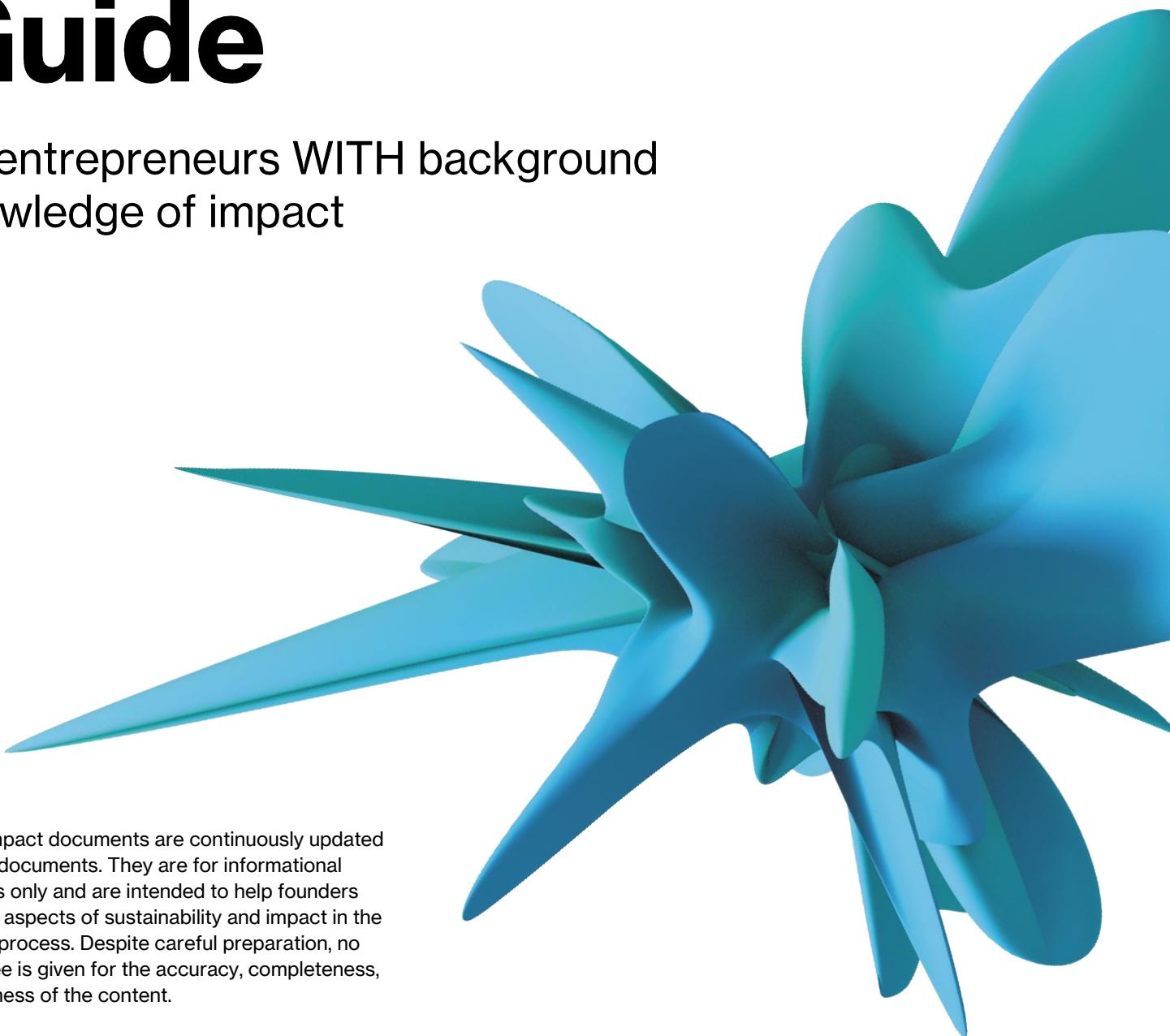


Impact Measurement Guide

for entrepreneurs **WITH** background
knowledge of impact



These impact documents are continuously updated working documents. They are for informational purposes only and are intended to help founders consider aspects of sustainability and impact in the start-up process. Despite careful preparation, no guarantee is given for the accuracy, completeness, or timeliness of the content.



**Kofinanziert von der
Europäischen Union**

Das Projekt „Smart Founders“ wird im
Programm IBW/EFRE- & JTF kofinanziert.

Why measure impact? How can impact be measured?

- Setting impact targets and integrating them into the business model (see also Business Model Canvas)
- Development of the impact logic with input, output, outcome and impact
- Analysing the impact chain for effects along the value chain.
- Selecting a suitable method for measuring and managing the impact at the company/product level.
 - ESG (Environmental Social Governance)
 - Corporate Carbon Footprint (CCF)
 - Methods and tools
- Using the competitive advantage for regulatory, financing and funding opportunities.
- Communicating the impact, possibly in connection with sustainability reporting.

This guide shows you how to strategically measure and leverage impact to build trust with stakeholders and secure funding and competitive advantages.

See the Impact Starter Guide for additional background information.



