



SUSTAINABILITY IMPACT SCORES

IMPACT MEASUREMENT IN AGRICULTURAL INVESTMENTS

GLOBAL SUSTAINABLE CAPITAL MANAGEMENT UK

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WHITE PAPER

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Executive Summary

Global Sustainable Capital Management (“GSCM”) is focused on the development of a portfolio of sustainable agricultural investments that deliver competitive financial returns while also establishing a management framework that rigorously measures non-financial impacts and sets quantifiable performance goals that ensure that investee companies deliver on the promise of sustainable production. The broad impact investing sector is growing rapidly; the most recent GIIN survey suggests the sector reached \$502bn in 2019. The framework described in this White Paper was created in response to the need to inject more rigor into the sector and to create a management regime that delivers strong sustainability and financial performance in parallel. Failing to demonstrate this level of rigour creates a risk to investment managers that they will be accused of ‘impact washing’. With a strong focus on global agricultural supply chains, this also represents a significant business risk: consumers and retailers are demanding higher levels of transparency, rigour and performance from suppliers.

GSCM undertook a global review of best practice in sustainability measurement systems including those used by European supermarkets, Rainforest Alliance and UTZ. The team recognized the need for a robust framework that is quantifiable but does not overburden investee companies with reporting requirements and allows for goal setting and monitoring over the investment period. GSCM established our Sustainability Impact Score (“SIS”), describing the range of goals to be addressed through investments ranging from stakeholder engagement to fair and safe working conditions to the goal of protecting and enhancing biodiversity. Importantly, the SIS has been refined to align with the Sustainable Development Goals (SDG) and provides a mechanism for quantification and tracking within what has become a more general but globally recognized reporting framework. The SIS delivers on the following goals:

- The transparent measurement of impact in a way that is consistent across both time and investments
- A comprehensive scoring matrix covering all areas of a venture's operations
- The ability to set and track management goals to ensure the improvement of sustainability performance.
- An easily understood scoring system that facilitates investee engagement with impact
- A simple, numerical measure of impact for the purposes of investor reporting (similar to traditional financial metrics, such as SIS)

GSCM’s sustainability framework involves four key stages:

1. Initial project review through a high-level checklist, analysis of risks and opportunities and evaluation of the management team. Critically, the investee company does not need to be operating under a full sustainability regime at the beginning; the team needs to demonstrate a clear commitment to this goal as a destination and to partner with GSCM to achieve improvements to their performance
2. A detailed questionnaire completed by the investee management team covering all aspects of their operations, which supports the implementation of the GSCM

sustainability charter. The questionnaire covers ten key areas through approximately 200 indicators. The high-level issue areas are: Sustainable management, Land rights, Local capabilities and stakeholder engagement, Working Conditions and Labour Rights, Energy and Greenhouse Gas Emissions, Waste, Biodiversity, Water, Soil, Economics/Ethics. The questionnaire provides the foundations for the reporting tool and is aligned with the SDGs. The SIS questionnaire results in a consolidated score for the project that captures a starting baseline for their sustainability performance.

3. The third stage involves goal-setting with the management team looking at a 3 to 5-year period. Goal setting is designed to create environmental and social benefits and to manage supply chain risks.
4. The final stage establishes a quantitative SIS Model score and creates a tracking framework across the investment period.

A detailed survey ensured that the sector specific indicators of the SIS can be aligned with the 17 goals, 169 targets and 230 indicators under the SDGs.

The SIS provides a systematic approach to investors seeking financial returns that deliver enhanced sustainability performance and also sets goals that will improve that performance over time.

GSCM developed the SIS in response to the growing interest globally in aligning investment goals with social and environmental impact. In the agricultural sector this shift is being driven by the intersection of at least three driving forces:

1. The need for improved food production that will address the food security issues from adding an additional 2.3bn people to the planet by 2050 without further degrading agricultural land reserves.
2. Consumer demand for higher quality food production with clear and transparent supply chains and a more equitable distribution of revenues to producers
3. The need for greater social and ecosystem resilience in the face of climate change impacts that will add further stresses to food production systems.

