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**CORPORATE
SOCIAL IMPACT
AND ITS
MESURAMENT**

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Index

Table of Contents

Index.....	2
ABSTRACT	3
1. INTRODUCTION	4
2. MEASURING SOCIAL IMPACT.....	5
2.1 Definition of social impact. The logical model	5
3. THE IMPORTANCE OF MEASURING SOCIAL IMPACT	8
3.1 INVESTOR ACTIVISM.....	8
3.2 BUSINESS OPPORTUNITY	9
3.3 SOCIAL DEMAND.....	9
4. METHODOLOGIES FOR IMPACT MEASUREMENT	11
4.1 B IMPACT ASSESMENT	11
4.1.1 METHODOLGY	12
4.1.2 USERS AND BUSINESS EXAMPLE	12
4.2 LBG FRAMEWORK	14
4.2.1 METHODOLOGY.....	14
4.2.2 USERS AND BUSINESS EXAMPLE	16
4.3 MEASURING IMPACT FRAMEWORK.....	18
4.3.1 METHODOLOGY	18
4.3.2 USERS AND BUSINESS EXAMPLE	19
4.4 SOCIAL RETURN ON INVESTMENT (SROI)	21
4.4.2 USERS AND BUSINESS EXAMPLES.....	23
5. COMPARISON OF METERS.....	25
5.1 Application level	25
5.2 Participation of interest groups	25
5.3 Target sector	26
5.4 Participation in the organization that develops the methodology.....	26
6. CONCLUSIONS	27
bibliography	28

ABSTRACT

The objective of this study is to carry out a descriptive analysis in order to define and understand the concept of corporate social impact and analyze different methodologies for measuring this impact, to help companies select the model that best suits their needs. After selecting four methodologies applicable to the business environment, each of these methodologies is described, evaluated against different dimensions, and the entities that have developed the methodologies and the users who have applied them to date are presented — including illustration using a practical example of a business organization.

1. INTRODUCTION

In 2011 the European Union announced a new strategy regarding Corporate Social Responsibility, redefining it as "the responsibility of companies for their impact on society" (European Commission, 2011). Precisely to assume this responsibility for the impacts that a company generates on the society with which it lives and on the environment, it is key to identify these impacts, and once identified, to be able to measure and quantify them to determine their magnitude and act in the way that is necessary for these impacts to be positive.

The concept of environmental impact has been known by companies and society for several decades, and therefore, there are several methodologies that quantify this impact, such as water quality indices, different CO₂ emission meters, analyses the amount of rock that there is in the soil, for flood prevention... However, the definition and measurement of social impact are concepts that have recently appeared in the business environment, and therefore, there are still no methodologies widely accepted and adopted by most companies. The vast majority of companies publish their social projects and the resources dedicated to them, but not the impact or benefits that society derives from these projects or from the activity of the company in general.

The methodology of this work is based on a literature review on the concept of social impact and the analysis of different metrics of this impact, making a comparison of these so that companies can adapt these indicators in the most optimal way possible to their activity and commercial environment.

This study first defines the concept of social impact and the different benefits that companies obtain from measuring this impact, to continue exposing the four most interesting methodologies that have been considered after having carried out an exhaustive study of the matter. Finally, these indicators are compared in several different areas to summarize the information collected.

2. MEASURING SOCIAL IMPACT

2.1 Definition of social impact. The logical model

A first obstacle to measuring social impact is the lack of consensus on what this concept designates. The concept of "social impact" is very broad and can refer to everything that affects the quality of life of individuals and communities. The activity of companies generates multiple social impacts —both positive and negative—, through access to products and services, the creation of jobs, the training of workers, the construction of infrastructures, the transfer of technologies... (Ayuso, 2018). Although different definitions can be obtained depending on the authors consulted, there is some consensus among the different schools of social impact measurement on the "logical model", a basic scheme that breaks down the generation of impact.

This model consists of a scheme or table that follows the causal relationships that explain how certain resources, intended to make an activity possible, generate a certain impact. The logic model is a hypothesis about how the activity of a company or organization generates social value; a hypothesis that must be verified, precisely, with the same impact measurement (WBCSD, 2013).

The logical model consists of five steps —each with its respective indicators—, which are stages that explain the generation of the impact:

- **Inputs.** They are the resources that make an activity possible. The most common indicator when measuring them is the money invested in it (WBCSD, 2013), although the number of people, workers, etc. is also pointed out as an example.