Impact and Sustainability

Impact measurement

- is essential for long-term business success
- provides clear guidance for assessing positive and negative impacts at the environmental, social and economic levels
- with precise methods and tools, it becomes an integrated part of the business model
- enables transparency and credibility
- facilitates compliance with [sustainable procurement criteria](#) and compliance requirements
- offers a competitive advantage with business partners, investors, regulatory authorities and [funding bodies](#)



1. Goals, measurability and key figures

- Integrating impact measurement into the company's vision
 - Defining which sustainability goals the company should contribute to (e.g. [SDGs](#))
 - Incorporating these goals into the mission statement/authentic vision
- Key figures
 - Quantify contribution with key performance indicators (KPIs)
 - Regular measurement to monitor progress and communicate internally and externally
- Relevance of the negative and positive impacts of the activity
 - Consider the negative impacts – for environmental impacts, focus on the six environmental objectives of the [EU taxonomy](#)



2. Clarity through impact logic (Theory of Change)

crucial for impact measurement, as it breaks down the company's vision into concrete goals and measurable steps

Input= Ressources

Output = results

Outcome = direct effects on target group (+environment)

Impact = Longterm effects on societal level

- Which human and financial resources (input) lead to which tangible achievements or immediate results (output)?
- Which tangible achievements or immediate results (output) lead to which direct effects on the target group (outcome)?
- What long-term changes should be achieved by the outcome at the societal level (impact)?



3. Impact Chain Analysis

= Tool for identifying and analysing all impacts (intended and unintended)

Helps to identify risks and vulnerabilities, useful for funding applications

- Visualise the entire value chain (from input to output)
 - Divide the chain into individual activities
- Select factors to be analysed
 - Conduct thorough background research for this purpose
- Identify the impact of activities on the environment and society (inside-out) and the impact of external changes on the company (outside-in)



4.1. Environment Social Governance (ESG)

ESG framework for assessing and managing the impact, opportunities and risks of a company

Examples of relevant ESG indicators

E: CO2 emissions, energy consumption, water consumption, waste management

S: Employee satisfaction, diversity, health, community engagement

G: Transparency, compliance, ethical guidelines, diversity standards on the board of directors

By choosing relevant ESG metrics, SMEs can achieve comparability and credibility with their stakeholders (even if SMEs are exempt from reporting requirements for large companies).

- Collect primary and secondary data.
- Use the voluntary [ESRS standards](#) of the EU or the [Global Reporting Initiative](#).



4.2. Corporate Carbon Footprint (CCF)

The [Greenhouse Gas \(GHG\) Protocol](#) divides all emissions caused by a company's activities (CCF) into three categories

Scope 1 = direct emissions during production

Scope 2 = indirect emissions from purchased energy, such as electricity or heat

Scope 3 = indirect emissions along the value chain (on average 85% of total emissions)

[Calculation of CCF](#) based on internal data and industry standards for use in emission reduction targets ([science-based targets](#)) aimed at limiting global warming to 1.5 degrees Celsius.



4.3. Methods and tools at product level

Product impact = sum of the environmental and social impacts of a product throughout its entire life cycle (from raw material extraction to disposal)

- Simplified [life cycle assessment \(LCA\)](#)
 - Assessment of the environmental impact of a product throughout its life cycle (see ISO 14040, ISO 14044)
- Cradle-to-cradle
 - [Circular economy approach](#) to avoid waste and reuse materials (see [ISO 59004:2024](#))
 - [Circular Design Rules](#) and [10 R Strategies](#) for selecting suitable materials, components and product systems
- Important regulations:
 - [EU Ecodesign Regulation \(ESPR\)](#)
 - [Environmental Product Declarations \(EPD\)](#)



5. Competitive advantage for regulatory, financing and funding opportunities

Use of 'first-mover advantage' to align with upcoming regulatory requirements

Identification of relevant federal and EU requirements; development of strategies for particularly critical areas in order to comply with future regulations as well

Business model level: <ul style="list-style-type: none"> ● EU Taxonomy Regulation, ● VSME – voluntary reporting for SMEs in accordance with ESRS (reporting framework) ● Sustainable finance criteria, ● National Energy and Climate Plan (NEKP), ● Climate Protection Act, etc. 	Product level: <ul style="list-style-type: none"> ● EU Ecodesign Directive ESPR with the digital product passport (DPP), ● border adjustment system, ● CSDDD ● national circular strategy, etc. (circular products and life cycle analysis are an important starting point)
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6. Communication

Impact communication for internal and external transparency, trust and differentiation in the market:

- Select appropriate communication channels and formats for target groups (social media, Christmas cards, investor relations events, etc.)
- Use storytelling to create emotional connections and engage opinion leaders who are consistent with your brand
- Refer to current, verifiable data
 - Avoid [greenwashing](#)/social washing, especially with voluntary '[green claims](#)'
- If necessary, use independent [labels, certificates, and seals](#) of approval for greater credibility
 - [VSE](#) (Verified Social Enterprise Label) for social enterprises
- [Voluntary sustainability reporting](#) to further expand your competitive advantage