While a number of generalized metrics have emerged in recent years, including the IRIS system developed by the Global Impact Investor Network (GIIN) to support the alignment of impact and financial goals, agricultural investments require a specialized framework to address the full range of sustainability issues associated with production. In addition, while the Sustainable Development Goals provide high level targets that are globally relevant, they need to be supplemented with higher resolution goals that are specific to the agricultural sector.

About GSCM

Global Sustainable Capital Management (“GSCM”), an innovator in finance, is a dedicated impact investor focusing upon food, agriculture and agriculture technology in emerging markets. GSCM has developed its Sustainability Impact Score (“SIS”) that analyses approximately 200 metrics to measure and motivate stakeholders to accelerate impact. GSCM is authorised and regulated by the Financial Conduct Authority.

Impact measurement in agricultural investments

Directing much needed investment into the agricultural sector

Of all the challenges faced by humanity, one of the most enduring is the need for access to healthy, nutritious food. Even though extreme poverty rates are declining in 2017, one in every nine people is still undernourished. Forecasted population growth will require a 70 percent increase in food production from 2009 levels to feed the world by 2050 (FAO, 2018, a).

'Actions need to be accelerated and scaled up to strengthen resilience and adaptive capacity of food systems, people's livelihoods, and nutrition in response to climate variability and extremes.' (FAO, IFAD, et al, 2018)

To date, increases in food supply have come from yield improvement and cropping intensity (FAO, 2018, b), but much progress can still be made in this area by narrowing the gap between average and optimum farm yields. In some developing countries, average yields only reach 30 percent of their potential. These yield improvements are sorely needed; more than 20 percent of arable land is already degraded, (FAO, 2018, b) and crop nutritional content is expected to continue a downward trend caused by rising CO₂ levels (Myers, Zanobetti, et al., 2014). These issues are viewed against the backdrop of the growing understanding of the impact of intensive farming on our planet's ecosystems. As an example, recent studies (Hallmann, Jongehans, et al., 2017) found declines in insect biomass of 76 percent in just 27 years across 63 nature protection areas in Germany. This decline is attributed to intensive farming methods including the use of 400,000 tonnes of pesticides annually across Europe (EEA, 2018). Knock-on impacts are being seen further up the food chain including a significant reduction in bird life (Donald, Sanderson, et al., 2006). The FAO concludes: "Continuous investments are required to reduce losses in biodiversity and limit carbon emissions from agriculture" (FAO, 2018, b).

The challenges ahead call for somewhat of a more fundamental re-evaluation of our food system across three main areas.

The need for increased food production

It is likely that the world's population will grow by an additional 2.3 billion people by 2050. Nearly all of the growth will take place in developing countries, while urbanization is continuing to increase as well. Experts argue that cities will account for 70 percent of the world's population by 2050. This means that there will be a smaller rural labor force working in agriculture. (FAO, 2018, a, p. 1)

Demand for food will continue to grow. The need for cereals for food and animal feed is increasing rapidly. The growing demand foods in developing countries related to higher income such as livestock, vegetable oils, and dairy products is even more pronounced. (FAO, 2018, a, p. 1).

Expert projections show that population growth and the projected increase in global economic growth will put unprecedented pressure on many agricultural systems, requiring an increase in food production of up to 70 percent by 2050. (Statista, 2019)

The need for a more sustainable food system

Consumers are becoming more environmentally conscious and are putting increased value on product transparency, trust and traceability in food (Banker, 2018) and non-food categories (Unilever, 2017). This is demonstrated through a sharp increase in the sales of sustainable foods, alongside the popularity of local, seasonal and organic food movements. While the conventional food and drink sector is still the dominant player in the food industry, the global value of ethically labeled packaged foods is projected to grow from in 2015 \$793.3 billion to \$872.7 billion in 2020. (Statista, 2019)