- **Activity.** It is the activity whose impact is intended to be predicted or evaluated. The indicators may change depending on the specific activity. An example can be the development and implementation of programs or the construction of an infrastructure. (GECES 2014).

- **Outputs.** They are the tangible results of the activity. They could be the number of people receiving treatment, receiving a training program, etc.

- **Outcomes.** It is the change resulting from the activity in the population to which that, measured, is directed. Its indicators will depend on its specific definition. The WBCSD (2013) points out that, normally, they are the number of people who adopt a behavior or who receive certain opportunities (work or training, for example) or who can access certain goods and services.

- **Impact.** The impact is the change —or effects of the change— that is attributed to the activity analyzed. The impacts can be varied: reduction of poverty or inequality, promotion of education, etc.

The following table illustrates the five stages of the logic model, showing the example of a company that invests in developing, producing and selling tablets to purify drinking water. The company expects that with the sales of these tablets gastrointestinal diseases will decrease.

Table 1

<i>Inputs</i>	<i>Activity</i>	<i>Outputs</i>	<i>Outcomes</i>	<i>Impact</i>
budget invested in develop, produce and release to the market the pills that they purify water.	description qualitative of the sale of the product.	Quantity of product sold.	Quantity of purified water Consumed (percentage about the quantity of total water consumed in the population of study).	Decrease in diseases Gastrointestinal in the population studied, Compared with the figures prior to launch of the product.

Source: WBCSD, 2013.

The main limitation of this impact measurement system lies in the difficulty in some cases of differentiating between output, outcome and impact. But not only does this limitation exist, but when using this model to measure impact, it must be taken into account what proportion of the outcomes identified is directly attributable to the action taken. It is possible, for example, that some of these outcomes would have occurred even if the activity had never been undertaken (Fontrodona, Muller, 2020). Therefore, the effect of the activity being measured must be isolated from the effect of other causes, so that the outcome obtained is due solely to that activity.

These effects can be grouped into these four categories (Nicholls, Lawlor, Neitzert and Goodspeed, 2012):

- **Deadwight.** It measures the number of outcomes that would have occurred without the need to undertake the activity. For example (Nicholls, Lawlor, Neitzert and Goodspeed, 2012), an economic reconstruction program increases the economic activity of a region within a country by 7% over the duration of the program. However, in the same period, economic activity throughout the country increased by 5%. Presumably, economic activity in the targeted region would also have grown without the programme.

- **Displacement.** It measures how many outcomes achieved have been able to provoke others that were not counted on. For example (Nicholls, Lawlor, Neitzert and Goodspeed, 2012), a lighting system in a neighborhood manages to decrease the crime rate during the period studied. However, during that same period, it is discovered that the same rate has increased in the surrounding neighborhoods.

- **Attribution.** It measures the number of outcomes that are the result of the activity of other organizations or people. For example (Nicholls, Lawlor, Neitzert and Goodspeed, 2012), a bike lane reduces carbon emissions in a neighbourhood. However, in addition to this bike path, the city council has launched a public awareness program on ecology. To know what percentage of the reduction in emissions is due to the bike lane, you will have to calculate the percentage of those that are due to the citizen awareness program.

- **Drop off.** It measures the time that outcomes are expected to last and anticipates their wear or decrease. For example (Nicholls, Lawlor, Neitzert and Goodspeed, 2012), an initiative to improve the energy efficiency of social housing has great short-term success in reducing energy bills and carbon emissions. However, as time passes, the systems wear away and get replaced with cheaper but less efficient systems. Unless you have built up some historical data on the extent to which the outcome reduces over time, you will need to estimate the amount of drop-off.

Therefore, when you want to attribute a certain impact to a certain activity, you must discount the effect of these other causes (deadweight, displacement, attribution and drop off). After having explained the five stages of the logical model and having also pointed out the four types of effects that must be considered to efficiently assess the impact of the activity to be measured, we can better understand the two definitions of social impact that in this paper have been considered as more complete:

- The SROI Network (Nicholls, Lawlor, Neitzert and Goodspeed, 2012) defines impact as "the result of an effect on a population, after having attended to what would have happened anyways, the contribution of others and the period of time that the effect itself lasts".

