based on the materiality analysis, the actual impact measurement can now be carried out. This can be done using three methodological approaches:

### 1. Quantitative Measurement – Standardized and Comparable

Quantitative measurement focuses on **countable indicators or key figures** that make it possible to track change in relation to defined objectives. Both **standard KPIs** and scientifically validated indicators/scales can be used.

- ↳ KPI-based data collection (e.g., reduction of CO<sub>2</sub> emissions, increased gender diversity, reduction of compliance violations)
- ↳ Surveys & data collection to measure changes over time



For further detail in the Practice Handbook:

↳ Pages 60–66

- How are surveys designed and measured?
- How are interviews designed and measured?



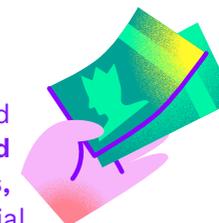
### 2. Qualitative Measurement

Qualitative approaches to impact measurement are based on descriptive and **perception-based information** and are therefore particularly useful for **gaining an in-depth understanding of an organization's** environmental, social and economic impact. Examples include surveys, dialogue-based methods (e.g. in focus groups), and relative assessments (high/medium/low) to evaluate relative positive or negative impact.

- ↳ Stakeholder interviews for in-depth analysis of changes
- ↳ Case studies on individual impact trajectories

### 3. Monetization of Impact

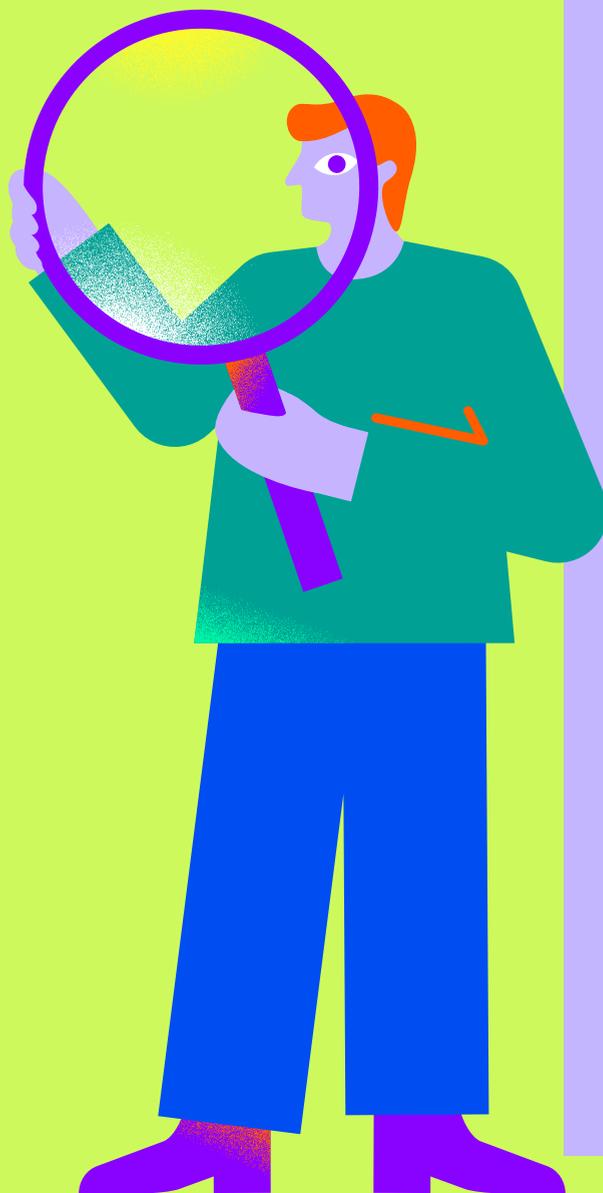
Monetization approaches for valuing environmental, social, and economic impact **translate quantified and qualitatively assessed impact into monetary values, e.g. on the basis of incurred costs, shadow costs, or willingness to pay.** This process enables a financial valuation of impact and creates a comparable metric relative to traditional business figures.