The need for increased climate resilience

Global warming will result in significant shifts in the world's most productive growing regions. A dramatic example can be seen in the cacao industry. Cacao trees have a relatively limited range in which they can grow: between 20 degrees latitude north and south of the Equator. West African countries produce nearly 70 percent of chocolate in what is known as the cocoa belt, and over 90 percent of the world's cacao is provided by 5.5 million smallholder farmer families, most of whom are living on less than USD 2 per day. Global warming will drive shifts in cacao production to higher altitudes. The Intergovernmental Panel on Climate Change (IPCC) predicts that the optimal height for cacao cultivation in Côte d'Ivoire and Ghana's will rise from 350–800 feet to 1,500–1,600 feet above sea level. Farmers are isolated and cash constrained; thus, we can expect the shift of production areas will result in reductions in supply and potential land disputes (Stroman, 2017).

Global warming's impact on global weather systems will also disrupt current growing regions in other ways. According to an article published by National Geographic in December 2018, there is a strong chance that 2019 will be the hottest year recorded in human history. Every small increase in temperature makes a significant difference to human health, access to food, fresh water, extinction of animals and plants and much more (Leahy, 2018).

It is clear the pressures on our food system requires an approach to investment, which not only generates a financial return but also creates lasting impact. As a result, the need for increased food production, for a more sustainable food system and for increased climate resilience influenced both the focus of GSCM's investment thesis and the development of a proprietary measurement system to define and track impact.

The unique challenges of measuring impact in agriculture

In the face of these pressures it is becoming as important to measure the social and environmental impact of an investment alongside the financial return. At the same time, the process for doing so is considerably more difficult for a variety of reasons. A myriad of impact metric frameworks exist to facilitate this objective, with each typically focused on a particular

asset class or target impact area. Among the many structures available, some can be considered emerging standards, such as the Global Impact Investing Network's (GIIN) IRIS and the Principles for Responsible Investment. However, despite much progress in the critical area of impact measurement, a recent London School of Economics meta-study found "methodologies are still limited – some more than others – due to the intense resources that they demand (in terms of time and information), their subjectivity, their insufficient transparency, and their inaccessible nature" (Florman, Kingler-Vidra, et al., 2016).

When an investor is faced with the challenge of identifying of the optimum impact measurement method to use, various questions emerge. What data are relevant? How should data be gathered and verified? How can local cultural norms be respected throughout this process? How should changes in impact scoring be registered, tracked and reported?

To date, most of the impact measurement in the food chain has been undertaken because retailers are feeling pressure from consumers to have a more positive social and environmental impact (Unilever, 2017). This has resulted in businesses using existing techniques, certifications and standards, focusing on the areas of sustainability, child labor, exploitation, and poor worker treatment. These areas are of great importance and are part of a broader picture in the current agriculture landscape.

GSCM performed an extensive review of the current best practices in impact measurement. While it is still the case that the questionnaires used by companies such as the UK supermarkets are not publicly available, many use third party standards such as the Rainforest Alliance, UTZ Certified or other assessments. It became apparent that a custom solution was needed to deliver impact reporting with the required granularity. Many existing frameworks used an audit-based approach, and at the time none could be found using quantitative goals. A methodology was needed that was detailed as well as robust, comprehensive yet not overburdening for investees, to ensure the fund meets its impact objectives. These metrics had to translate into a simple numerical impact score comparable to earnings per share, providing investors with a transparent view of the impact their capital had created. This research effort resulted in the creation Sustainable Investment Score (SIS).

GSCM's Sustainability Charter - the foundation of impact

Sustainability is an integral part of GSCM's mission and as such is fully integrated into the fund's investment thesis, strategy, decision making processes and governance. The Sustainability Charter, drawn up at the inception of the fund, defines GSCM's position and high-level objectives that drive investment decisions and provides the foundation for a proprietary impact measurement methodology. Sustainability is analysed at all levels of the fund's activities; from individual projects to portfolio construction and internal processes.