- GECES (2014) speaks of impact as "the reflection of social outcomes in measurements, both long-term and short-term, adjusted for the effects achieved by other parties (attribution), those that would inevitably have occurred (deadweight), the negative consequences (displacement) and the effects that decrease with the passage of time (drop off)".

3. THE IMPORTANCE OF MEASURING SOCIAL IMPACT

Three actors are involved in the generation of impact (Reeder and Colantonio, 2013): those who originate it, those who invest in it and those who benefit it. Private companies and third sector entities are in the first of these corners: that of those actors who, through a series of activities and initiatives, contribute to generating social change.

This "triangle of impact" (Reeder and Colantonio, 2013) allows us to sort out the reasons why companies should measure their social impact: it represents a business opportunity, it is a tool for a growing investment activism – eager for their capital to be transformed into social improvements – and it responds to a growing social demand to know the impact of business activity.

3.1 INVESTOR ACTIVISM

Increasingly, a greater number of institutional and retail investors are devoting their resources to financing initiatives with a declared will to impact without having to give up profitability. Sustainable and responsible investment (hereinafter, ISR) has grown exponentially in recent years (GSIA, 2018; Fontrodona, Muller and Marín, 2020), thanks in large part to the public visibility given to the climate emergency.

However, sustainable finance is not only limited to financing activities that aim to mitigate climate change, but also targets other objectives, such as facilitating circular and inclusive economies, combating poverty or stopping corruption. This is, in fact, integrating environmental, social, and governance criteria (or "ESG criteria") into the definition of one's investment portfolio. Measuring social impact is a useful tool for investors looking for more than just economic returns to predict, evaluate and manage the impact of their investments.

All forms of ISR aim to limit the negative impacts of investment and optimize positive ones, so measuring social impact will always provide sensitive information to help make investment decisions. That said, among the different STRATEGIES of ISR (Fontrodona, Muller, 2020), two stand out in which the information that is accessed thanks to the measurement of social impact is especially relevant: shareholder activism and impact investing.

- Shareholder activism. With \$9.8 trillion in assets under management, this strategy is the third most widely used globally in ISR. It consists of committing to change the policies of the company in which you invest, either through voting at shareholders' meetings (proxy voting), or through campaigns and dialogue with the Board of Directors (engagement). For investors, measuring social impact is a way to monitor the destination

of their investment, while for companies it can serve to engage in dialogue with committed investors and activists. (Fontrordonate, Muller,2020).

- **Impact investing.** The measurement of social impact has gained in importance and experience thanks to this ISR strategy, whose main objective lies precisely in generating positive social and environmental impact, as well as financial return. The exercise of predicting the social impact of an investment has helped to create indicators, such as those developed by the Global Impact Investment Network (GIIN) and the IMP (2019). For its part, the know-how from impact investing has greatly paved the way for measuring the social impact of companies (Trujillo, Gómez, Canales, 2018).

3.2 BUSINESS OPPORTUNITY

Companies are the first interested in knowing in a detailed, quantifiable and solid way the impact that their work has on society; above all, those committed to a series of objectives related to corporate social responsibility (CSR), such as the fight against climate change or the 2030 Agenda. (Trujillo, Gómez, Canales, 2018).

The WBCSD (2013) and shcc (2019) synthesize the benefits of measuring corporate social impact on the following five major opportunities:

- Obtain "licence to operate" from governments and social partners, both locally and globally.
- Improve the business environment by demonstrating with data to governments and public authorities how business activity itself contributes to the achievement of social objectives.
- Strengthen the value chain and alliances with suppliers, distributors and sellers, by identifying and taking charge of the risks and dangers to which they are exposed in their work.
- Facilitate product innovation by striving to understand the needs and interests of different stakeholders.
- Optimize the management of the company's human resources, knowing and protecting at all times its security, availability, commitment and development (SHCC, 2019).

3.3 SOCIAL DEMAND

Increased awareness of the effects of business work on society and the planet motivates the demands that require companies to give reason for the social impact of their activity, for example, through the publication of a non-financial information statement (NFPS), as well as their measurement of social impact. In this sense, it should be noted that the

impact can be positive or negative, predictable or unpredictable, temporary or lasting (Nicholls, Lawlor, Neitzert and Goodspeed, 2012; WBCSD, 2013). Companies should try to measure, evaluate or predict quantitatively and qualitatively the impact on these dimensions, however difficult it may be.

