

svt INTEGRATED REPORT 2017 - 2018



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OUR REPORTING APPROACH

Since 2001 SVT has pursued a vision of a world in which “it pays to do good.” To this end we have sought to identify consistent, scalable and meaningful ways of accounting for the ecological and social value created by businesses alongside their financial performance.

We’ve had two design criteria for the means of accounting:

1. all types of economic entities must be able to adopt and benefit from it; and
2. to the extent possible, the approach must have enough of a business case that entities will willingly and voluntarily employ them.

As the field of impact management has emerged into being over this period, we have seen the pace of evolution double roughly every 5 years, and the most recent period is no exception. There is growing consensus, thanks in large part to the leadership and facilitation of the **Impact Management Project**, about what defines “impact” within the private market context. There is also growing clarity that three types of information about impact assessment are important for any economic entity. As we noted in our last report, these form the three “legs” of the impact management “stool” that we base our reporting upon:

- **Overall corporate ESG hygiene:** our business model and practices as they relate to the environment, employees, customers, community and governance
- **Specific, material impacts:** which stakeholders we affect in ways significant to us or to them, what is changing for them, how much, what is our contribution to the change, and what is the risk that our impact is different than what we think¹
- **Financial health:** our financial performance

What ties these three key considerations together, or the seat of the stool, is the way in which the company’s ability to create financial value is dependent upon and affects social and environmental capital. Their interconnectedness is the key insight of **Integrated Reporting** as articulated by the International Integrated Reporting Framework.²

“By definition, an integrated report is a concise communication of how an organization’s strategy, governance, and performance may create value over the short, medium, and long-term timeframe. At their most detailed, integrated reports include information about six disparate stocks of value that are increased, decreased, or transformed through the activities and outputs of an organization. These stocks of value comprise of six different types of capital which work together to influence organizational success, including financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital, and environmental capital.”

¹ These are the 5 dimensions of impact that reflect the shared fundamentals the field has defined, facilitated by the **Impact Management Project**.

² See more about Integrated Reporting [here](#).



Since the Integrated Reporting framework was designed for publicly-traded companies that by and large today are not “impact first,” it pivots around the various types of capital a business relies on to generate financial value. By contrast, since SVT is an impact-first company, our pivot is overall (social, environmental and financial) value creation, and our impact report goes into detail about our particular intended impact, which is to make impact management ubiquitous.

WHAT WE MEAN BY “IMPACT MANAGEMENT”

“Impacts” are the important changes for non-owner stakeholders that result from an organization’s activities, such as improvements or declines in human health, security, environmental or community economic well-being. Impacts are driven by the sourcing, activities, products and byproducts of the organization, and are changes that would not have happened in the absence of the organization’s activities. Beginning in 2017 The Impact Management Project (IMP) facilitated thousands of players to reach a shared consensus about what defines impact: “change in an important positive or negative outcome for people or the planet,” and what dimensions impact consists of: “What”, “Who”, “How Much”, “Contribution,” and “Risk”. Using the five dimensions, entities can identify which effects are the most material, assess the performance of those effects, and compare impact performance relative to peers. The impact also defines impact management as “the process of taking into account the positive and negative impacts of an activity or entity, and then using the five dimensions of impact to set goals to try to reduce (improve) their negative impacts and increase (expand) their positive impacts.”

Impact management takes insights from social science and environmental research and combines them with insights from finance and financial accounting, market research, design, social media, data science, knowledge management, and other disciplines to provide businesses of all types with timely information about what impact on people and the planet is resulting from their activities, how important that is to those affected, and how this affects the organization’s financial strength.




The core process of impact management is:

- 1. Measure your impact.** Consider who and what is significantly affected by your business. Measure what changes occur and the importance of those changes for these parties, or in the view of those who have deep knowledge of the issues at play.
- 2. Capture and analyze this information.** Do it as frequently and at as low a cost as is prudent, integrating data capture into existing operations as much as possible.
- 3. Use this information.** Improve decisions, generate results, help people, increase trust, obtain free marketing, differentiate brand, grow goodwill, boost income, and reduce harm and risk.

An impact report is first and foremost a tool for company management. We make our full company impact report public as an example because our mission is to make impact management ubiquitous; others may determine that it is more appropriate to remove sensitive information from their public reports.



SVT'S SPECIFIC IMPACT STRATEGIES AND OBJECTIVES

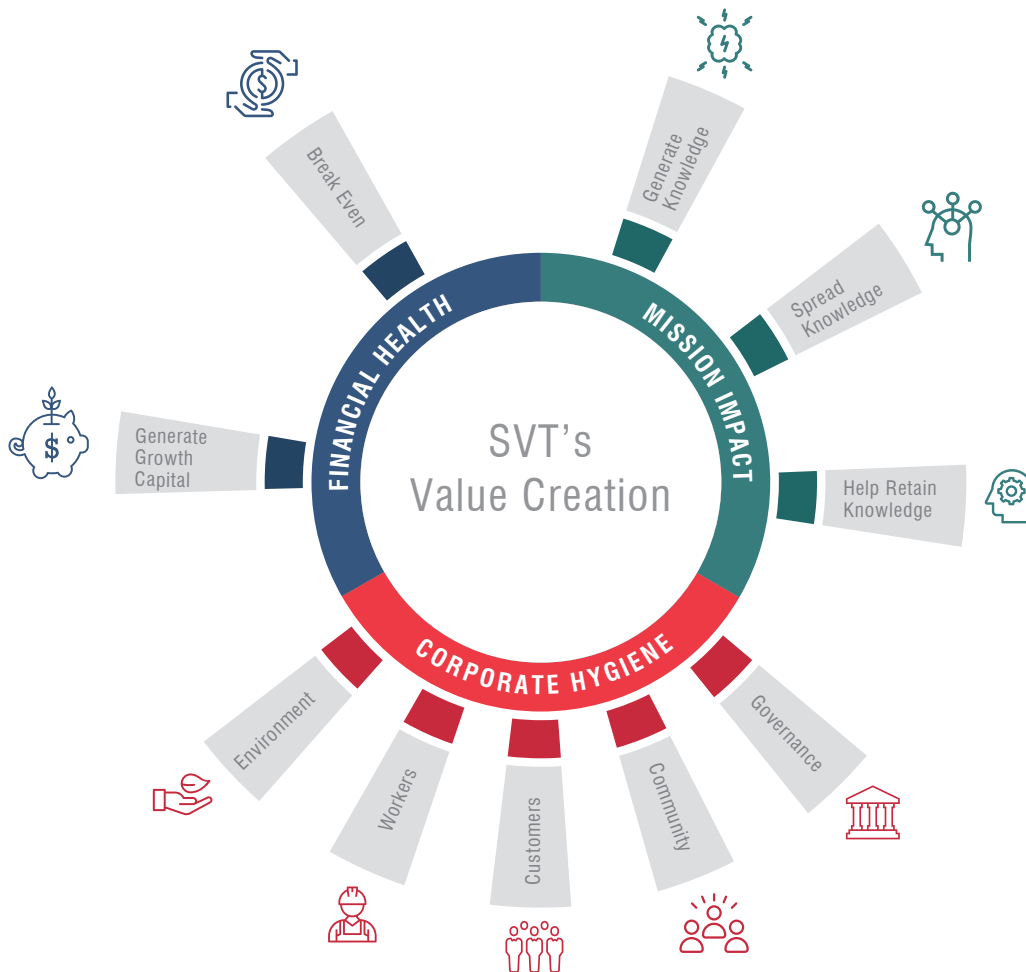
STRATEGIES	SHORT-TERM OBJECTIVES	MEDIUM-TERM OBJECTIVES	LONG - TERM OBJECTIVES	ULTIMATE SUSTAINED IMPACT
 <p>FIELD BUILDING</p> <p>GENERATE KNOWLEDGE Contribute to the development of practical Impact Measurement and Analysis approaches and systems, and to the development of the profession through SVT's Lab.</p>	<p>Clarify what impact management is and how it is done</p>	<p>Participate in building institutions to cultivate and steward "good enough" impact management</p>	<p>Cultivate a general understanding of what "good enough" impact management is</p>	<p>Saturate the economy with people and enterprises doing good impact management</p> <p>Make it pay to do good by making impact management ubiquitous</p>
 <p>ACADEMY</p> <p>SPREAD KNOWLEDGE Build awareness and widespread capacity to ask for, expect, and implement these systems through our Academy.</p>	<p>Form relationships with those devoted to developing the discipline of impact management</p>	<p>Raise awareness of the concept, purpose and how-to of impact management among large numbers of students</p>	<p>Increase capacity to deliver and use information about impact</p>	
 <p>ADVISORY</p> <p>HELP RETAIN KNOWLEDGE Implement, inform and improve these systems through work with clients through SVT's Advisory practice.</p>	<p>Figure out how one does impact management practically and well</p>	<p>Return capital to our investors plus a fair blended return on investment</p>	<p>Increase demand for better information about impact of investments and enterprises</p>	
<p>Earn money to know that what we do is valued, inform our work, and sustain and grow the enterprise</p>				
<p>Our impact management system measures objectives in color</p>				



OUR PERFORMANCE

In keeping with the International Integrated Reporting Framework, tailored to our impact-first business model, our performance is reported in terms of the three major aspects of value creation as described above:

1. Mission impact
2. Corporate hygiene
3. Financial health

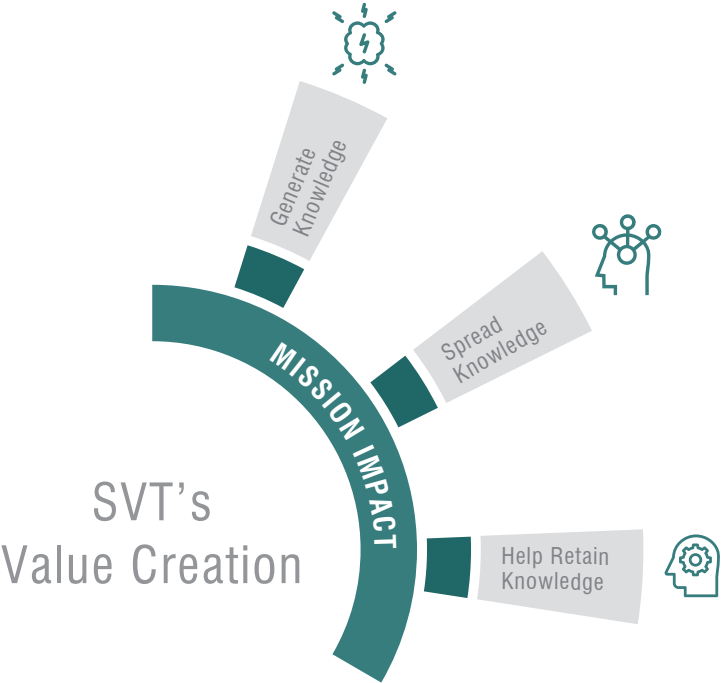


We acknowledge PWC's TIMM for the inspiration for this graphic.