Sustainability is an integral part of GSCM's mission and as such is fully integrated into the fund's investment thesis, strategy, decision making processes and governance. The Sustainability Charter, defines GSCM's approach and high-level objectives that drive investment decisions through a proprietary impact measurement methodology.

GSCM Seeks To:

- Pursue net positive environmental, social and economic impact through the projects in which we invest
- Be a responsible local partner
- Apply best practice in our operations and business processes
- Comply with all relevant laws, regulations, treaties, conventions and agreements
- Be transparent about our approach, measure our performance and report our progress regularly
- Engage with stakeholders on environmental and social issues at the national and international level

GSCM Investments Aim To:

- Embed sustainable agricultural management practices
- Respect local peoples' rights of ownership and use of land and resources
- Adapt and build resilience to climate change
- Mitigate greenhouse gas emissions
- Add socio-economic value at the national level
- Enhance local capabilities
- Provide fair and safe working conditions
- Engage with local communities and other stakeholders
- Minimise negative environmental impacts including those from energy, chemical usage and waste

In Addition, Priorities for Investments Are To:

- Improve the social and economic well-being of local communities
- Improve productivity sustainably
- Enhance biodiversity
- Manage water sustainably
- Manage soil sustainably

The Sustainability Framework

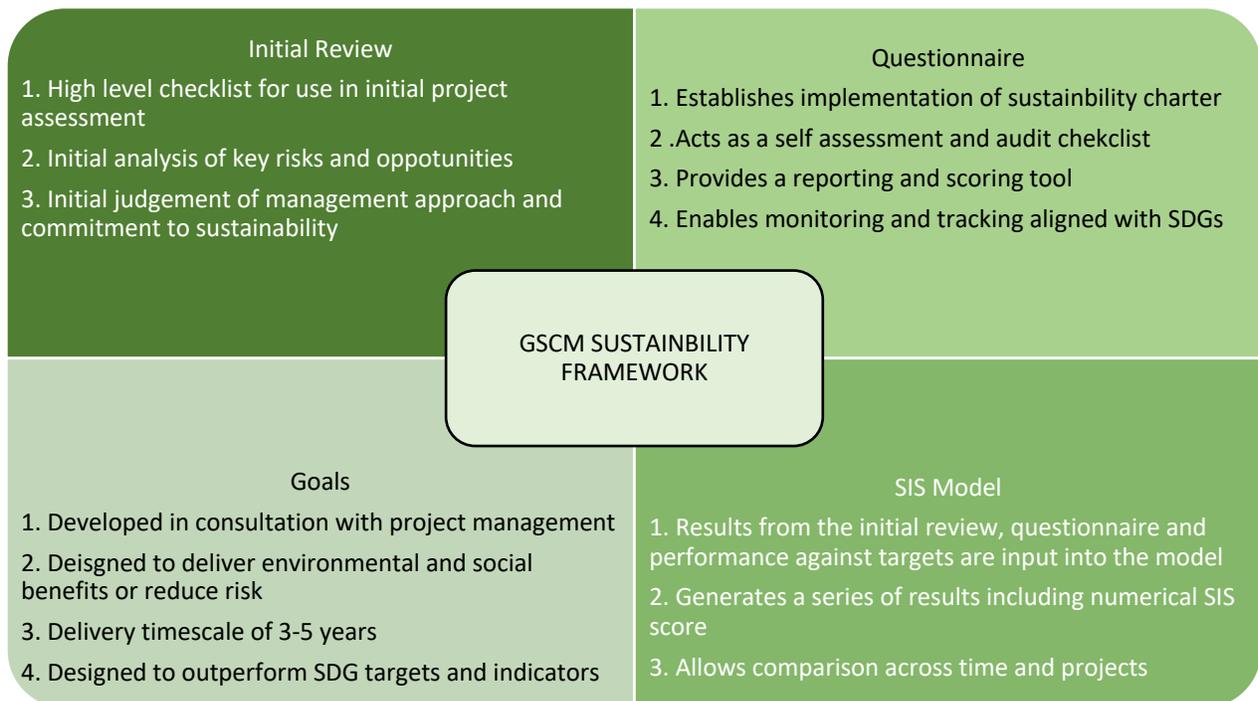
The creation of a proprietary Sustainability Framework

GSCM's Sustainability Charter and SDG mapping process described below provides the foundation for GSCM's approach to sustainability, however a robust process was needed to measure and track impact at the project level. An initial review of the leading impact methodologies, including Unilever's Sustainable Agriculture Code, allowed the fund to build on current best practices. Additional cross checks and consolidation of other approaches ensured the fund's approach didn't omit any key areas missing from individual methodologies.