A compelling reason for undertaking this exercise is the conviction — internal, of each company — that the different interest groups affected by a particular activity have the right to know the scope and impact of the activity. This internal conviction is the best cover letter for any outcome or evaluation of a comprehensive and transparent impact measurement. No one will blame a company for not having predicted an unforeseen negative social impact if, at the time, it did not put in place the means to assess the foreseeable effects, both positive and negative. For the same reason, it can be assumed that it will also be more natural to attribute to him any unforeseen positive impact that connects with his work. (Fontrodona, Muller,2020).

4. METHODOLOGIES FOR IMPACT MEASUREMENT

After the concept of corporate social impact has been defined and the main benefits that companies can obtain with this measurement have been exposed, in this part of the study the four methodologies that have been considered most relevant when measuring this impact will be exposed.

These methodologies have included both methodologies for measuring the impact of social projects and indicators aimed at measuring the impact of activities specific to the operating cycle of a company.

4.1 B IMPACT ASSESSMENT

The B Impact Assessment is a tool developed by B Lab to evaluate the social and environmental performance of a company. B Lab is a non-profit organization that has promoted the B Corp movement aimed at measuring the social and environmental impact of companies that apply this indicator. The B Corp movement was born in 2006 in the United States and has spread to Canada, Latin America, Australia and New Zealand and, since 2014, also to Europe. The evaluation positively scores business practices that go beyond industry standards and contribute to a positive impact on society and the environment. The evaluation criteria are updated every two years and overseen by B Lab's Standards Advisory Council, an independent committee from the business and academic world. (B Lab, 2021)

The business practices that this social impact indicator scores are divided into five aspects, called "impact areas" of the business: Governance, Workers, Community, Environment and Customers. The assessment balances reviewing the operational impact (day-to-day impacts of running your business) and impact business model (whether the intentional design of your company creates specific positive outcomes for one or more stakeholders).

Operational impact: Measures the day-to-day impacts of running business, such as the environmental impact of the company's facilities, the interaction with local communities, workplace, purchases and governance structure. This section is independent of business design or intent. In these questions, the BIA aligns with other best-in-class standards and rolls in other certifications. This means you earn points for other certifications your company has already earned. (B Corp, 2020).

Impact business model: Measures whether the intentional design of a company creates specific, positive outcomes for one or more of its stakeholders. This may be a product, beneficiary, business process or activity that the company has, such as annually donating five percent of revenue, being worker-owned, or serving an underserved market with your product or service. No other certification provides this review. (B Corp, 2020)

4.1.1 METHODOLOGY

The B Impact Assessment is a self-assessment that aims to comprehensively measure the impact of a company's business model, evaluating the following five performance categories through approximately 100 questions: 1. Good governance and transparency, 2. Workers, 3. Community (including suppliers, distributors, social organizations and customers), 4. Environment and 5. Business Model (B Corp, 2020). The evaluation uses the metrics of the Impact Reporting and Investment *Standards* (IRIS), along with additional criteria to arrive at an overall rating of the company, as well as specific ratings for the five performance categories. The questions have a specific score and weighting that varies according to the size (number of workers), the sector and the geographical location of the company (there are more than 50 variants of the evaluation questionnaire); the maximum score is 200 points. In case of not obtaining the minimum score required to continue with the certification process (80 points), the self-evaluation tool offers the company a guide of good practices that help it to improve its social and environmental impacts (and, therefore, to increase its rating), and a comparison of the results obtained in the five performance areas evaluated between the company and other similar companies. (Ayuso, 2018)

To carry out the evaluation, internal data of the company is required, such as financial reports, purchase expenses with suppliers, material listings, customer lists or projects of the last 12 months. Although the evaluation considers the impact generated for the main stakeholders of the company, it is not mandatory that these stakeholders participate in the evaluation process.