1. Mission Impact

We gauge mission impact in terms of our ability to do three things: Generate Knowledge, Spread Knowledge, and Help Retain Knowledge. Generally speaking these impacts align with SVT’s Field Building, Academy and Advisory divisions. (Note that in previous reports and marketing, we also refer to Field Building as our “Lab” division.)



Field Building

Field Building Indicators

Indicators	Our Performance 2001 - 2018	
		2017 - 2018
Number of thought papers / publications written (includes articles, reports, books, book chapters)	21	6
Number of collaborations with key thought leaders*		4
Number of evidenced readers of SVT literature**	35,134	1531
Number of academic citations of publications	397	57

*New in 2017 and 2018

**Individuals reached through books, book chapters, reports, videos, articles, webinars, and blog views based on verified numbers of views, clicks, purchases, and downloads. The number of actual readers is likely to be much higher, but we do not know how much higher based on the available information.

SVT Group contributed to six publications in 2017 and 2018.

The first of these was the **Pulse of Impact Management Report**, a snapshot of current practices at the impact due diligence, monitoring and reporting stages among impact investors based on a scan of 257 publications, interviews with 17 firms in the impact investing arena, and SVT Group’s empirical experience in the field. The Middlebury Institute stated that there had been 624 views as of year end 2018, but that there is no way to know for sure how many of these may have downloaded the report. SVT was also invited to present on the report at a conference in Berlin organized by the German Federal Ministry for Economic Cooperation and Development (BMZ) with 137 participants.

The second was Sara Olsen’s chapter in **The ImpactAssets Handbook for Investors**, on “the Measurement Challenge.” Anthem Press stated that there had been 537 units sold as of year end 2018.

The third was the World Economic Forum report, “**Engaging All Affected Stakeholders**,” that provides investors, funders, and organizations with guidance on how to identify and engage different types of stakeholders, and outlines how the important information that emerges can be used to learn, improve, and strengthen relationships. According to the WEF, they are not able to track views or clicks. As such there is no way to know for sure how many people may have viewed or downloaded the report.



According to Social Performance Task Force (SPTF) analytics (in summer 2018), there had been 45 downloads from its site since the report was posted in December 2017. The topic of the paper was also discussed at the OECD Social Impact meeting at the World Economic Forum in April 2018, the Impact Reporting and Investing Standards (IRIS) in-person session³ and the SPTF Social Investor Working Group meeting in Luxembourg, both in June 2018.

The fourth was “**The Relationship Between Social Value Principles and the Natural Capital Protocol**,” coauthored by Sara Olsen, Dr. Stephanie Hime, Jeremy Nicholls and Ben Carpenter in 2017. This document compares and contrasts the Natural Capital Coalition’s Natural Capital Protocol with Social Value International’s Social Value Principles and Analysis. SVI did not have data on the number of downloads.”

The fifth was an article in the American Journal of Evaluation coauthored by Kate Ruff and Sara Olsen, “**The Need for Analysts in Social-Impact Measurement: How evaluators can help.**” The article was printed in a journal circulated to AEA’s approximately 5,900 members, and had 325 total downloads from the online version as of 2018. The American Journal of Evaluation has an impact factor of 1.339, which is “a measure of the frequency with which the “average article” in a journal has been cited in a particular year or period.”⁴

Our final field-building publication of note for the period was unconventional: the Google sheets documentation of the Socap Sidecar on Impact Management, which is linked to in the next section.

Field Building Accomplishments

In 2017 a significant milestone in SVT’s Field Building work was the incorporation of **Social Value US** (SV US), the United States chapter of **Social Value International** (SVI). SVI is the professional home for those working to change the way society accounts for value. The incorporation was a collaboration among the founding board members of SV US, including David Pritchard of Quantified Ventures, Sara Olsen of SVT, John Byrnes of CSACO, Justin Oliver of Gary Community Investments, Dominica McBride of Become Center, and Michael Harnar of Western Michigan University.

In collaboration with the GIIN, and with SVT’s instigation and pro bono time, Social Value US organized a **SOCAP Sidecar on Impact Management** event. This event engaged 56 participants from some 28 organizations. The meeting was documented and findings published in **this online interactive document**, in an effort to sustain and build upon dialog in the field across convenings. Of the participants surveyed who responded (30):

- 88% said it would be useful to do again. Their comments noted that it was interesting to engage and network with other practitioners, and collaborate to improve impact measurement and management.
- 73% percent of respondents felt that continuing the conversation would be worthwhile in order to build tools and practices that are “field-ready,” bring reasonable consensus on the definition of impact and practice of impact measurement and management, and provide connective tissue for the industry. These participants stated that the workshop was a “great opportunity to hear from colleagues in other sectors,” that, “regularized communication and strengthening of practice will advance the impact investing

³ The IRIS initiative is managed by the **Global Impact Investing Network (GIIN)**

⁴ **Wikipedia June 28, 2019**



ecosystem and community, and that the “group could be [used] to build [a] shared vision for future of the field and practice and credibility to non-practitioners.”

- 20% felt that continuing the conversation would be worthwhile, but only if impact measurement discussion groups’ efforts merged with the Impact Management Project.
- 7% of respondents did not think it would be useful to continue the conversation because they felt that such conversations are impractical.

Also in 2017, the Impact Management Project commissioned SVT Group to produce a **Glossary** of key terms in the impact management arena in collaboration with Social Value US, Social Value Canada and the American Evaluation Association.

Finally, members of the **American Evaluation Association** formed a Topical Interest Group on Social Impact Measurement to help build a bridge between the worlds of evaluation and impact management in the private market context, and recruited Sara Olsen to become a leader of it which due to overcommitment was declined though SVT remain early members and contributors. SVT also presented a case study at AEA’s annual conference on SROI analysis, and a demonstration of the Impact Management Glossary.

In 2018 SVT contributed time and leadership to facilitate the application by Social Value International to become a member of the **Impact Management Project’s Structured Network**. The new network brought “together leading global organisations in an ambitious initiative to provide coherent and end-to-end ‘rules of the road’ for impact management. In an increasingly fragmented landscape of initiatives, this network offers a unique shot at agreeing on standards of practice that might ultimately become generally accepted globally.... The **IMP** network, which launched during the United Nations General Assembly in New York, is an unprecedented collaboration between nine global organisations with complementary areas of expertise....”⁵

SVT also led the drafting of an article signed by multiple leaders in the industry articulating the emerging consensus on universal impact management principles, slated for publication in fall 2019 in the **Stanford Social Innovation Review**. This article, which was catalyzed by the coauthors’ reaction to another article in the Harvard Business Review about an approach to impact valuation that was positioned as new but which actually appeared to be an unacknowledged rebranding of Social Return on Investment (SROI) methodology, galvanized SVT to begin to advocate for experienced impact management professionals to prioritize writing and publishing on the topic in 2019 and beyond.

⁵ IMP press release September 26, 2018, <https://impactmanagementproject.com/structured-network/the-imp-launches-global-network-to-mainstream-impact-management/>



Academy

Academy Indicators

Indicators	Our Performance 2001 - 2018	
		2017 - 2018
Number of original syllabi created (does not include lectures within others' courses)	7 <ul style="list-style-type: none"> • Skilled Impact Analyst (in collaboration with Social Value US and Social Value Canada) • The Emerging Discipline of Impact Accounting & Management (Middlebury Institute MBAG 8616) • Integrated Reporting (Middlebury Institute MBAG 8633) • Social Impact Assessment (Impact Accounting and Management) (Hult STR 5528) • Social Impact Assessment (the Emerging Discipline of Impact Accounting, Management and Analysis) Hybrid (Hult) • Impact Management Skills Training • DIY Impact Metrics with Expert Coaching Program 	1 Impact Management Skills Training
Number of training participants	5,945	410



<p>Number of new education partnerships forged</p>		<p>4</p> <ul style="list-style-type: none"> • Third Sector Capital Partners on Impact Management Skills Training and Skilled Impact Analysis Training • Stanford University Graduate School of Business Social Entrepreneurs' Bootcamp (the Social eCollaboratory has been a long standing guest lecture for me, but now its leader is at the GSB and she invited me to teach in the Social Entrepreneurs' Bootcamp) • Stanford Social Innovation Review for webinar version of Bootcamp training • UC Berkeley collaboration for Future of Impact Management Roundtable (event in 2019)
<p>% participants who think they will use the information learned in the future</p>		<p>36 participants who completed surveys averaged a 4.6/5 in response to this question, where 0 means "definitely not" and 5 means "definitely."</p>
<p>% students/participants who changed their minds about the importance of impact management</p>		<p>36 participants who completed surveys averaged a 7/10 in response to this question, where 0 means "I think it is much less important than I thought it was before," and 10 means "I think it is much more important than I thought it was before."</p>



Figure 1. **STUDENT RATINGS (SELECT)**
EMERGING DISCIPLINE OF IMPACT MANAGEMENT
MIDDLEBURY INSTITUTE AT MONTEREY (2014 - 2018)