### Methods of Monetization – Three Approaches in Comparison

There are no (intuitive) market prices for many dimensions of impact. If impact is to be expressed in monetary terms, a monetary value attribution is required. Monetizing impact helps to make environmental, social and economic values visible – particularly when:

- ☑ Decision-makers require financial logics (e.g., for investment or controlling),
- ☑ Alternatives are to be made comparable (e.g., for project prioritization),
- ☑ Stakeholders are to be convinced (“Every euro invested generates €3 in societal benefit”).



Further guidance on monetization

For further detail in the Practice Handbook:

↪ Page 71



### Methods of Monetization – Three Approaches in Comparison

Approach	Description	Typical Application	Example
<b>Market-based valuation</b>	Use of existing market prices for services or damages	Environmental impacts, health costs, CO <sub>2</sub> pricing	CO <sub>2</sub> price per ton according to the German Environment Agency (UBA) or the EU ETS
<b>Cost-based valuation</b>	Estimation based on avoided costs (e.g., health care costs, rebound effects)	Social services, public health, infrastructure	Savings in medical treatment costs through prevention
<b>Preference-based valuation</b>	Valuation based on willingness to pay or benefit analyses	Quality of life, education, satisfaction	Willingness to pay for noise protection or healthy nutrition

### Social Return on Investment (SROI) – the classic approach

↪ Definition: Ratio of invested capital to monetized societal benefit

↪ Example: A measure for occupational reintegration generates €2.80 in social follow-up cost savings for every €1 invested.



Further information on the SROI process

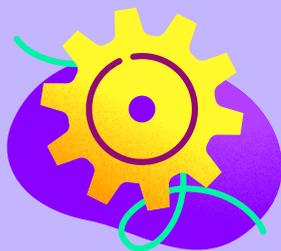
For further detail in the Practice Handbook:

↪ Pages 86–87



### Limits and Challenges

- ↳ Monetization = reduction of complex impacts to numbers  
→ risk of excessive simplification
- ↳ Values are context-dependent (e.g. one life year ≠ another life year)
- ↳ Risk of “false precision” – especially when no robust data basis exists
- ↳ Ethical questions:  
What may be monetized at all? (e.g. human lives, human rights, biodiversity)



### Examples of Tools & Resources

- ↳ Natural Capital Protocol & Social Capital Protocol
- ↳ True Cost Accounting / True Pricing
- ↳ SROI Guide (Social Value International)
- ↳ ISO 14008: Monetary Valuation of Environmental Impacts



### Monetization in Practice

#### Example: Early Childhood Language Development

- ↳ Input: €500.000 in funding for 10 daycare centers
- ↳ Output: Number of children reached
- ↳ Outcome: 75% of children with improved language scores
- ↳ Impact: Lower need for support in school, higher graduation rates
- ↳ Monetary value: Savings in the education system and productivity effects
- ↳ SROI result: €1 → €4.50 benefit
- ↳ ISO 14008: Monetary Valuation of Environmental Impacts



### Conclusion: When Is Monetization Useful?

#### Monetization is particularly suitable:

- ↳ When impact investments or public funding requirements need to be justified,
- ↳ When several alternatives with similar objectives are to be compared,
- ↳ When impact must be translated into classic KPIs/business cases.

#### But:

#### Monetize AND contextualize!

Monetization never replaces qualitative and quantitative contextual analysis – it complements it.

#### Transparency is key!

The underlying assumptions (e.g., on prices or preferences) should always be measured as precisely as possible (causality!) and reported transparently.

## Methodological selection of measurement approaches?

The choice of a measurement approach depends strongly on **objectives, data availability** and **impact areas**. For a complete picture of impact, a **combination** of quantitative, qualitative and monetary measurements is often recommended. This **triangulation** of data increases the **reliability** and **validity** of the results.