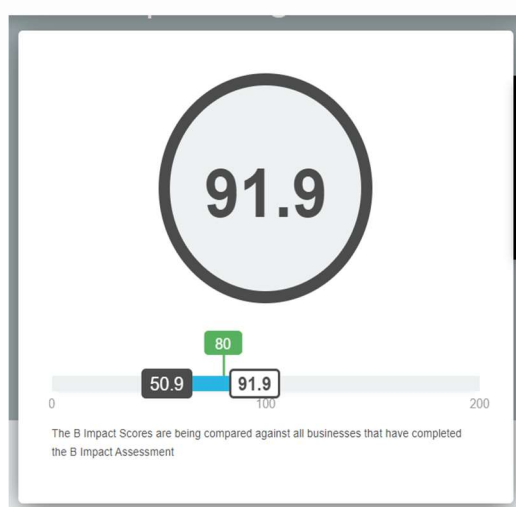
4.1.2 USERS AND BUSINESS EXAMPLE

The B Impact Assessment tool has been used by more than 40,000 companies around the world, of which more than 2,000 companies in 130 sectors have been certified as B Corp companies. Although most companies that carry out the evaluation are small and medium-sized companies, there are some examples of large companies that have chosen to be B Corp such as Patagonia, Ben & Jerry's, Danone or the Brazilian cosmetics

company Natura. In Spain, there are already more than 30 B Corp. companies. (Ayuso, 2018).

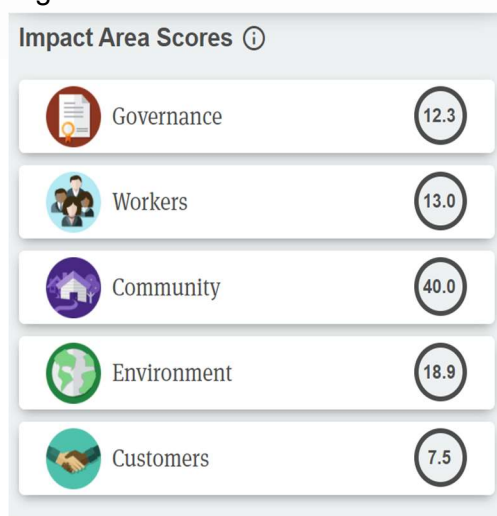
Como ejemplo de aplicación de este indicador se va a explicar el caso de Green Libros, una small business (less than 10 workers) located in Santiago, Chile that collects books that would otherwise be sitting in disuse and then sells them online with a portion of the sales going to promote reading programs and access to material. The company's administrators say that performing B Impact Assessment made them make a cultural change in the company and focused on the relationship with its workers. The following image shows the score obtained from this company using the B Corp. certificate (B Lab, 2021).

Figure 1



Source: B Lab

Figure 2



Source: B Lab

TABLE 2

Indicator name	B Impact Assessment
Year of establishment	2017
organization	B Corp
Definition/Objective	The B Impact Assessment is a tool developed by B Lab to evaluate the social and environmental performance of a company.
Application level	National level and global level

4.2 LBG FRAMEWORK

LBG Framework is an international model for the measurement, management and communication of social action initiatives and projects, unlike the indicators shown above, which were dedicated to measuring the impact of the company's activity in general, and not only to its social projects. In addition, LBG is also useful for the measurement, management and communication of projects of third sector organizations. It is based on a framework input (resources put by the company) and output (results obtained through inputs). (LBG Spain, 2021)

It is currently one of the most commonly accepted models by companies to measure the results of this type of action, since it allows the quantification and evaluation of the achievements obtained through the social contributions made. (Trujillo, Gómez and Canales).

LBG Framework in Spain (Grupo LBG España) provides all group companies with a tool called masimpact through which they can report, measure, manage and communicate information related to their initiatives and social action projects.

4.2.1 METHODOLOGY

The implementation of the ONLBG framework requires several steps (GUIDE TO THE ONLBG METHODOLOGICAL FRAMEWORK):

1. Identify: what are the activities developed by the organization for the benefit of the community.
2. For new projects: define the objectives of change, establish the baseline (prior analysis of the situation before the start of the activity), determine the sources of information and the times.
3. Record quantitative data: What resources has the organization put into each initiative?
4. Capture: What have been the results achieved? That is, what achievements, effects and impacts have been achieved. Finally, the Effects and Impacts for the Community (people, beneficiary organizations and environment), for the collaborator and / or donor and for the organization itself are analyzed.

To implement this implementation following the steps indicated, the ONLBG framework is based on three management fundamentals (ONLBG, 2015):

1. Allocation of Contributions to each project or initiative.
2. Capture of data of the Achievements obtained.
3. Evaluation and recording of the Effect and Impact produced by the activity.