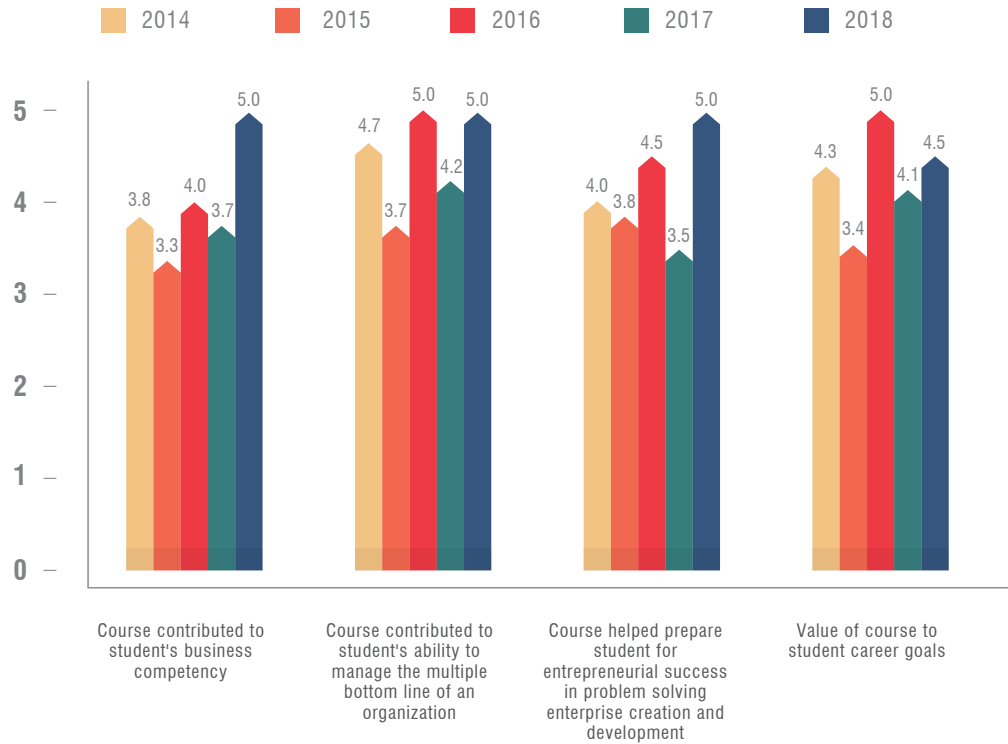
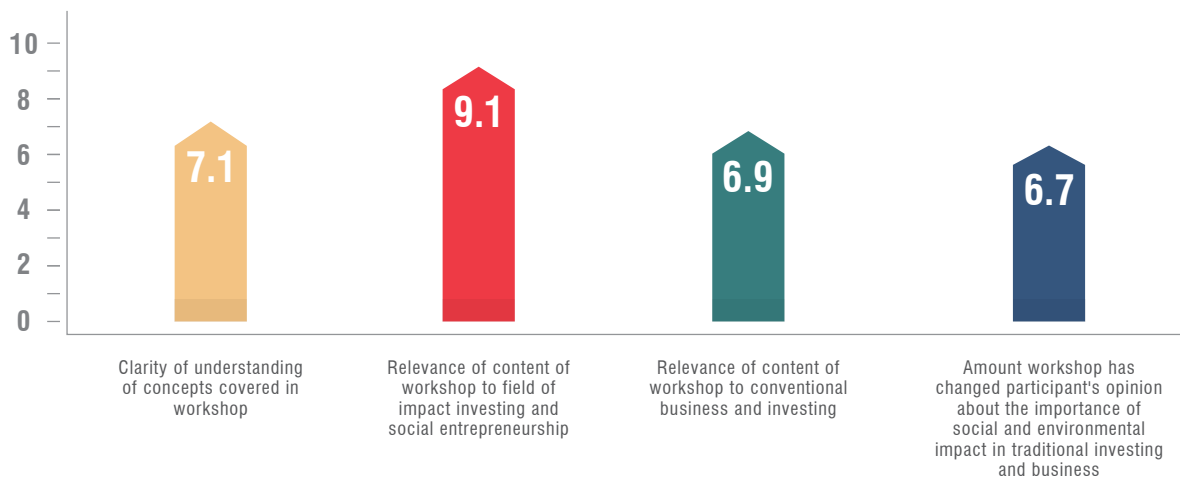


Figure 2. **PARTICIPANT RATINGS (SELECT)**
IMPACT MEASUREMENT AND MANAGEMENT
FRONTIER MARKET SCOUTS PROGRAM (2017)

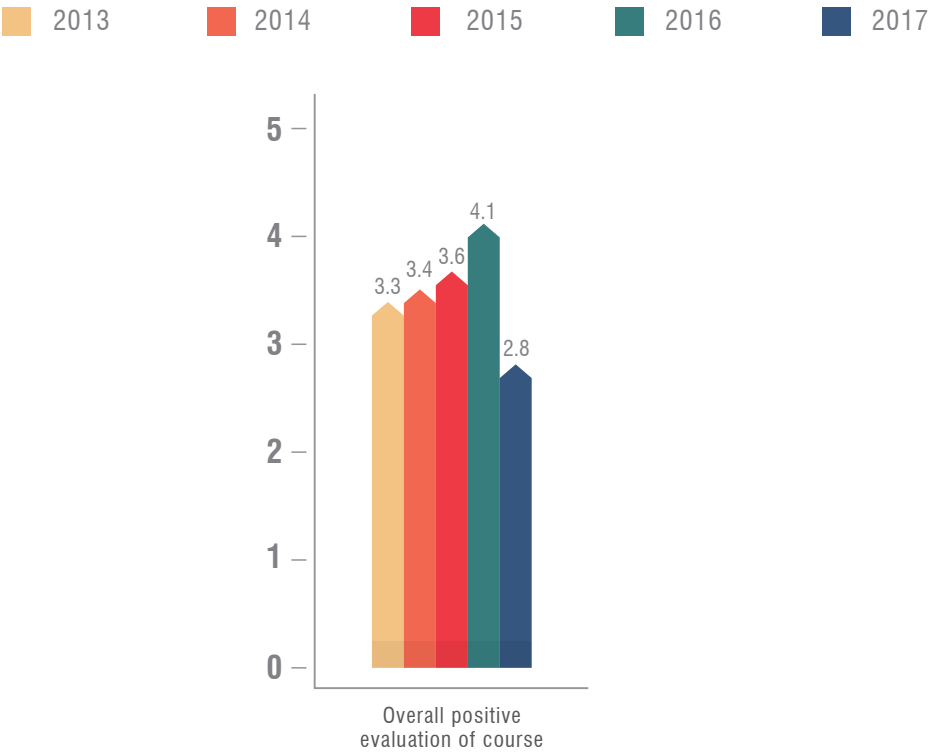


Scores in Figure 1 are based on a scale from 1-5, where 5 is most favorable.
 Scores in Figure 2 are based on a scale from 1-10, where 10 is most favorable.
 Ratings displayed represent mean of student ratings for a particular indicator in a particular year.



In 2017 the 7-week Hult course was converted for the first time into a hybrid, 2-week course. The institution was to provide technical support and a coach to students at each of the 6 campuses. Hult selected the coaches, who did not have subject matter knowledge nor had they taken the course before. This, combined with some mid-course turnover at Hult and technical issues with the platform, affected students' experience of the course.

Figure 3. **STUDENT RATINGS (SELECT)**
SOCIAL IMPACT ASSESSMENT
HULT INTERNATIONAL BUSINESS SCHOOL (2013 - 2017)



Sample of Positive Student and Participant Feedback

MIIS: “Sara was wonderful about providing real-world applications. I liked that we all worked with real enterprises and Sara’s contacts in the professional sphere really helped me grasp what the sector looks like and what jobs would be like. She also provided updates about real opportunities which was really awesome.”

Hult: “The most memorable and valuable [element] of this course, to me, was that learning these concepts brought me full circle [in terms of] understanding the challenges, opportunities and values that lie within the sustainability field. [Understanding] how to measure impact and [look] beyond outputs [presents] a huge opportunity to bring these new concepts to a company... Because this is such a new topic, I feel very privileged to have learned this information. Over the summer, I’ve taken up my specialization field within Sustainability, and I’m very happy it

ended with this course. This is ... the last piece of the puzzle to any sustainable business strategy. What use does any of it really have if we can't measure our impact?"

FMS: "I wanted to get a good grasp of the landscape of the [impact management space] and think [Sara] did a great job explaining it. I will be revisiting the majority of the material so that I can digest it and reflect on what I can do to help with this field. Understanding the critical thinking aspects of data evaluation is key."

Sample of Constructive Student and Participant Feedback

MIS: "Sometimes I felt unsure about what was expected for an assignment, which, paired with Prof. Olsen's usually rigorous/specific expectations, was anxiety-provoking. I think the syllabus could have been clearer and that would have helped...I think it would also help to have more time to talk about what is expected for assignments in class. Then students could raise any questions they might have as well."

Hult: "In my opinion, there are 2 main factors that stopped me from learning as much as I could: The content was too much for such a short course. (1) There were too many sessions for each module, it made it hard to fully understand every concept. On top of that, the workload for the discussion boards was very high which [made it almost impossible] to focus on the questions and develop an analytical thinking. (2) It was very difficult to understand what we needed to develop for the final project. Directions were confusing as well and the coach couldn't help us because it was confusing for her too.'

FMS: "I would incorporate a brief conversation about the great responsibility and power that impact analysts hold within the social sector, and the care with which they should manage this power. In particular, I struggle with [real live case enterprise] for a number of reasons, not least of which is that the team is nearly 100% 1) white 2) graduates of elite universities. I hope they can manage to represent the organizations they analyze with an awareness of their position in the 'philanthropic equation.'"

Academy Feature: MyH2O

In 2017, SVT Group launched the **DIY Impact Metrics with Expert Coaching Program** - a four-month, eight-session training that brings a small group of emerging markets entrepreneurs through the processes of impact discovery, measurement, management and reporting. **MyH2O**, a water solutions informatics start-up from Beijing, China, joined the first cohort.

MyH2O started with the idea that everyone should know what their water quality is and have the power to change it. Water pollution through groundwater contamination is a pressing issue in rural China, but there is also a barrier to finding solutions for this and other water and sanitation issues due to an information disconnect between the "solution providers" and the communities for whom the solutions are built. MyH2O bridges the gap between the two parties by partnering with local organizations and institutions to collect high quality data on both water quality and community priorities, and provide this information to companies interested in bringing water and sanitation systems to rural villages.



Before MyH2O participated in the DIY Impact Metrics with Expert Coaching Program, they were dissatisfied with their Theory of Change, but their core team lacked the bandwidth and skill to do impact management meaningfully, so refining their Theory of Change and developing a set of functional impact metrics had been on the back burner.

The DIY Impact Metrics with Expert Coaching Program helped their team clarify their Theory of Change and adopt an impact dashboard, which they learned how to build for themselves during Session 7 of the program. Since then, MyH2O now feels able to prioritize projects based on a more clearly-articulated vision and a defined set of strategies for reaching that vision. They have realized the tremendous value that impact management can bring to their organization, both in terms of setting strategy, but also in terms of holding themselves accountable.

Charlene Ren, CEO of MyH2O commented:

“There are always lots of [projects] going on in parallel, all [achieving] varying levels of impacts. [Impact management helps us answer the questions]: ‘Which projects should we abandon?’ ‘Which should we do more of?’ [By measuring our impact] we can see which decisions generate better impact. We can evaluate where we’re at, what directions we should take, [and whether] we are where we expect to be.... [It provides] a good seasonal check-in that keeps us accountable... If we’re not [where we thought we would be in terms of impact] something isn’t going right and we can fix that.