**Social**



**Social (in depth)**



**Economic**



**Governance**



**Environmental**

### Example Indicators

Change in Job satisfaction (JSS)

Perceived inclusion

Increase in local value creation (€)

Existence of a code of ethics + training rate

CO<sub>2</sub> reduction (in tons)

### Methods

Online survey, Likert scale

Focus groups with stakeholders

Input–output analysis

Document analysis + HR data

Measurement and verification (e.g., Scope 1–3)

### Data Types

Quantitative

Qualitative

Monetary

Quantitative

Quantitative

## Impact Readiness Checklist for Step 2: Measuring & Analyzing Impact

- Selecting indicators:** Which quantitative and qualitative indicators are suitable to measure the intended impacts?
- Baseline data:** Has baseline data been collected or defined (e.g., ex-ante interviews or surveys as part of needs assessments) to understand the situation prior to implementation? These serve as a reference point for analyzing change.
- Planning data collection:** Which methods (e.g., surveys, interviews, KPIs) are appropriate for measuring change?
- Defining measurement methods:** Which tools do we use (e.g., surveys, interviews, SROI)? How is the method operationalized (e.g., which scales does a questionnaire contain, which questions does an interview include)?
- Ensuring data quality:** Has a process been established to ensure the quality, accuracy and reliability of the collected data?
- Ethical considerations:** Have the ethical implications of the data collection and analysis methods been considered, in particular with regard to handling sensitive information?
- Monetization:** When is monetization meaningful? For what purpose is it carried out? Is it required by stakeholders?



For further detail in the Practice Handbook:  
 ↪ Pages 67–73

The reporting approach follows the chosen methodology for impact measurement. **Clear and accessible impact reporting** – tailored to the needs of specific target groups – enhances an organization’s legitimacy and enables external stakeholders to **understand its methods, assumptions, and uncertainties**. Here you will find details on:

- ☑ Transparency and legitimacy
- ☑ Linguistic and visual adaptation to the target group
- ☑ Avoidance of pseudo-precision

### 3.3 Reporting & Managing Impact

**Reporting in accordance with ESRS standards and beyond**  
 ↪ **Development of a structured impact report**

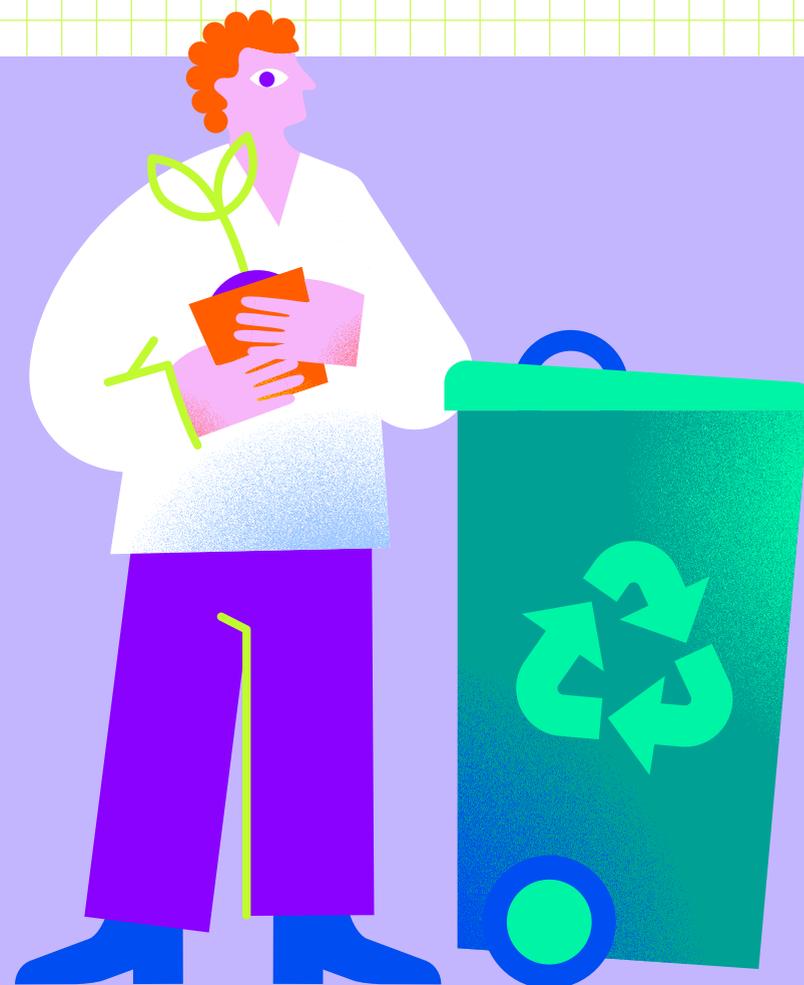
After measuring impact, it is essential to integrate it into the organization’s governance and management processes and to report it transparently.

