



## What makes a business of interest to an impact investor?

Impact investors have all the same expectations that 'traditional' investors do. They look for all the same things, but with the added facet of considering impact, and all the strategy, definition, measurement and reporting that comes with it.

- Better incomes for more smallholder farmers?
- Recycling and reducing environmental impact?
- Increasing access of rural people to power, communications, information and financial services?
- Livelihood generation for women/young people?
- Better access to affordable, nutritious food/healthcare/education?

Impact investment allows conscientious investors and businesses to move away from philanthropic endeavours to identifying opportunities that have defined, measurable social /environmental impact.

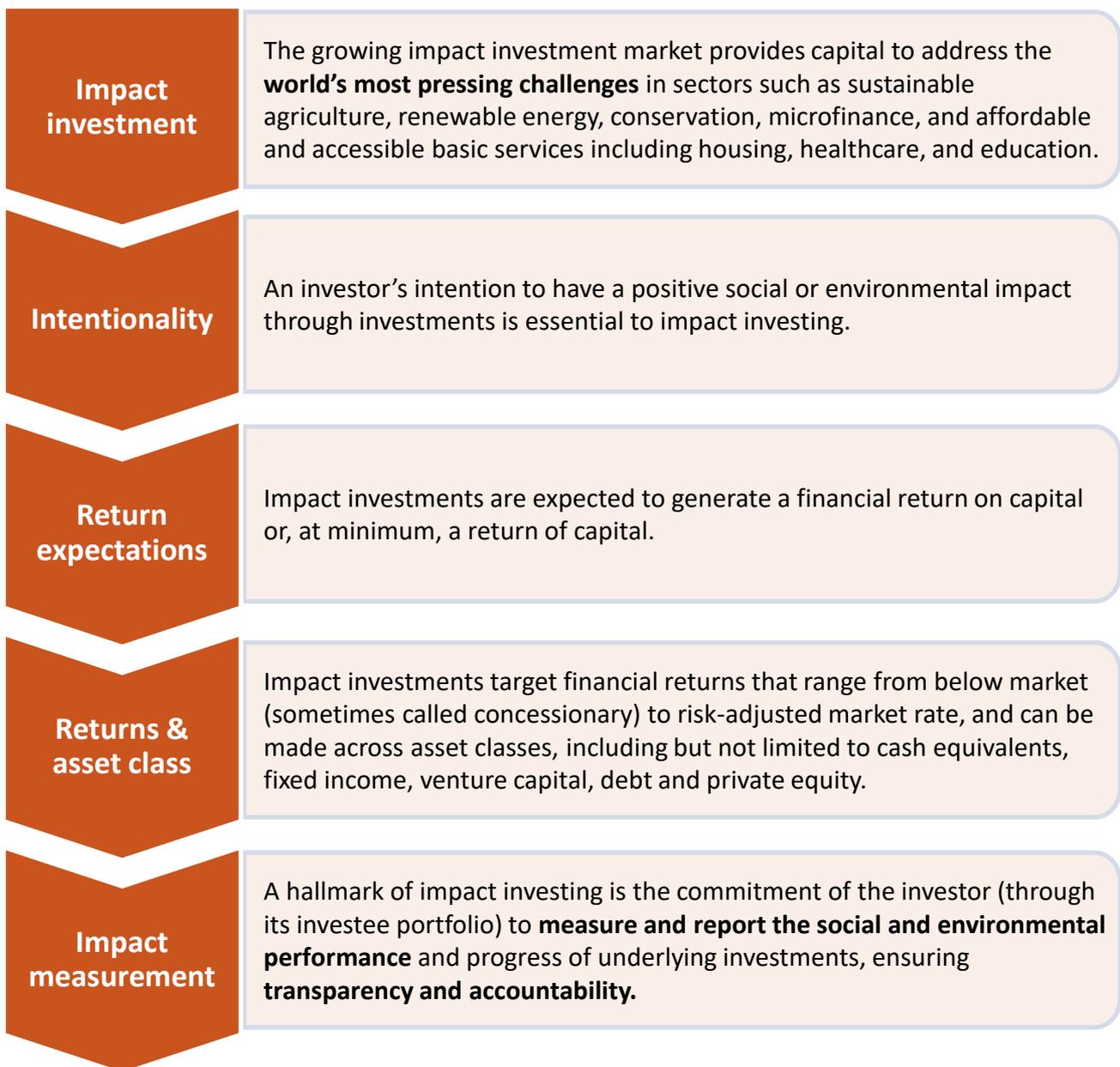
Over the past few years, impact investment has gained momentum, offering an alternative route to finance for growing businesses.

**“Over 1,340 organizations currently manage USD 502 billion in impact investing assets worldwide.”**

*Source: GIIN 2018 Report: Sizing the Impact Investing Market*



## The hallmarks of impact investing





## What does this mean for businesses seeking finance?

### Few companies will self-identify as impact businesses

To attract an impact investor a business needs to demonstrate:

- Ability to generate a **financial return** on capital
- Ability to **produce returns** aligned with investor expectation
  - Can range from below market rate to a risk-adjusted market rate
- A positive, demonstrable **social or environmental** impact
- An **impact story**, approach and measurement methodology
- Ability to **define, measure, and report** social and environmental performance and progress