

Getting started with social impact

A quick guide for businesses that want to learn more about social impact management

WHO IS THIS THIS FOR?

This is aimed for people that are interested in learning more about social impact management for businesses.

For those not engaged in the practice, it can seem a complex space full of acronyms that are currently void of meaning. If that is the case and you don't know where to start - start here.

This quick guide is a high level overview aiming to signpost the most relevant information. For more information you can read our report - [Solve for S](#).

If your organisation is already preparing impact metrics for the investors, the government or other external stakeholders, then you may already be familiar with the frameworks described here, or those parties might be prescriptive about the metrics they are interested in.

WHERE TO START?

Many people believe that the S is left behind and that tackling social issues is inherently hard. That isn't strictly true.

While some issues that fall under the Social umbrella are truly complex, others are far less so.

The workforce is a great example where many of the major standard setters* have great coverage of workforce indicators.

The workforce also benefits from a raft of laws and policies and there even a comprehensive database that you can upload information to, which is accessed by investors with trillions of dollars and who are interested in social impact.

So why not start where you have the most control. Start small, get your own house in order and expand from there.

* Standard setters provide libraries of decision-useful metrics for businesses to calculate and report on.

WHY IS SOCIAL IMPACT IMPORTANT?

- > **Social disclosures are soon to be mandatory for some businesses.** Global and national accountancy frameworks are lining up and preparing themselves.
- > **Increased transparency can be good for business.** Demands for a social licence to operate from staff, customers and local communities are increasing and demonstrating to investors that you take it seriously could unlock new capital.
- > **There is a moral argument.** Historically, many businesses have been hugely successful when they purposefully focus on positive social outcomes. Operating in this way is a win win for business and society. By caring about this you can get better talent, more loyal customers and long-term investors etc.
- > **External stakeholders demand it.** Some businesses now have more wealth than most nations in the world. While democratic countries have largely embraced open government and accountability, the same has not yet applied to business.

This diagram shows different categories of social impact, the amount of influence and control a company has, and how well supported it is by governance mechanisms like how to monitor and evaluate performance, policies and legislation.

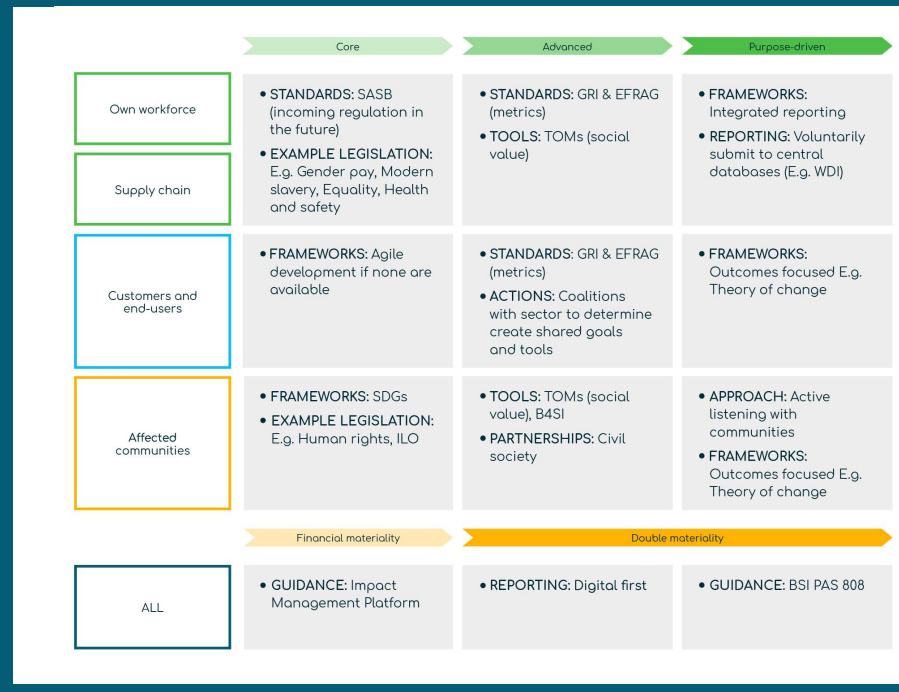


TOP TIPS FOR GETTING STARTED

We've compiled a list of actionable recommendations to get started:

- Keep an eye on upcoming regulation, accounting standards, and broader trends
- Know the change you want to make
- Form partnerships with intent
- Listen to the community
- Think local, with the big picture in mind
- Engage your workforce
- Take it seriously
- Start thinking about data collection and digitisation from the start

TOOLS AND FRAMEWORKS: If you are voluntarily engaging with social impact then you probably have the liberty of choice and you are able to use your discretion to determine which frameworks and metrics are most appropriate. The following are suggestions to explore, in order to explore and determine what is right-sized.



PARTNERSHIPS FOR PURPOSE

Civil society organisations, like charities, are well placed to work alongside businesses in helping them achieve their goals. There are many ways that you can partners with a charity, that range from a transactional towards relationship-oriented partnership. While there are benefits to all types, the rewards can be significant through a partnership approach.

Partnerships can:

- ✓ Help to further corporate purpose
- ✓ Create a social licence to operate
- ✓ Increase staff satisfaction
- ✓ Unlock financial incentives
- ✓ Benefit PR