#### Recommended Reporting Formats

- ↪ Impact reports in accordance with the ESRS and VSME standards
- ↪ Further reporting formats are possible, e.g., Social Reporting Standard (SRS) or the Common Good Balance Sheet
- ↪ Sustainability Balanced Scorecards for integration into organizational management
- ↪ Strategic implications for business models & products

### Impact Readiness Checklist for Step 3: Reporting and Managing Impact

- ☑ **Develop a communication strategy:** How do you report internally and externally on impact and progress? Which sustainability topics and information are particularly relevant for your stakeholders?
- ☑ **Governance & management:** How do you integrate impact measurement into your organizational strategy and processes?
- ☑ **Reporting in accordance with ESRS:** Which ESRS standards must you comply with, and how do you integrate your impact into reporting?
- ☑ **Involve stakeholders and target groups:** How do you obtain feedback and regularly validate your measurement methods?
- ☑ **Iterative adjustment and reflection:** How do you adapt your impact measurement based on new data and insights?



## Managing Impact – From Measurement to Organizational Transformation

### Why Impact Measurement Alone Is Not Sufficient

Measuring impact is an important step – but only the beginning. The decisive factor is whether the insights also feed into decisions, strategies and structures. Only then does impact measurement become a true management instrument and a lever for sustainable transformation.

### Impact as a Steering Dimension

Impact can be embedded into management at different levels:

Level	Sustainability Reporting	Impact Measurement
<b>Strategy</b>	Impact objectives, ToC, materiality matrix	Decision on new product lines based on impact objectives
<b>Organization</b>	Impact governance, responsibilities, resources	Impact manager with budget responsibility
<b>Controlling &amp; KPIs</b>	Impact dashboard, scorecards, reporting	Impact indicators in annual reporting & controlling
<b>Leadership &amp; Culture</b>	Incentive systems, OKRs, feedback processes	Impact as part of target agreements
<b>Learning &amp; Innovation</b>	Review cycles, impact labs, experiments	Regular ToC reflection in retrospectives



## Instruments for Impact-Oriented Management



### 1. Sustainability Balanced Scorecard (SBSC)

Links classical strategic management with impact objectives.

Exemplary perspectives:

- ↳ Impact for stakeholders
- ↳ Environmental impacts
- ↳ Innovative capacity (e.g. impact innovations)
- ↳ Governance & compliance



### 3. Impact Governance Framework

Regulates who is responsible for what, which roles exist (e.g. Impact Owner, Data Lead), and how decisions are prepared.



### 2. Impact Dashboard

Visualizes the central KPIs, outcomes and, where applicable, impacts – internally as a management tool, externally for reporting purposes.



### 4. Impact-Based Investment Matrix

Supports the prioritization of projects through a systematic assessment of the expected impact (e.g., scoring based on criteria such as reach, depth, sustainability, stakeholder benefit).

### Impact Readiness Checklist for Step 3: Managing Impact

- Are there clear responsibilities for impact (e.g., Impact Lead, steering team)?
- Is there regular monitoring (e.g., quarterly impact review)?
- Are impact objectives and indicators integrated into strategic management?
- Are employees managed based on impact objectives?
- Do impact results flow into budget, investment or product decisions?
- Are there spaces for reflection, learning and course correction based on impact data?



### Practice Recommendation: Impact ≠ Perfection

Managing impact does not mean measuring and changing everything at once. It is often sufficient to start with a pilot area (e.g., one team or one initiative), set initial management impulses and learn iteratively.

### Conclusion: Management as the Key to Transformation

An organization is “impact ready” when it **not only knows its impact, but also acts upon it**. Impact thus becomes the strategic currency of the future – and the compass for day-to-day decision-making.

#### ↳ Note for startups and SMEs:

The long-term anchoring of impact-oriented decisions and impact management within the organization is increasingly discussed under the term impact management. Resources can be found via the **Platform for Social Innovations & Public Benefit Enterprises (BMFTR)**.