“The MyH2O team enjoyed and got a lot of value out of the program’s peer learning model. Listening to the experiences of other organizations provided a lot of meaningful insight into the tools the DIY program taught, both in terms of where they and others were currently with their impact management practices, and how they planned to use the program tools to build their own impact management systems. MyH2O also found the time they spent between sessions to be extremely productive. Sharing what we learned with our colleagues, using it to hone their strategy, and building our own impact management system helped them ensure that what we learned would endure.”

Photo credit: Samad Deldar.

Advisory

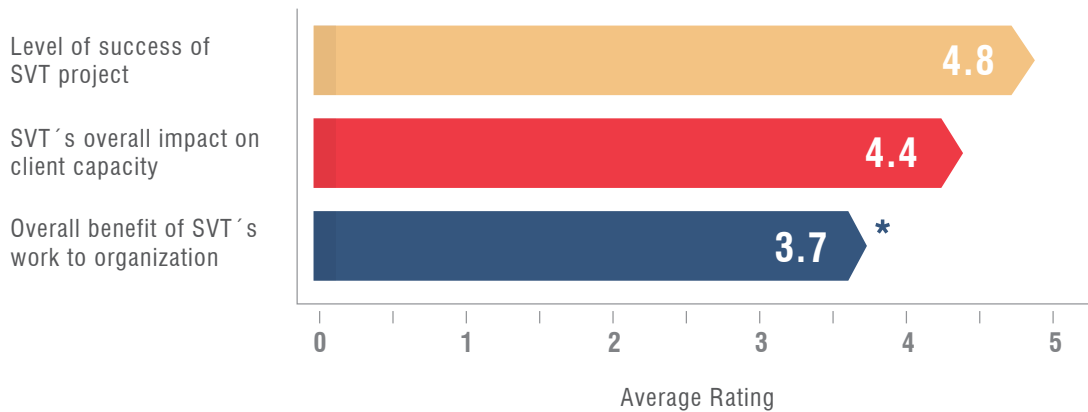
Advisory Indicators

Metrics	Our Performance 2001 - 2018	
		2017 - 2018
New: Repeat client ratio*		3:4
Number of unique clients	104	7
Number of client projects	159	9
Amount of capital has been measured using SVT-designed impact assessment systems	\$9.383 billion	\$3.1 million

*This indicator was added in 2017, so the ratio reflects the most recent two years.



▶ Figure 4. SVT'S INDICATORS OF SUCCESS (2014 - 2018) ◀

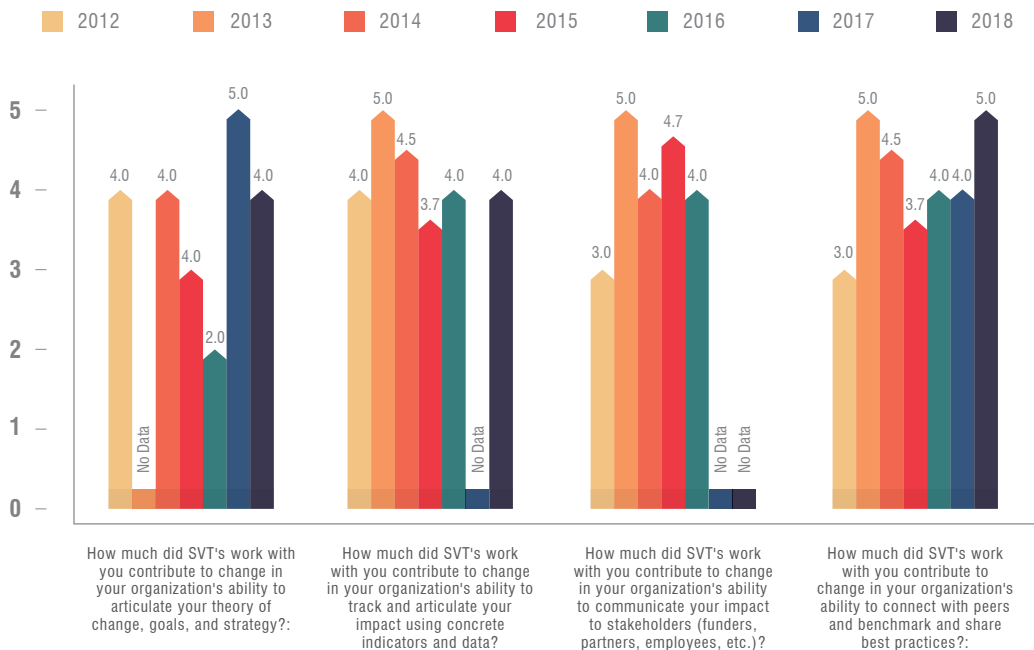


Average rating indicates the mean of all average annual client ratings (2012-2018) for a particular indicator. 2018 data was only available for "level of success of SVT project"

- SVT's impact on client capacity is broken out in Figure 5.
- Benefit of SVT's work to organization is broken out in Figure 6.
- SVT's performance is broken out in Figure 7.

* This number is likely attributable to the time lapse necessary to realize the benefits listed. Our client surveys were previously administered immediately after a project concluded. Realizing that improved organizational sustainability, reputation, standing among peers, scaling efforts, ability to fundraise, and ability to have impact are all benefits that would likely manifest 6 months to a year post-project, we have adjusted our client survey methodology accordingly. We consider 'Overall benefit of SVT's work to organization' to be a benchmark that indicates how important impact management is to the organization, which is partly to largely a function of how important impact management is to the market at large. We hope this rating will move up over time as the market places a higher priority on companies' positive social and environmental impact.

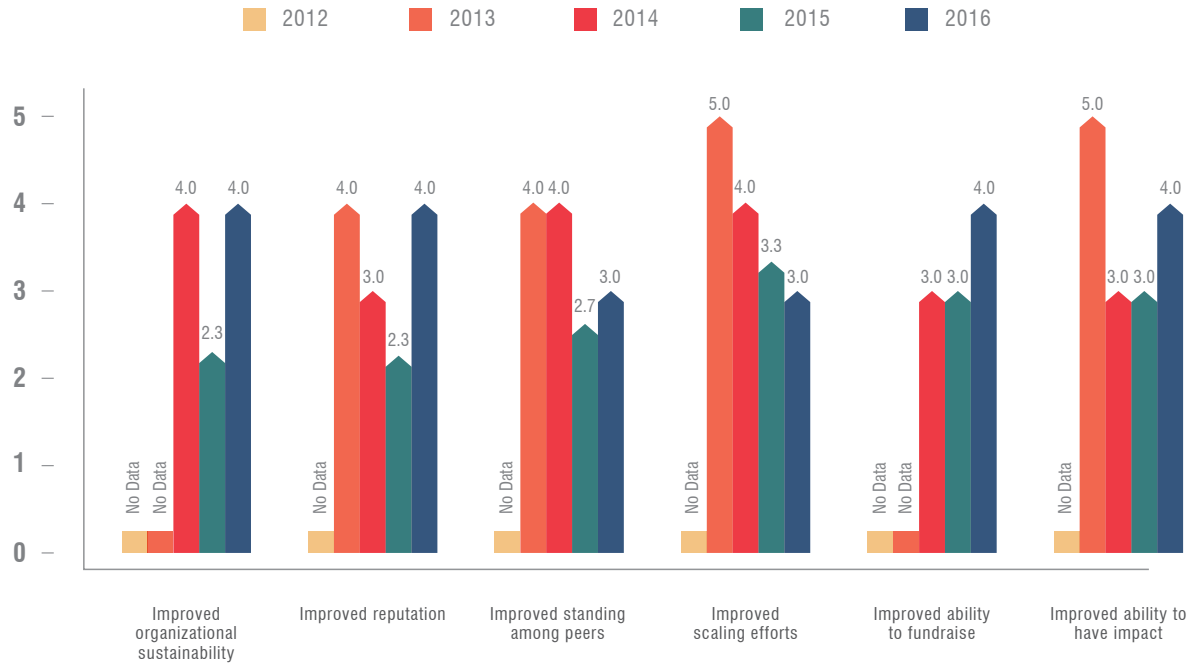
▶ Figure 5. CLIENT RATINGS OF SVT'S IMPACT ON CLIENT CAPACITY (2012 - 2018) ◀



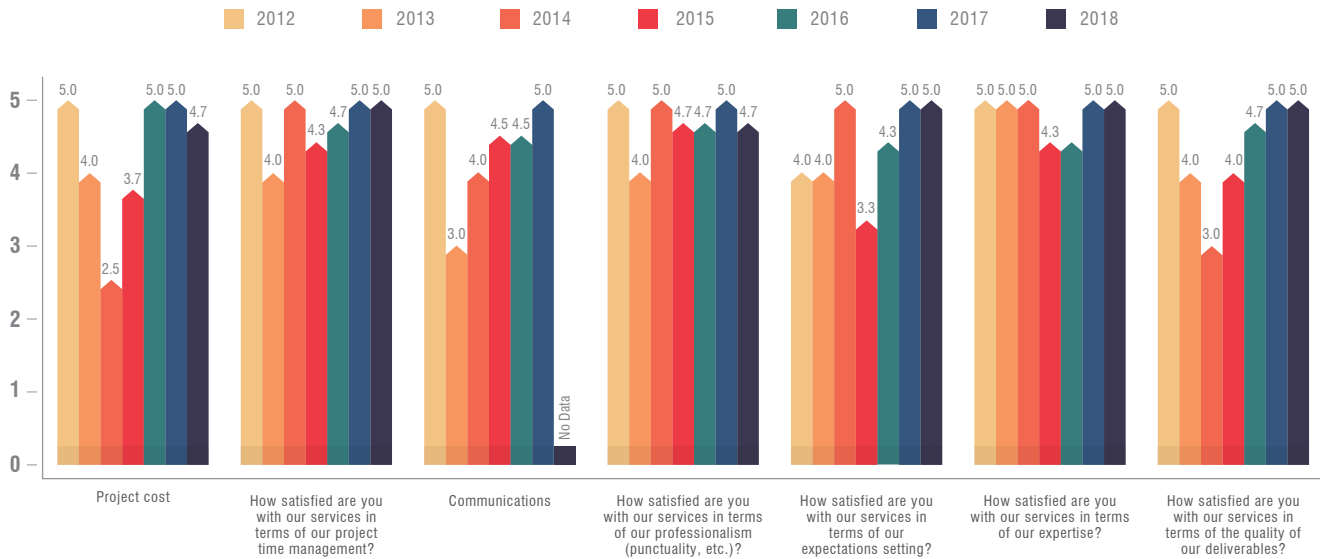
Ratings displayed represent the mean of all client ratings for a particular indicator in a particular year (or "average annual rating").