Substantial work was needed to further develop this research into a system suitable for the fund's investment process. The impact measurement methodology needed to be incorporated into the investment process from the very start to ensure sustainability and impact were woven into all investment activities. The methodology needed to support a holistic yet detailed analysis and meet the needs of both project operators and investor reporting.

The following key criteria emerged:

- Transparent measurement of impact that is consistent across both time and investments
- A comprehensive scoring matrix covering all areas of a venture's' operations
- The ability to set and track management goals to ensure the improvement of sustainability performance
- An easily understood scoring system that facilitated investee engagement of impact
- A simple, numerical measure of impact for the purposes of investor reporting (similar to earnings per share)



Source: Global Sustainable Capital Management

GSCM's four step sustainability framework details the high-level process for evaluating how social, ethical and environmental risk and opportunity will be identified and assessed for projects. The approach outlined take into the account the following considerations:

- Sustainability will be integrated into general processes where practicable to ensure the focus remains on sustainable business practices and to reduce duplication and avoid waste
- Sustainability risks and their impacts can vary considerably across projects. For example, risks may not be proportionate to their size but more related to their nature or location. As a result, GSCM's approach must be flexible enough to apply to diverse projects, while also promoting a consistent approach, across different projects
- GSCM takes a risk-based approach to sustainability management whereby developers are asked to prioritise risks relevant to their specific requirements and locations
- Projects do not need to have a high initial standard of sustainability practice to obtain investment. However, project owners must be committed to moving to a high standard of sustainability performance over time
- GSCM evaluates at the potential and willingness of project owners to manage their production sustainably. The fund's value-add is achieving sustainability more effectively and efficiently than other investors
- Due diligence and monitoring are necessary to ensure knowledge about what is happening on the ground

The framework consists of the following four distinct stages:

1. Initial Review



With impact given the equal emphasis as financial returns, first consideration of the investment criteria must take place during initial deal screening and due diligence. Missing early red flags that could prevent investment would cause an unnecessary drain on the investment team's resources. In the same way management meetings complement financial models and forecasts, conversations with management and project operators allow the investment team to verify assumptions pertaining to impact.

The initial review is comprised of 33 questions which are covered during a phone call or in-person meeting.

The questions can be grouped into the 5 following areas:

1. Management
2. Investors
3. Operations
4. Country/region
5. Major risks and opportunities

Rather than be presenting a question-answer format, these topics drive a structured conversation, rich with qualitative data and used by the team to evaluate the opportunity. This

first step is important to overcome differences in understanding of impact terminology, and to understand the local context at both the country and operator level. Much of this context can never be conveyed in numbers or metrics, but it is important to understand. The initial evaluation also provides clarity around some borderline areas where it is determined if the project presents an impact opportunity or high-risk no-go deal breaker.

The outcome from the conversation is documented by the GSCM team that leads this stage of the process, capturing a summary of the 5 key topics in the project's sustainability file. The data is often referred back to at a later stage of the investment, since the nature of the conversation provides a useful reference point both to compare quantitative data, and also a context to interpret the improvement of impact scores over time.

2. SIS Questionnaire



After a deal has passed the early stages of the investment process, a more detailed picture of current operations is needed to establish an impact base case before investment. This base case is a reference point for calculation of impact created from GSCM's investment and project management and is also used to drive the creation of goals that proactively create impact in targeted areas.