## 3.4

### Challenges & Pitfalls in Impact Measurement



For further detail in  
the **Practice Handbook**:  
↳ **Pages 71–73**

Typical Challenges:

- ☑ Lack of comparability and data availability
- ☑ Uncertainty in the assessment of causality (correlation vs. actual impact)
- ☑ Balancing narrative and quantitative methods
- ☑ Avoidance of “impact washing” and non-transparent reporting

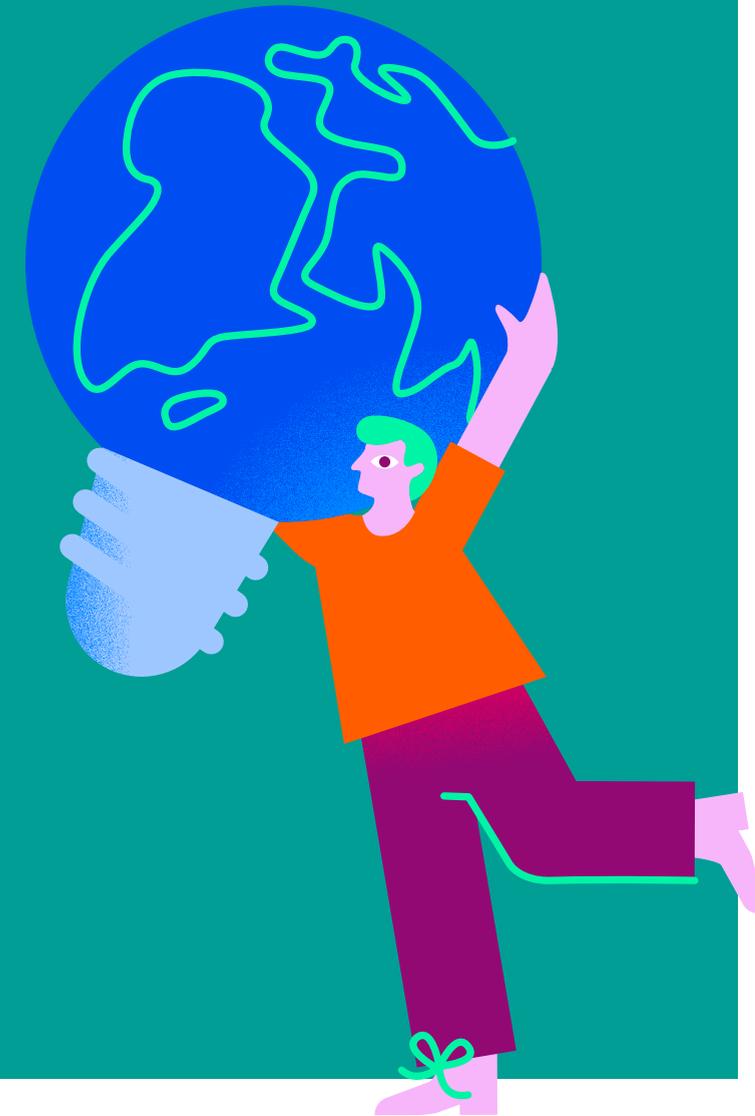
## 4.

### Conclusion: Impact Readiness as a New Organizational Capability

Impact measurement is more than a compliance issue: it is a strategic lever for future viability. An organization that is “impact ready” understands impact not merely as a reporting obligation, but as a driver of sustainable innovation. By linking materiality analysis, Theory of Change, and methods of impact measurement, organizations can not only ensure their ESG compliance, but also capture and enhance their long-term positive environmental, social, and economic impacts.

For an impact-ready organization, this means:

- ↳ Clearly defined material impact areas
- ↳ Fulfilment of current reporting obligations (for large organizations)
- ↳ Scientifically grounded impact analysis
- ↳ Transparent reporting in accordance with ESRS and beyond
- ↳ Impact-oriented strategic management



## Further Resources on Measurement and Indicators

### ↪ Conceptual frameworks

**Donut Economics Action Lab** – Systemic sustainability framework  
**SDG Impact Standards** – Integration of the SDGs into business strategies.