▶ Figure 6. CLIENT RATINGS OF BENEFIT OF SVT'S WORK TO ORGANIZATION (2012 - 2016) ◀



▶ Figure 7. CLIENT RATINGS OF SATISFACTION WITH SVT'S PERFORMANCE (2012 - 2018) ◀



Ratings displayed represent the mean of all client ratings for a particular indicator in a particular year (or "average annual rating").



▶ Figure 8. DRILLDOWN OF CLIENT RATINGS (2012-2018) ◀



Ratings displayed are the overall average score for each indicator.

Sample of Positive Client Feedback

We are Family Foundation (Nancy): "SVT is one of the best organizations we have worked with, hands down, on so many levels. We would recommend SVT services and expertise to anyone."

Neighborworks (Frances): "Sara was awesome -- creative and efficient in finding a way to bring content to our audience."

Sample of Constructive Client Feedback

Nemours (Janet): "Better proofing on deliverables."

Fierce Allies (Miakoda): "Follow up after final report has been received."



Client Profile: We are Family Foundation

SVT Group worked with **We Are Family Foundation** (WAFF) from 2016 to 2017 to develop a strong Theory of Change and a set of meaningful metrics, produce a 10-year retrospective analysis of the impact of their flagship program, **Three Dot Dash**, and present the findings of the Three Dot Dash Retrospective Impact Analysis Report to their New York-based Board of Directors. SVT continued to support WAFF in 2018 by delivering an impact management training for the Global Teen Leaders at their **Three Dot Dash 2018 Just Peace Summit**, and was delighted to attend the amazing annual Gala in 2017.

Founded by legendary musician, Nile Rodgers and his life partner, Nancy Hunt, We Are Family Foundation (WAFF) was started in 2002 as a result of the events of 9/11. Its mission is to create a more peaceful world by bringing together and amplifying the work of global youth who are creating positive change and impact in the world. With hundreds of young innovators now in the “Family,” WAFF wanted to ensure that the data they collected was a meaningful measure of both their own mission and goals, and of the mission and goals of the hundreds of youth-led organizations they have mentored through the Three Dot Dash program. But with so many fields and areas of impact to account for, WAFF knew their current approach wasn’t giving them the insights they needed to drive the change they wanted to see.

SVT was instrumental in helping WAFF develop a Theory of Change, and designed and implemented a 10-year retrospective impact assessment of WAFF’s flagship Three Dot Dash program. SVT also developed an Impact Management Plan for ongoing learning.

Of the deliverables created with SVT, Jess Teutonico, Executive Director of We Are Family Foundation, said:

“The whole spectrum of insights helped us significantly leverage the impact of our program in a very tangible and straightforward way, while also considering questions we had not been asking prior to our work with SVT. [These] are both important achievements for our team...”

“As our community of Global Teen Leaders (GTLs) and youth grows each year, it is imperative to have an impact management plan in place to keep up with all the incredible work that our 300+ GTLs continue to achieve. If we want to continue amplifying them, we need to understand both their individual impact, as well as how to measure the contribution of our work [to] their impact. If we practice strong impact management, we can also set an example to GTLs to do the same with their projects and organizations. The better they can measure their impact, the better WAFF can continue to refine and achieve our mission.”

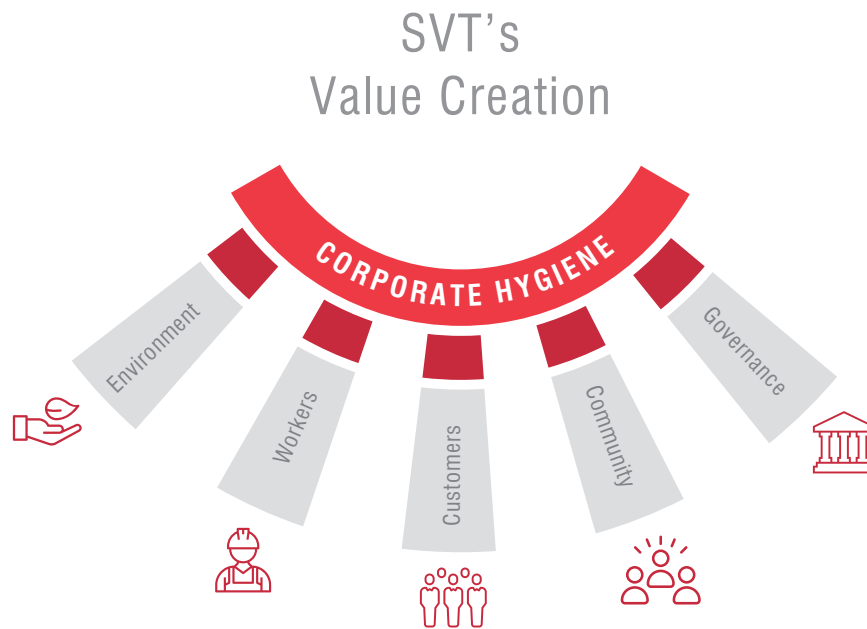
Overall, WAFF thoroughly enjoyed their experience with SVT. Ms. Teutonico added:

“The [SVT] team was professional and super encouraging during our initial sessions, which were definitely a challenge for us, simply because we were not familiar with thinking [through a] Theory of Change. It’s clear they are experts in what they do, and because we are such a small team, we have to rely on those who we hire as a third party to be extremely well-versed in their work.”

Photo credit: We Are Family Foundation. Taken at We Are Family Foundation’s Three Dot Dash Summit.



2. Corporate Hygiene



We gauge five aspects of our corporate hygiene: Environment, Workers, Customers, Community and Governance. We do this via the B Impact Assessment developed and stewarded by B Lab.

Our B Corp certification is a third-party validation that demonstrates SVT's commitment to socially responsible and transparent management practices. The B Impact Assessment is scored on a 200-point scale, with individual weightings of each question determined by the relative materiality of Impact Areas, Goals, and Indicators for each specific tailored version of the assessment. Impact Practices are worth 140 of the 200 points, with 60 points reserved for impact business models. Thirty additional bonus points are available for exceptional companies that have multiple impact business models.

As of 2018, SVT has been a B Corporation for 10 years. For the third year in a row (and our fourth year overall), SVT has scored in the top 10% of B Corporations worldwide, earning us the distinction of B Corp Best for the Long Term (for excellence in Governance; 2017, 2016), Best for Customers (2017, 2016), and Best for the Community (2013). In 2018, we were also honored by being added to the Best for the World: Changemakers list. "Changemakers" are chosen by calculating the verified positive change across all impact areas in the B Impact Assessment over time. The formula used to calculate the Best For The World: Changemakers list assesses positive changes made on individual questions, excludes "standards-based changes" such as changes in score resulting from a company moving to a different track or version of the assessment, and includes only genuine improvements a company has made. The final list includes the top 20 percent of companies as of June 1, 2018.



▶ Figure 9. **B CORPORATION SCORES (2008 - 2018)** ◀

	2008		2011		2012			2015			2018		
	SVT	Median**	SVT	Median**	SVT	Median**	Top 10% Average	SVT	Median**	Top 10% Average	SVT	Median**	Top 10% Average
Environmental	11	12	14	9	10	7	29-57	9	7	38-74	5	7	9
Workers	N/A	26	N/A	25	N/A	18	36-59	N/A	18	33-68	N/A	18	30
Customers	46	28	64	24	52	-	N/A	55	-	N/A*	37	-	27
Community	31	21	20	31	27	17	16-28	24	17	43-105	32	17	34
Governance	N/A	8	6	9	14	6	N/A	18	6	N/A	20	6	15
OVERALL B SCORE	105*	86***	104	84	103	55	113-131	106	55	115-179	94	55	108

Our 2015, 2016, and 2017 scores are the same since B Lab only requires updates every 2-3 years. However, we have included our 2018 scores because they reflect changes made in 2017.

"N/A" = not applicable
 " - " = information not available

* 80 out of 200 is eligible for certification
 ** Of all businesses that have completed the B Impact Assessment
 *** Median scores will not add up overall



Environment

Our corporate hygiene objective is to do no harm to the planet. This means having a net zero carbon footprint, limiting our use of natural resources to levels the planet can quickly regenerate, and eliminating waste that is not biodegradable. Our company car is all-electric as of 2018, we buy organic, sustainably produced and recycled-content products wherever possible, our toilet paper is made by **Who Gives a Crap** (who donate 50% of profits to help build toilets in the developing world), and we recycle.

Of these considerations, what we formally track is our carbon emissions (Scopes I, II and III)⁶.

SVT has a net zero carbon footprint through the purchase of carbon offsets. From 2001 to 2013 SVT offset only our emissions associated with air travel (Scope 3 emissions) because this was our most significant environmental impact. In 2014 we also began to offset the emissions from SVT’s company car used for SVT purposes (Scope 1 emissions) as well as those from our energy consumption at the office (Scope 2 emissions). From 2007 to 2018 SVT has offset 220.1 tonnes of carbon (See Figure 10).

⁶ **The Greenhouse Gas (GHG) Protocol** supplies the world’s most widely used greenhouse gas accounting standards. The standards are designed to provide a framework for businesses, governments, and other entities to measure and report their greenhouse gas emissions in ways that support their missions and goals.



► Figure 10. SVT'S OFFSET CARBON EMISSIONS (2007-2018) ◀

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Scope 1	-	-	-	-	-	-	-	1.7	1.7	1.7	0.7	0.7
Scope 2	-	-	-	-	-	-	-	10	10	10	11.6	1.7
Scope 3	19.2	8.8	17	0	14.1	14.1	14.1	11.3	20.3	4.6	23.8	23
TOTAL	19.2	8.8	17	0	14.1	14.1	14.1	23	32	16.3	36.1	25.4

CUMULATIVE TOTAL: **220.1 tons**

SVT is above the top 10% average in both the governance and customers categories.

Our flight footprint (Scope 3) was significantly higher in 2017 primarily due to one of our team commuting from Bogota to SVT meetings on 4 occasions.

In addition, B Corp tracks the following environmental Indicators:

Indicator	Our Performance 2001 - 2018	
	See B impact assessments since 2008 for details	2017 - 2018
Does your company monitor, record and/or report its energy usage?		SVT monitors and records our energy usage
What % of energy use is produced from low-impact renewable sources?		1-24% of SVT's energy use is produced from low-impact renewable sources
What systems are used to measure energy conservation and efficiency measures for corporate facilities?		Our office utilizes equipment, lighting, and HVAC systems to measure energy conservation and efficiency.
What water conservation methods are implemented at the majority of your corporate offices?		Our office utilizes low-flow faucets/taps, toilets/urinals, and showerheads in order to conserve water.
Does your company dispose of hazardous waste responsibly?		SVT disposes of hazardous waste responsibly and can verify this.