The main tool for this second step of the Sustainability Framework is an annual survey completed entirely by the local project operator. The SIS Questionnaire is broken down into ten issue areas, each of which is broken into sub-categories with a total of nearly 200 individual indicators.

The ten high level issue areas are:

1. Sustainable management
2. Land rights
3. Local capabilities and Stakeholder Engagement
4. Working Conditions and Labour Rights
5. Energy and Greenhouse Gas Emissions
6. Waste
7. Biodiversity
8. Water
9. Soil
10. Economics/Ethics

Each indicator has an adjustable priority to determine how important the relative priority for project officers. The priorities for all indicators are decided on a project by project basis, led by the deal team's assessment of the major sustainability risks and issues. As an example, an indicator assigned priority 1 for a project that does not have the activity in place and has no plan to remedy this will result in a red flag or fail for the whole issue area.

Respondents' replies to each indicator are selected from a drop-down list, with different question types drawing on different standard answer lists. The response to each indicator generates a score, and the scores across each issue area are summed, normalised and expressed as a percentage to enable comparison across issues. For each of the areas and indicators, target dates

are agreed to achieve specific actions with progress tracked as the project develops. When an area falls below an acceptable level, a plan of action to remedy this is agreed with management and each project will be expected to meet a minimum score in each area.

The questionnaire is designed to enable projects to self-assess and is completed by the operator at the project location. The results of this comprehensive survey perform two functions. Firstly it provides a holistic and objective measure of the venture's operations which supports an accurate calculation of the impact created by the investment through comparisons with future surveys. Secondly it enables GSCM to identify a project's strengths and weaknesses with respect to sustainability, so that appropriate targets can be set and an action plan can be put in place to improve performance.

3. Goals

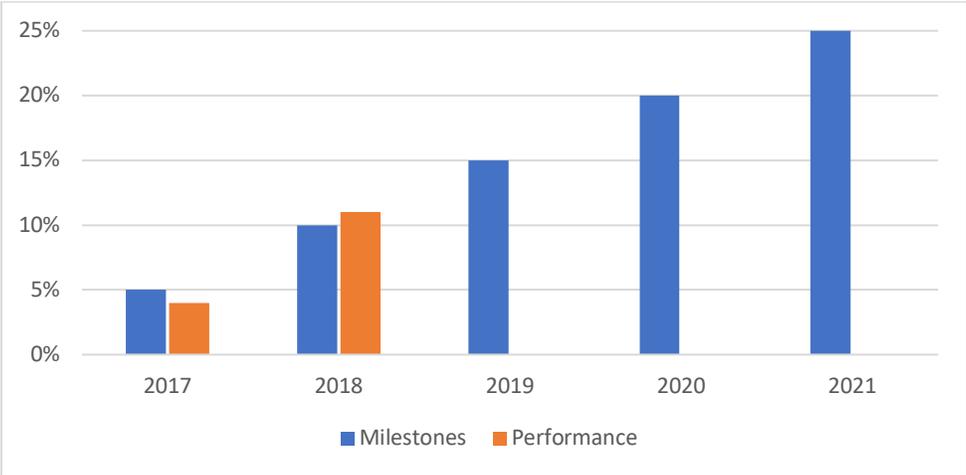


Before signing off on an investment, a comprehensive impact plan is drawn up by the company management but in close consultation with GSCM to ensure the impact goals have been agreed upon and can be realised.

Based on the assessment of the SIS Questionnaire in the previous step a series of target or goals are developed for each project. These are primarily intended to deliver social, environmental, or socio-economic benefit but may also be focused on reduction of risk. Where possible goals are designed to deliver a contribution to GSCM's priority SDGs (discussed below).

Targets and goals are developed in close consultation with project management and are specific to each project based on its material opportunities and risks. Targets and goals typically have a longer-term delivery than improvements in a project's individual indicators and as such each target or goal is given an annual milestone and is tracked and scored.