### ↪ Reporting frameworks

**EU ESRS Guidelines** – EU-wide reporting standards on ESG  
**VSME** – Voluntary reporting standard for small and medium-sized enterprises  
**Social Reporting Standard** – Reporting framework for social organizations

### ↪ Indicators & data sources

**GIIN Impact Measurement Tools** – Practice-oriented impact measurement instruments  
**IRIS Catalog of Metrics** – Cross-sector indicator catalog  
**DIN SPEC 90051-1** – Sustainability assessment for startups  
**Platform for Social Innovations & Public Benefit-Oriented Enterprises (BMFTR)** – Tools & indicator database  
**Federal Statistical Office, German Environment Agency (e.g. umwelt.info)** – Public secondary data  
**Open government data** – e.g. BMFTR, BMW, BMV  
**Statista** – Commercial database with industry benchmarks

### ↪ Certification

**Economy for the Common Good Matrix** – Evaluation and certification model for common good orientation and many more

## Glossary



### CSRD (Corporate Sustainability Reporting Directive)

EU directive that obliges larger companies to provide comprehensive sustainability reporting. It is the legal framework within which the **ESRS** standards are applied.

### ESG (Environmental, Social, Governance)

ESG describes three central sustainability areas: Environment (E), Social (S) and good corporate governance (G). These criteria help organizations to systematically analyze and report their sustainability impact. ↪ Relevant for **ESRS** reporting.

### ESRS (European Sustainability Reporting Standards)

Specify the content of the CSRD. They define which ESG data must be measured and disclosed. ↪ Particularly relevant for double materiality and strategic impact measurement.

### GRI (Global Reporting Initiative)

An internationally recognized framework for sustainability reporting that supports organizations in disclosing their environmental, social and economic impacts.

### Impact/Effect

Describes long-term changes in the environment, society or the economy that have been triggered by an organization. ↪ From **outcome** (e.g. new skills) to **impact** (e.g. higher employment).

### Impact Measurement

Systematic collection and assessment of environmental, social and economic impacts. ↪ Goes beyond **ESRS** reporting, but can improve it qualitatively.

### Impact Readiness

The maturity level of an organization with regard to impact-oriented action. Refers to the ability to understand, measure and report impact.

### IOOI-Modell

Framework for describing impact in four steps: **Input** (use of resources), **Output** (e.g. training delivered), **Outcome** (change in target groups, e.g. increased knowledge), **Impact** (long-term effect on society or the environment, e.g. reduced unemployment).

### Correlation vs. Causality

Key issue in impact measurement: Just because two things happen one after the other does not mean that one causes the other. ↪ The choice of method determines the explanatory power.

**Monetization of Impact**

Approaches to translating impact into monetary values – for example through saved costs or avoided damages. ↪ Complementary to qualitative and quantitative methods.

**Sustainable Development Goals (SDGs)**

The 17 global goals of the United Nations for sustainable development. They serve as a compass for organizations to classify their positive and negative impacts.

**SROI (Social Return on Investment)**

A method for monetizing impact – e.g. an investment of €1 generates €3 in “social benefit”. ↪ Helpful for making impact tangible for investors.

**Theory of Change (ToC)**

A strategic planning model that illustrates the causal relationships between activities, outputs and desired long-term impacts in order to achieve sustainable change.

**VSME (Voluntary Sustainability Reporting Standards for SMEs):**

Voluntary reporting standards developed by EFRAG within the framework of the Omnibus process to provide small and medium-sized enterprises with a practical entry into sustainability reporting. They address ESG topics in a simplified way and are aimed particularly at start-ups and SMEs or young companies.



## Acknowledgements

About the Authors:

This guide was developed in the context of the IMV Lab ([www.imv-lab.com](http://www.imv-lab.com)), which is dedicated to the systematic analysis and promotion of impact transparency in the field of social innovation. The team is an active member of the Impact Alliance ([www.impactallianz.de](http://www.impactallianz.de)).