Workers

Our corporate hygiene objective is to contribute to the financial, social, physical, and professional well-being of SVT’s team members. Although B Corporation’s Impact Assessment does not break out worker metrics for a company of our size, we strive to provide both our part-time and full-time contract consultants with competitive market rates, and to combine pay with other benefits such as working remotely, generous and flexible vacation schedules, support for paid time engaging in community initiatives of concern to them, and opportunities to build their skills and networks. We also consider the following:

Indicator	Our Performance 2001 - 2018
Team member satisfaction (qualitative)	Since 2016 we have gauged our team members’ satisfaction regularly via a system that includes brief personal check-ins at our twice weekly meetings, monthly reviews of company performance and projects underway, and 360° performance reviews every 3-6 months, as well as debriefs on Advisory and Academy projects when they are completed.

Customers

Our corporate hygiene objective is to create positive social and/or environmental impact beyond the basic operational impact of SVT’s business through our specific business model. This means considering factors such as the impact of SVT’s services, education and capacity-building efforts, and service to in-need populations. Of these considerations, B Corp tracks the following customers metrics:

Indicator	Our Performance 2001 - 2018
Which products and services assist in targeting underserved communities?	SVT utilizes a cross-subsidization model whereby higher pricing for middle and high-income clients facilitates offering lower/ subsidized pricing for low income clients, including transparent pricing for all customers.
What percent of beneficiaries qualify as poor or very poor with incomes below \$2.00 a day?	3 percent of our beneficiaries qualify as very poor.



Does your corporation verify that your product improves the impact of your clients?

Yes, SVT verifies that our product improves the impact of our clients by conducting direct research to track the outcomes produced for all customers, such as impact-related surveys; verifying that our product contributes to successful verified positive outcomes; and creating case studies based on these. This direct research confirms that a desired outcome is being achieved.

Does your corporation measure and manage the negative or unintended outcomes generated by our business model?

Yes, we measure the negative or unintended outcomes generated by our business model.

Community

Our Community corporate hygiene objective is to contribute to the economic and social well-being of the communities in which we operate. This means considering factors such as diversity and inclusion, civic engagement, and charitable giving. Of these considerations, B Corp tracks the following metrics:

Indicator	Our Performance 2001 - 2018
What is the percentage of the company owned by women?	100% of SVT Group is owned by women.
What percent of the company is owned by individuals that qualify as non-accredited investors?	100% of the company is owned by individuals that qualify as non-accredited investors.
What percent of our Significant Suppliers are majority owned by women or individuals from underrepresented populations?	20-29% of our Significant Suppliers are majority owned by women or individuals from underrepresented populations.
What percent of per capita worker volunteer, community service, or pro bono time has been donated over the past year?	Over 5% of per capita worker volunteer, community service, or pro bono time has been donated over the past year.
What is the equivalent percent of revenue donated to charity during the last fiscal year?	0.1 - 0.4% of revenue is the equivalent percent of revenue donated to charity during the last fiscal year.



What percent of company expenses was spent with independent suppliers local to the company's headquarters or relevant production facilities?	20-39% of company expenses was spent with independent suppliers local to the company's headquarters or relevant production facilities.
Are the majority of Significant Suppliers ⁷ screened for negative and positive practices beyond what is required by regulations?	Yes, the majority of Significant Suppliers screened for negative and positive practices beyond what is required by regulations.
Does your corporation have a written policy giving preference to suppliers owned by women or individuals from underrepresented populations?	Yes, SVT Group has a written policy giving preference to suppliers owned by women or individuals from underrepresented populations.

Governance

Our Governance objective is to ingrain social and environmental considerations into our business to recognize and prevent negative outcomes, and drive positive impact. This means that we periodically review our fidelity to our mission, and strive for corporate accountability and transparency.

To fulfill this objective, as noted above we are a certified B Corporation, a designation based upon voluntary self-disclosure of our company's practices and performance on ESG issues, and third party verification that we are performing at a level above industry norms in these areas by B Lab.

Through B Corporation's Impact Assessment tool, we track both our impact and our "corporate hygiene" around social and environmental issues. This practice, combined with an annual strategic retreat at which we review the latest and cumulative information in this report, gives us opportunity to reflect upon the various capitals articulated by the International Integrated Reporting Framework.

In 2017, we recognized that SVT could do a better, more intentional job of cultivating the potential **social and relationship capital** inherent in our sizeable alumni network of past interns who have spent short periods of time working with us, and among our past customers. As such in 2018 - 2019 we are testing the formation of an Impact Management Alumni Network (IMAN, which means magnet in Spanish, and faith or belief in Arabic), with which we will work to advance SVT's mission.

Our governance work in 2017 focused on systematizing our peer review and impact management processes in preparation for activating a formal Advisory Board. In addition:

- Our C-suite is charged with the governance of SVT.

⁷ All companies have significant suppliers, which are defined by **B Lab** as the largest suppliers of the company amounting to approximately 80% of non-labor costs.



- The team conducts an annual strategic retreat, and we strive to balance innovation with execution in our strategy.
 - In 2017 the major initiative that emerged from our strategy retreat was to set a goal of generating 25% of our annual revenues from our DIY Impact Metrics with Expert Coaching program, which targets emerging markets entrepreneurs both domestically and internationally, to ensure that we are living up to our stated mission of making impact management ubiquitous- which implies that we are employing inclusive practices.
 - In 2018 we reflected upon DIY and noted that recruitment was a barrier to the sustainability of the program. Our major referral partner, SOCAP, had begun offering similar content during its Entrepreneurs' Bootcamp, which reduced demand for the program; and the other potential referral partner we'd cultivated, New Ventures in Mexico, was unable to prioritize recruitment. As such we deprioritized DIY in 2018. Instead we committed to developing what became **The Conception Forum**, an accelerator for mainstream companies moving toward regenerative business models, and launched in 2019.
- Remuneration and incentives are linked to value creation in a very literal way: our consultants all sign referral incentive agreements with us that reward them for bringing us business.
- SVT conducts monthly company-wide performance reviews, and quarterly 360 degree reviews whereby individual performance is mutually rated by the team. It is through these processes that we understand, monitor and influence the strategic direction of the organization and its approach to risk management.
- Regulatory requirements do not particularly influence the design of SVT's governance structure.

B Lab tracks the following governance and corporate hygiene indicators for SVT Group:

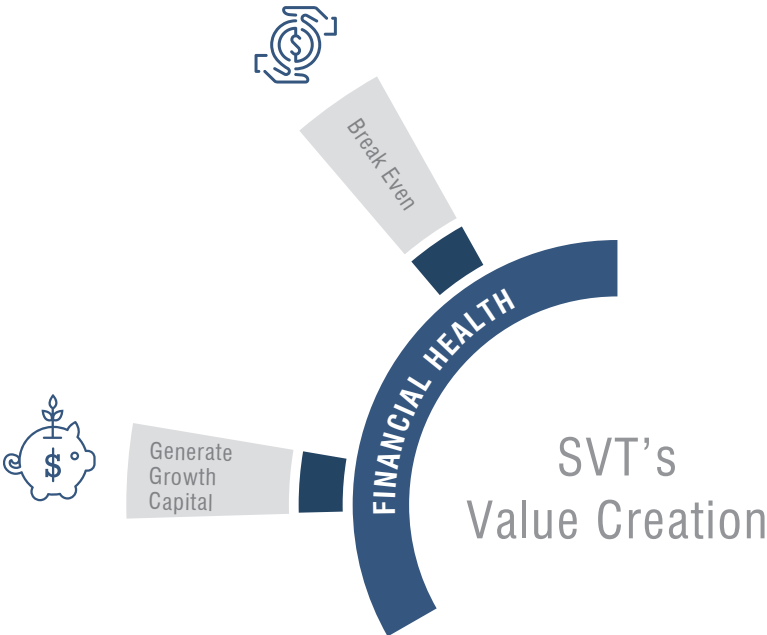
Indicator	Our Performance 2001 - 2018
Does your corporation include a commitment to positive social and environmental impact in its mission statement?	Yes, SVT has a corporate mission statement which includes a commitment to a specific positive social and environmental impact.
Does your corporation's governance structure work to preserve your company's positive social and environmental impact?	Yes, separate from our mission statement, SVT has a governance structure which preserves mission and requires stakeholder consideration in order to ensure that its social or environmental mission will be maintained over time, regardless of company ownership.
Does your corporation solicit feedback from external stakeholders?	In the last year, SVT solicited feedback from our external stakeholders (excluding employees and investors) regarding the company's social and environmental performance through an online stakeholder forum to provide/report social or environmental concerns or feedback as well as anonymous surveys about social and environmental performance.



<p>Is there a publicly-known mechanism through which customers can provide feedback?</p>	<p>Yes, there is a publicly-known mechanism through which customers can provide product feedback, ask questions, or file complaints.</p>
<p>Does your corporation utilize key performance indicators (KPIs) to measure and track social and environmental objectives?</p>	<p>Yes, we utilize KPIs to measure and track social and environmental objectives on at least an annual basis.</p>
<p>Does your corporation measure social and environmental outcomes over time?</p>	<p>Yes, we measure social and environmental outcomes over time.</p>
<p>Does your corporation publicly share information about KPIs and impact targets?</p>	<p>We publicly share information on our social and environmental performance via specific indicators, as well as publicly share how well we are meeting those targets. This information is presented in the form of an integrated report, updated and shared annually, and presented in a formal report.</p>



3. Financial Health

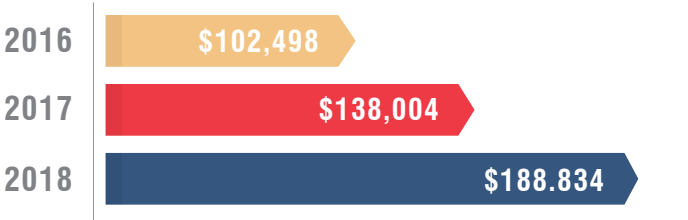


Financial Performance

SVT's near term financial health objectives are to break even and generate capital to grow the organization. In 2017 we had a significant expenditure in the form of a settlement payment to a former client who sued us in 2016 over a matter in 2015, the only legal dispute in SVT's 18-year history. The suit was dismissed and we reached a mediated settlement. This created a net loss in 2017 of -\$54,562. Had it not been for this we would have succeeded in our objective for the period of breaking even.