An example from the Sustainability Framework Dashboard of a recent Pineapple plantation project is shown below:



Source: Global Sustainable Capital Management

Other examples of previous goals and targets:

1. Support 100 small holder farmers with the goal of increasing their income by 25 percent by 2025
2. Source 75 percent of project requirements from local suppliers by 2021
3. Aim to achieve zero waste by 2021
4. Source 50 percent of the project's energy from renewable energy sources by 2025
5. Reduce water usage by 50 percent by 2020

These goals serve as the main guide for the sustainability improvements of investments. Whilst measuring sustainability on a recurring basis does provide an incentive for project operators to improve their operations, we find that most progress is made in areas that are subject to close scrutiny, with supervision and support from the fund.

4. SIS Model



GSCM's view is that impact measurement should not just provide a short-term change in project sustainability to meet investor's impact objectives. Instead, the fund seeks to create a structural change in farm operations and processes during the lifetime of the investment so that the impact is sustained well past the investment period.

With that said, there still remains a need to demonstrate to investors that in the short term the deployed capital is working to create the impact they seek. Thus, the last step in GSCM's Sustainability Framework is the SIS Model, a tool which aggregates a wide range of data inputs from the earlier stages to generate a 'Sustainable Investment Score'. The objective of this score is to provide investors with an easily understood and compared numerical metric comparable to EPS (earnings per share).

A project's SIS score is comprised of a weighted average of both the SIS Questionnaire and the goals. This weighting can be assigned for each project, depending if the objective is an overall improvement in sustainability indicators or a more targeted approach from the goals.

Before an investment is made, each project is assigned a target score and progress towards this is measured on a regular basis by the assigned GSCM project lead. The project lead works with GSCM's Sustainability Manager to develop an action plan to deliver the target SIS. A high priority is placed on delivering environmental, social and ethical value whilst adding to the value of a project. An example of this is the integration of small-holder farmers into a project's business model.

The integration of smallholders into projects is driven by the belief that there are mutual benefits for both poorer farmers and the business community. Linkages between small farmers and buyers can help make a significant contribution to local and national economic development, leading to improvements in both smallholders' livelihoods and the competitiveness of agricultural value chains. (FAO, 2015)

The initial and target scores generated by the SIS Model are among the core components of GSCM's investment decision process: The Investment and Risk Committee will only approve investments that are forecast to provide satisfactory absolute and relative economic and sustainability returns at acceptable levels of risk. The score also allows for the transparent measurement of impact in a way that is consistent across time and investments, communicable to investee firms and investors, and facilitates monitoring and reporting.

[Mapping GSCM's Sustainability Charter to the UNs Sustainable Development Goals](#)

One of the most widely used development frameworks is the UN's Sustainable Development Goals (SDGs). GSCM can help achieve these goals through the company's investment portfolio and the management of projects. In the early stages of the fund's development it was clear a thorough analysis and mapping of these global objectives was an important step in the development of GSCM's own sustainability processes. The exercise allowed the fund to align the areas in which it can have the greatest impact with the areas of greatest need.

The review process required GSCM to analyse the SDGs at every level; all 17 goals, 169 targets and 230 indicators. This detailed approach enabled GSCM to identify precisely where and how projects can address the diverse SDGs. This mapping process is a key step in focusing efforts and maximizing impact across all agents seeking to create positive impact through investment activities. (UN SDSN, 2015)

To ensure a rigorous approach was taken to identifying project contribution to the SDGs each one was assessed against GSCM's Sustainability Charter to identify where the fund's projects could make most impact. This involved scrutinising the underlying objectives, targets and indicators of each goal in detail. Each SDG was categorised as Priority, Material, Relevant or Not Relevant.

After the high-level mapping of each goal was completed, a rationale for the categorisation of each SDG was developed. The process of describing a rationale for each goal formed the basis of discussion amongst the Sustainability Team to ensure the mapping process was both thorough and contained all the detail and nuances of the fund's activities, which are not always clearly described in the UN's Indicators.

Whilst almost all of the SDGs are relevant to GSCM in some way, the fund is able to make the greatest contribution to the areas identified as priorities during the mapping process. In addition, GSCM can make direct contributions to issues that are material to its business.