**Felizia von Schweinitz,**

Doctoral researcher at the Chair of Sustainable Business, University of Hamburg

**Dr. Aryn Vogel,**

Postdoctoral researcher at the Chair of Innovation, Entrepreneurship & Sustainability, LMU Munich

**Prof. Dr. Laura Marie Edinger-Schons,**

Professor of Sustainable Business and Chief Sustainability Officer, University of Hamburg

**Prof. Dr. Ali Aslan Gümüşay,**

Professor of Innovation, Entrepreneurship & Sustainability, LMU Munich

Acknowledgements for Feedback

We would like to thank the following persons for their valuable and constructive feedback:

**Dr. Stefan Deines** (Initiative Wirkungsmanagement e.V.; EDUCATION Y)

**Prof. Dr. Britta M. Gossel** (Eberswalde University for Sustainable Development)

**Liana Heinrich** (Initiative Wirkungsmanagement e.V.; Acker Research & Impact gGmbH)

**Prof. Dr. Karin Kreutzer** (EBS University of Business and Law)

**Prof. Dr. Jelena Spanjol** (LMU Munich)

**Prof. Dr. Christine Volkmann** (University of Wuppertal)

## References

Benert, V., & Göller, B. (2023).

**Understanding and implementing impact orientation in ministerial administration: A practice-oriented guide for effective projects** (Version 1.0).

Agora Digitale Transformation gGmbH.

↪ <https://www.agoradigital.de/projekte/e-valuate>

Clark, C., Rosenzweig, W., Long, D., & Olsen, S. (2004).

**Double Bottom Line Project Report. Assessing Social Impact In Double Bottom Line Ventures** (Working Paper Series No. 13).

Eccles, R. G., Lee, L.-E., & Strohle, J. C [Judith C.] (2020).

**The Social Origins of ESG: An Analysis of Innovest and KLD. Organization & Environment**, 33(4), 575–596.

↪ <https://doi.org/10.1177/1086026619888994>

Stockholm Resilience Centre (2016).

**The SDGs Wedding Cake.**

von Schweinitz, F., Vogel, A., Edinger-Schons, L.M., Gümüşay, A.A. (2023).

**Impact Measurement. Praxishandbuch.**

**Wirkung und Wirkungsmessung Sozialer Innovationen.**

↪ [http://imv-lab.com/wp-content/uploads/2024/01/Praxishandbuch\\_IMV-Lab.pdf](http://imv-lab.com/wp-content/uploads/2024/01/Praxishandbuch_IMV-Lab.pdf)

Europäische Kommission (2022):

**Corporate Sustainability Reporting Directive (CSRD).**

↪ <https://eur-lex.europa.eu/legal-content/DE/TXT/?uri=CELEX:32022L2464>

EFRAG (2024):

**Exposure Draft: Voluntary Sustainability Reporting Standard for SMEs (VSME)**

↪ <https://www.efrag.org/sites/webpublishing/SiteAssets/VSME%20ED%20January%202024.pdf>

Kreutzer, R. T. (2023).

**The Path to Sustainable Corporate Management: Taking Responsibility for People, Environment and the Economy.**

Springer Fachmedien Wiesbaden.

↪ <https://doi.org/10.1007/978-3-658-41051-3>

Leopold, C. (2024).

**What does the standardized and simplified sustainability report for SMEs look like under the European vSME standard of EFRAG?**

Sustainability Law, 4(2), 195–199.

↪ <https://doi.org/10.33196/nr202402019501>

Raworth, K. (2012).

**A safe and just space for humanity: Can we live within the doughnut?** (Oxfam Discussion Paper). Oxfam. [01.10.2025].

↪ [https://www-cdn.oxfam.org/s3fs-public/file\\_attachments/dp-a-safe-and-just-space-for-humanity-130212-en\\_5.pdf](https://www-cdn.oxfam.org/s3fs-public/file_attachments/dp-a-safe-and-just-space-for-humanity-130212-en_5.pdf)

Stockholm Resilience Centre. (2025).

**Planetary boundaries.** [01.10.2025].

↪ <https://www.stockholmresilience.org/research/planetary-boundaries.html>

United Nations Global Compact. (2004).

**Who Cares Wins: Connecting financial markets to a changing world.**

United Nations.

World Economic Forum. (2017).

**Meet the doughnut: The new economic model that could help end inequality.** World Economic Forum.

↪ <https://www.weforum.org/stories/2017/04/the-new-economic-model-that-could-end-inequality-doughnut>

Supported by