Financial Growth

We grew our gross revenues substantially from 2016 to 2018.



SVT Group’s financial indicators include:

Indicators	Our Performance 2017 - 2019	
Gross revenue	\$138,004	\$188,834
Change in Gross Revenue	\$35,505 (YOY change 2016 to 2017)	\$50,830 (YOY change 2017 to 2018)
Profit	-\$54,562	\$23,138
Retained Earnings	-\$107,744	-\$122,333 ⁸

During 2016-2017 we invested in a Chief Operations Officer who formalized a number of operational and learning processes which support our ability to scale efficiently and to improve our financial health. These processes include:

- Strategy management tools: Designed and implemented a strategic planning process, with workplans linked to strategy for internal projects; developed and/or improved system for weekly and monthly reviews and project debriefs to facilitate learning and improvement.
- Profitability analysis systems: Oversaw the design and implementation of a time tracking system for all personnel that will provide data with which to analyze profitability of our products and services.
- Impact management systems: Developed an impact database and improved systems for data collection, analysis and reporting; publication of 15-year Retrospective Impact Report.
- Marketing: Designed and launched a new website and enhanced social media and other marketing processes.

⁸ Retained Earnings decreased in 2018 despite this year’s profit due to a reclassification of owners draws.



OUTLOOK

What we've learned

It is a new day for the field, as the 2000+ collaborators of the Impact Management Project have coalesced to define shared fundamentals for impact management, starting with buying into the idea that this work should be called “impact management”! We are deeply grateful to **Bridges Impact+** for envisioning, organizing and facilitating the project.

We have been especially lucky to work with exceedingly skilled and lovely people. In 2017 and 2018, we had the privilege of closely collaborating with Courtney Kemp who succeeded the amazing Aislinn Betancourt on our core team, David Pritchard, Ed Quevedo, Aparna Gole, Eric Israel, Ian David Moss, John Perovich, and Karina Kloos.

Our clients are a tremendous source of inspiration to us. Their leadership understand how valuable it is to their organizations to systematically account for and communicate impact. **Mesofilter** has a radically affordable and sustainable water filtration technology. **More Than Me Academy** is providing quality education to the poorest girls in Liberia while elevating impact management practice standards around both education and sexual abuse prevention. **MyH2O** is improving the targeting of sanitation projects that benefit the rural poor in China. **The Body is Not An Apology** seeks to end the shaming of bodies and especially those of people of color by providing vision, voice and community to those who have suffered. **Intelehealth** trains and equips community healthcare workers with technology to help reach the 3.8 billion people in the developing world who lack access to health services. **We Are Family Foundation** is accelerating the high impact innovations of young people globally. The Nemours Foundation, in collaboration with the Robert Wood Johnson Foundation and Maryland Medicaid, seek to equip state Medicais with a **business case for investment in prevention** to understand the health and cost impacts of childhood obesity prevention initiatives so as to help direct resources there.

Impact management plans

To see more about our past performance and impact management plans, please see our 15th Anniversary Integrated Report and Appendix. Our plans for 2019 are noted below.



2017 - 2018 Plan	Status	2019 Plan
<p>Directly track the evolving state of the market for impact management. We will add two new KPIs that reflect our ultimate goal of making impact management ubiquitous: the percent of customers who now do routine impact assessment, and the degree to which our clients think impact management is important to business (either their own or, for students, business in general).</p>	Implemented	<p>Continue to build our integrated reporting practice, demonstrating how social, ecological and financial performance are balanced.</p> <p>Enhance the efficiency of our impact management system by doing a trial of Sopact's platform, which is aligned with Social Value Principles, the Impact Management Project, IRIS and the SDGs among others.</p>
<p>Improve the accuracy of our Advisory impact estimates by aligning more closely with Social Value Principles. While our approach is well-aligned with six of the seven principles, our 2017 client survey will incorporate a free response question asking about specific outcomes clients attribute to SVT's services, to align our reporting with Principle 5: "do not overclaim."</p>	Implemented	Confirm that we are reporting in a way consistent with the Impact Management Project's 5 dimensions of impact.
<p>Ensure our metrics inform our business decision-making. We will also adopt a Net Promoter Score into our approach as a gauge of our value in the eyes of our clients, where they will rate us from 1-10, where scores of 1-3 indicate strongly negative views and scores of 8-10 strongly favorable views.</p>	Implemented (though not at 100% coverage or at 100% response rate)	Work to close gaps in coverage, specifically: ensuring as close as possible to a 100% response rate via timely follow up, as well as reviewing received data at regular intervals and integrating lessons learned into future practice.
<p>Improve our understanding of our Academy performance by designing our own targeted survey. Our academic partners' course evaluations do not include some answers we need, so we intend to send this brief custom survey on the first day of participation in the course, the final day, and three months subsequent.</p>	Implemented (though not at 100% coverage or at 100% response rate)	Work to close gaps in coverage, specifically: ensuring as close as possible to a 100% response rate via timely follow-up and possibly small incentives, as well as ensuring the comparability of responses from one group to the next by standardizing questions where possible.



<p>Hone our gauge of Field Building work. Track unique views and shares for content published online, and the number of academic citations for works we have published in academic journals. Though we are not aware of a mechanism for tracking the circulation of work published in the practitioner literature (and practitioners tend not to cite each others' work as rigorously), these changes will help us to better estimate our role.</p>	<p>Implemented</p>	<p>Publish more work documenting, and seek more journalistic coverage of, the impact management field's evolution.</p>
<p>Fill gaps in our understanding of performance while streamlining data collection. We will convert our client surveys to an online format, and send them to all clients, not just the larger ones, at one month and again at one year post-project. We will strive for 100% coverage, and a 100% response rate by being prompt.</p>	<p>Implemented (though not at 100% coverage or at 100% response rate)</p>	<p>Work to close gaps in coverage, specifically: ensuring as close as possible to a 100% response rate by delivering tailored online surveys to clients within one month and one year of project close.</p>
<p>Enhance the readability and usefulness of our next report to the field. By further aligning with the International Integrated Reporting Framework and relating our work to the United Nations Sustainable Development Goals we intend to enable a wider audience to find meaning in our reporting.</p>	<p>Alignment with Integrated Reporting has been implemented; SDGs alignment in progress</p>	<p>Compile our next impact report within Q1 to enable more timely reflection and integration into our report and strategy.</p>
<p>Formalize the integration of student and client feedback into the design of our workshops and courses. We will do this by creating a standard operating procedure for the integration of this feedback into course design and refinement, which we used to do informally.</p>	<p>In progress</p>	<p>Formalize the integration of student and client feedback into the design of our workshops and courses.</p>



CONCLUSION

Managing our impact helps us do our work better, and create more social value.

We find transparency exciting! It feels great to know that the public can help us stay accountable for our mission. Initially, frankly, this felt scary. But it feels good to trust in our stakeholders. As we systematically track, and then openly publish, our performance relative to our impact, we invite all our stakeholders - including those we may not be aware of but who have an interest in our work - to give us feedback if they feel we are overlooking something important, or if they have an idea to share that could advance our mission. This practice gives us fresh perspective on our own work whether or not we hear from stakeholders, because it helps us think about how we come across from the outside. It makes us humble, while at the same time gives us a chance to reflect on and celebrate our work and those who make it possible.

Thank you.



APPENDICES

A - Organizational Overview and External Environment

SVT Group is an impact management advisory firm founded in 2001 “to make impact management ubiquitous.” The firm has three major focus areas: Advisory, SVT’s consulting practice; Academy, SVT’s capacity building practice; and Field-building, the practice wherein SVT team members collaborate with others in the field to discover, define and promote quality impact management practices and the profession of impact management itself.

Since we updated our mission statement in 2010 to include the phrase, we’ve watched as “impact management” has gained increasing currency as the term to describe this emerging profession. **Demand continues to grow** from asset owners for financial services that enable them to understand and proactively manage the social and environmental effects of their assets, newcomers from the mainstream have **called for greater rigor** in impact measurement and set up shop to, as TPG CEO Jim Coulter told SVT’s Sara Olsen at a dinner party in December 2017, “make the market for impact measurement,” and practitioners with substantial experience in the impact marketplace have coalesced around the need to **take impact measurement a step further** to inform decisions that improve results.

- **Nonprofits** across the board are experiencing increased pressure to demonstrate an approach to impact management and more systematically account for impact than was asked of them historically. Our observation is that growth strongest among aid and development projects, where leadership has made evidence-based practice a priority, and in the affordable housing domain.
- **Private foundations** in the US are gradually and voluntarily moving toward a somewhat more outcomes-oriented, strategic approach to philanthropy, though accountability mechanisms are generally weaker here than in other sectors.
- Among those in the for-profit domain, **investment funds** that are addressing impact and ESG typically take impact management in-house to tailor their approach to impact management to their general partners’ and asset owners’ priorities, and (we believe) to ensure control over the information generated. Among entities whose purpose is explicitly impact-oriented, systematic outcomes data collection, analysis and reporting practices range widely from an opportunity recognized as so valuable that the firm **spun off a service provider focused on impact measurement**, to something that might have been seen previously as unnecessary or merely a feature of the firm’s marketing around an anniversary milestone, such as the retirement of a fund. In the latter case, however, we do see that such impact assessment efforts are being used as a springboard to build a more robust, ongoing, and integrated impact management system.



- **Corporations** are grappling with the multitude of ESG disclosure requests from investors and reporting standards, and are striving to find a way to make a coherent and value-added whole of the information. The Big Four and major consulting firms have all experimented with impact measurement, valuation and reporting services, and while their sustainability practices are more sizeable, PWC, KPMG, Deloitte, McKinsey, Bain and BCG have also managed to establish small practice areas in social impact after some fitful starts.
- In SVT's capacity building work with **MBA students**, we have met few in the past five years who do not want to become impact investors; they seek to build their impact measurement and management skills as a precursor.
- There remains a general lack of attention in the US on how **government** can influence the incentives or make a market for impact information, as evidenced by the late guidance from the US government on impact reporting for **Opportunity Zones** and the **US' passive approach** to the Task Force on Climate-Related Disclosures.

This market movement has been given added momentum by increasingly threatening social and ecological problems, such as climate change and income inequality, which is accompanied by growing criticism of the status quo— which now includes impact investing. In 2018, in his book *Winners Take All*, Anand Giridharadas captured this zeitgeist by providing a pointed critique of the effectiveness of private sector efforts to generate social impact, arguing that instead impact investing and social entrepreneurship derail the energy that could otherwise be channeled into necessary systematic reforms. His point has resonated, and we observe **an uptick in public criticism** of impact investing and social entrepreneurial solutions as potentially mere amusements for the privileged, but of also increased self-reflection.