A meaningful contribution to priority Sustainable Development Goals often comes from setting related management targets. Two examples from GSCM projects are to restore at least 100 hectares of degraded land to full agricultural productivity and end water scarcity for at least 100 people.

The Sustainability Framework dashboard

The Sustainability Framework's dashboard collates all the detailed information gathered during the initial review, SIS questionnaire, Sustainability Management Plan and SIS Model in one place. This visual representation is used to present progress in the project and highlight areas of concern when engaging with either management or investors.

Portfolio level considerations - GSCM's Portfolio Allocation Tool

GSCM's sustainability methodology is important not just at the level of individual projects, but also in the construction of a diverse portfolio of investments with the desired risk, reward and impact characteristics.

While it is important that financial return and impact should be correlated in impact investments, it is important to recognise that the relative impact between project varies. In addition, different projects may have very different impact priorities as a result of their individual goals and SDG alignment. As a result, GSCM integrates impact analysis into portfolio composition in the same way that portfolio theory allocates capital across opportunities to create a mix of investments with the desired risk and return profile.

To achieve the integration of impact into portfolio construction, GSCM has developed a Portfolio Allocation Tool. The tool scores projects across many metrics and establishes a multidimensional approach to evaluating potential transactions. By scoring each transaction on key parameters including country, commodity, operator, SIS score and SDG alignment and contribution, the goal is to take a more nuanced approach to portfolio allocation that covers key risk elements which may not be captured in financial models or simple risk analysis.

The Portfolio Allocation Tool thus provides the GSCM team with immediate feedback regarding how capital allocations affect the portfolio's impact. When constructing the portfolio, the tool can even support an interactive process of goal setting where a project's goals are set not just according the areas where impact can be created, but where it is desired according a particular portfolio's objectives.

Sustainability Impact Scores: Sample Output

	PROJECT A	PROJECT B	PROJECT C	PROJECT D	PORTFOLIO	
					MEAN	MEDIAN
INITIAL REVIEW SCORE	71	83	69	51	74	75
COMPLIANCE BREACHES	14	4	7	TBD	8	7.5
SUSTAINABLE AGRI PRACTICES	30	36	30	TBD	32	32

GOALS	0	0	0	0	0	0
SUSTAINABLE IMPACT SCORES	30	36	30	TBD	32	32
5 YEARS SIS TARGET	80	85	80	TBD	82	81
SUSTAINABILITY THESIS						
SUSTAINABLE DEVELOPMENT GOALS						
RECOMMENDATION	INCLUDE	INCLUDE	INCLUDE	TBD	APPROVE	

Source: Global Sustainable Capital Management

A view to the future of impact measurement

Every project undertaken provides GSCM further insights and context regarding impact within the specific country, crop and operator combination. As such, the sustainability framework is not fixed, but rather a flexible methodology that changes and adapts over time as new best practices are established.

An example of one such improvement was the recent launch of an online portal to allow portfolio companies to submit their SIS data through a web interface. The portal permits the capture of this data in a simple and straightforward fashion on any device. Whilst this is a small step, continuous improvement of the methodology and data gathering process using feedback from in-country operators is key to ensuring the ongoing validity and accuracy of the data collected. For impact investing to become mainstream, GSCM strongly believes impact measurement must be both robust and manageable for all parties.

We see the near-future being an exciting time for impact measurement. The provision of data services across emerging markets underserved to date, coupled with digitalization of data collection, storage and fully integrating the SDG’s will make all aspects of field data collation and analysis much simpler and quicker. New technologies such as blockchain to support supply chain transparency are currently being explored. These innovations promise to greatly aid the transparency of data collection and validation all the way down food supply chains right to the consumer.

GSCM is eager to connect with other leaders in this space, welcoming collaboration with those at the forefront of impact measurement. If the resources and approaches to tackle the challenges faced by investors are shared, the entire industry will progress faster towards its goal of making all investments impactful.