Amid these developments, the logic of SVT's theory of change endures.



CORE ASSUMPTION:
When the world can see the social and environmental impact of enterprises and their capital providers, it pays to do good

SVT Group's Theory of Change
SVT Group's Theory of Change is based on the idea of full cost accounting

STRATEGIES



FIELD BUILDING

GENERATE KNOWLEDGE

Contribute to the development of practical Impact Measurement and Analysis approaches and systems, and to the development of the profession through SVT's Lab.



ACADEMY

SPREAD KNOWLEDGE

Build awareness and widespread capacity to ask for, expect, and implement these systems through our Academy work.

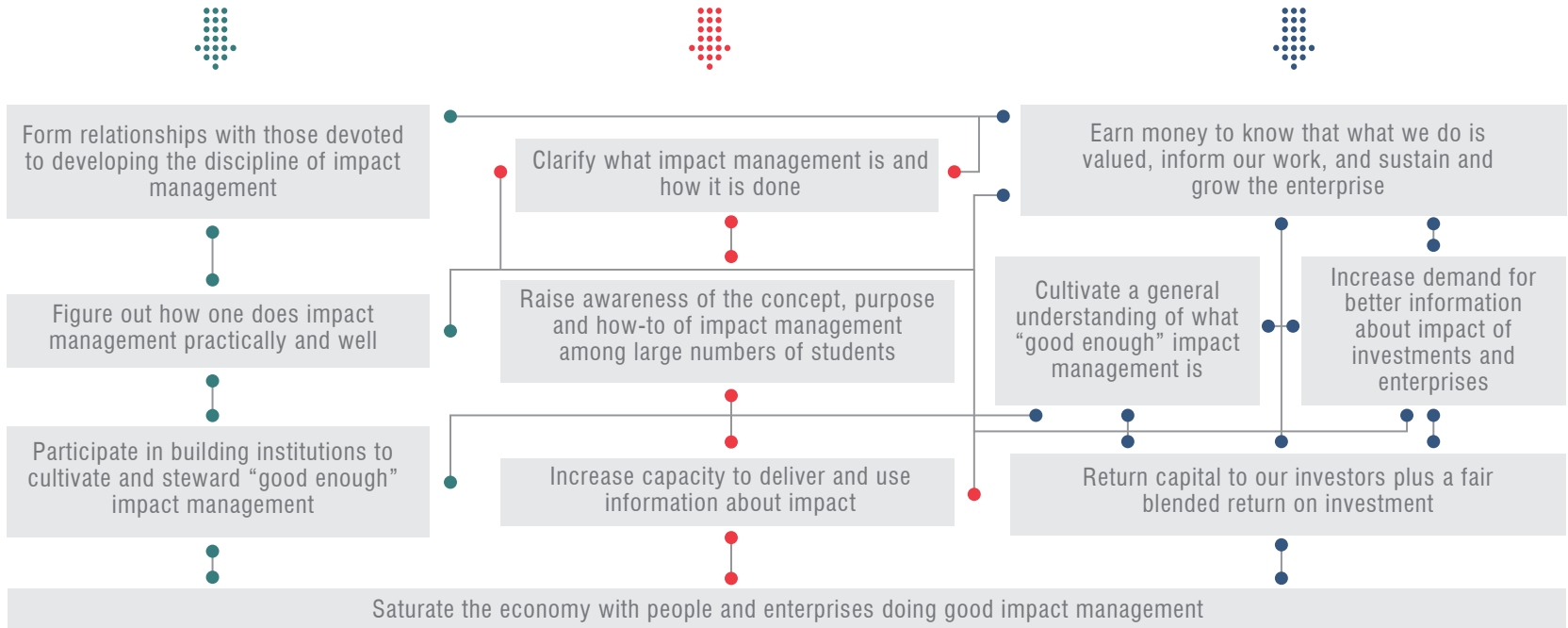


ADVISORY

HELP RETAIN KNOWLEDGE

Implement, inform and improve these systems through work with clients through SVT's Advisory practice.

OBJECTIVES AND OUTCOMES



IMPACT



**MAKE IT PAY TO DO GOOD
BY MAKING IMPACT MANAGEMENT UBIQUITOUS**



B - Business Model

SVT's business is sustained by two major revenue streams: client revenues from our advisory projects, and training fees including both income earned by teaching graduate-level courses in impact management at academic institutions. While much of our field-building work is pro bono, some of this work too is funded via consulting projects.

Our virtual, consultants-only team structure comes with low overhead, which enables us to prioritize field-building work and deliver high value for money. We are pleased that coming into 2019 our network of long-time consultant collaborators has grown and includes many with whom we have collaborated over many years dating as far back as 2003 (Eric Israel).

C - Risks and Opportunities

Competition is stiff in this domain with new players regularly entering the field, with many subsidized and free alternatives, and a number of players attempting to harness AI and big data in the service of impact management.

However, as ever the largest risk we faced in 2017 is the risk that the market writ large undervalues information about impact. It is for this reason that we have doubled down on our work to help build the field of impact management, particularly through collaboration with Social Value US, Social Value International, the American Evaluation Association and the Impact Management Project.

Another key risk given the leanness of our team is in the efficiency of our operations. In 2017 we invested in our core capacity with a full time operations and marketing officer and consultant, Aislinn Betancourt, which positioned us to expand and reap the rewards of an improved marketing capability as discussed in the Governance section. Upon Aislinn's departure in 2018 for a new opportunity in her home town of Orlando, Florida, Courtney Kemp joined SVT to continue to build on this momentum with an emphasis on business development.

D - Strategy and Resource Allocation

In 2017 we began to shift our field-building ("Lab") work increasingly into collaborations with Social Value US, the professional home for impact managers and analysts, and with the Impact Management Project, because we recognize that it is time for the impact management profession to take center stage, and a professional association and IMP's network of standards bodies are the best placed entities to do that work.

We also developed an explicit diversity and inclusion component of our strategy for the first time. Related to this, our Academy developed the DIY Impact Metrics with Expert Coaching Program to enable enterprises in emerging markets, both domestic and international, to gain access to our impact management services at an affordable price point.

Finally, to advance SVT's ability to address larger client projects, we deepened relationships with a number of our consultant collaborators. In 2018 this manifested in the transformation of our longstanding relationship with one



of the most senior, Eric Israel, into a collaboration with him and the sustainability and ESG reporting experts ISOS Group on **The Conception Forum**.

The Conception Forum reflects our confidence that the basic components of sound impact management for any economic entity are now defined and will not radically change in the coming years. These components are reflected in the structure of our own report, and include: overall corporate ESG hygiene, specific mission-related impact assessment and valuation, financial accounting, and integrated reporting to unify them into a coherent, strategic and manageable whole. As such the Conception Forum is a 9-month accelerator program to support mature organizations as they seek to improve their ability to drive innovation and manage risks by incorporating social and ecological impact quantification into their enterprise risk management systems. In 2019 we will refine and beta test the program in collaboration with ISOS Group– stay tuned for more details!

E - Basis of Preparation and Presentation

This section addresses how SVT determines what matters to include in this report, and how are such matters quantified or evaluated. Sara Olsen, CEO, and Aislinn Betancourt, COO 2016-2018, identified and prioritized the matters material to SVT, with additional input from colleague, Courtney Kemp, and on financial matters from SVT’s accountant, John Gordon of Patillo Brown & Hill, LLP. Their determination is reviewed and updated as necessary, as new data from client and trainee surveys is received. Our materiality discussion here is guided by the International Integrated Reporting Framework. Financial results are reported according to GAAP.

SVT’s materiality determination process for extra-financial information is based upon Social Value Principle 4, “Only Include what is material,” which states: “Determine what information and evidence must be included in the accounts to give a true and fair picture, such that stakeholders can draw reasonable conclusions about impact.” SVT draws upon SVI’s Standard on Applying Principle 4 when determining what is material; accordingly the process that we have followed in order to account for the importance of the changes created by our activities considers these four questions:

Relevance	1. Who are the stakeholder groups that affect, or are affected by, our activities?	Our key stakeholders are: our clients, our trainees and students, those who attend our talks and read our publications, our collaborators in the field, our owner and consulting team members, our lenders, and the general population and future generations who are or will be affected by our use of natural resources.
	2. What are the outcomes (changes) they experience?	We gauge this via a combination of output, outcome and impact indicators as shown in the body of our report. Surveys of the individuals we serve and 360° reviews with our core operations team members include open-ended questions to learn what is changing for them that they consider important. The selected metrics we have included in the report are ones that are illustrative of other more granular questions which are not included for the sake of brevity. These are available upon request.



Significance	3. What is the scale [or degree] of each outcome?	The degree of each outcome for the indicators that are custom to SVT's mission-related impact is quantified via a subjective rating on a 5- or 10-point scale by the stakeholder experiencing it, as shown in the body of our report. For corporate hygiene outcomes, they are quantified via a combination of measured outcome along with a weighted scale for each answer, according to B Corporation's B Impact Assessment.
	4. Are there different sub-groups or segments of each stakeholder group that have a significantly different experience of the outcomes?	Presently we differentiate two sub-groups within the stakeholder group of those who purchase SVT's services: participants in our trainings, and clients we work with on an advisory basis.

The reporting boundary for this report is SVT's entire operation and all major activities with a focus on the most recent two calendar years.

The risks, opportunities and outcomes attributable to or associated with other entities/stakeholders beyond the financial reporting entity, that have a significant effect on SVT's ability to create value, are discussed in each section of our results above, and in the preceding sections of this Appendix.

F - General Reporting guidance

SVT determined that a report covering both 2017 and 2018 was the best course of action because doing the work annually is overly resource intensive. SVT distributes the report publicly via our website, newsletter, and social media channels because we believe all organizations, even privately held ones, must be transparent about their integrated performance in order to create a virtuous cycle where society holds all business to a higher standard.

SVT used the following significant frameworks and methods to quantify and evaluate material matters:

- Overall content and structure: the Integrated Reporting **website**, the International Integrated Reporting Council's Integrated Reporting **Framework**
- Mission Impact: the Social Value International **website**, the Social Value **Principles** of Social Value International, and the 5 **dimensions** of impact articulated by the **Impact Management Project**
- Corporate hygiene: **B Lab** and the **B Impact Assessment**, and the **Greenhouse Gas Protocol**
- Financial health: **FASB**'s generally accepted accounting standards of course!

The resources that inform the report are noted elsewhere in it.





svt group