Contributions

Contributions are the resources that the sponsoring entity and or its collaborators allocate to the projects. These resources can be: monetary, in time, in kind, in management expenses, or in structural volunteering. To assess these contributions, once it has been determined what type of contribution it is, the ONLBG framework classifies them according to four criteria: type of initiative, area of action, geographical scope and alignment with the Sustainable Development Goals and their goals.

Type of initiative: Depending on the company's involvement in the project, the ONLBG framework divides contributions into the following categories: own initiative, shared initiative and support initiative.

Area of action: There are twelve different areas of action: education, health, socio-economic development, environment, art and culture, personal autonomy and independent living, humanitarian aid, employment and entrepreneurship, institutional strengthening, strengthening of active citizenship, diversity and strengthening of family and others.

Geographical scope: international, national, regional and provincial or city.

Alignment with the SDGs and their targets: The ONLBG framework takes into account and allows the classification of actions according to the target or targets of the 2030 Agenda with which it is aligned and the degree of attribution of impacts.

Obtained achievements

Achievements are an expression of what happens or what is gained as a result of an initiative. Achievements are considered the direct results of the activities carried out: number of beneficiaries achieved, number of organizations supported, number of volunteers, value generated from presence in the media, etc.

Under the ONLBG framework, achievements are grouped into the following categories:

1. **Achievements for the Community:** Achievements for the Community refer to the direct beneficiaries, represented by quantifiable data that provide information on the initial success achieved

2. Achievements for the organization itself: In this section the ONLBG framework highlights the results for the organization promoting the initiative itself.
3. Achievements for the collaborator and beneficiary organization: The figure of collaborator refers to those entities that have a participation in the shared initiatives, such as companies or public administrations. As a result of its participation, the collaborating entity may obtain benefits with respect to its stakeholders, or in its brand or reputation.
4. Multiplier effect: The multiplier effect is the sum of the extra contributions to the project, which were not contemplated, or those made by persons or entities beyond the promoting organization or entities.

Impact and effect produced by the activity

The impact is the systemic change produced in people, organizations or environment, in the medium or long term. They are the ultimate objective of the interventions, that is, what wants to change the project and the initiatives deployed. In the ONLBG framework, effects are also integrated as impact (intermediate results that refer to changes in knowledge, attitudes, abilities and behaviors that result as expected direct consequences after executing the planned activities). Gathering data on the impact is the most challenging part and at the same time it is the greatest potential to demonstrate the social value provided, therefore, it is important that at the beginning of the process it is determined how the impact objective set is to be measured and the importance or necessity of its measurement is assessed.

4.2.2 USERS AND BUSINESS EXAMPLE

The LBG group is currently led by the consulting firm Corporate Citizenship and composed of various groups distributed in different countries of the world under the name of LBG International.

The LBG Spain group was formed on the initiative of the consultancy MAS Business in 2007 and currently has 20 member companies (LBG Spain, 2017). The companies of the LBG Spain group (the only companies that can use this model, since it is for the exclusive use of their members) use the model for the measurement of their social action. The nine founding companies (Abertis, Suez, Barclays, BBVA, Ferrovial, Gas Natural Fenosa, Iberdrola, Repsol and Telefónica) have been reporting on their contributions for years. (LBG Spain, 2021)

As an example of application of the LBG Framework, the case of Suez Spain is briefly presented. Since 2007 Suez Spain (formerly Grupo Agbar) quantitatively measures its contribution to the community through the methodology of the LBG model, and works year after year to improve the measurement process in all countries and companies. In this regard, it is worth mentioning the effort made to systematize data collection, improve information channels and train the people responsible for the programs in the use of the LBG methodology. The implementation of this methodology in all the Companies of the Group provides the company with a useful tool to identify, evaluate and communicate the social contribution, which allows a better management of the investment made and a better strategic planning.

According to the LBG model, the estimated value of Suez Spain's contributions in 2016 was 10.2 million euros, through very diverse initiatives that have benefited 1,400 entities and organizations and more than 235,000 people (Suez Spain, 2017).

TABLE 3

Indicator name	LBG Framework
Year of establishment	2014
organization	LBG Group, LBG Spain
Definition/Objective	LBG Framework is an international model for the measurement, management and communication of social action initiatives and projects
Application level	Local, national and global levels

Source: Own elaboration

4.3 MEASURING IMPACT FRAMEWORK

The Measuring Impact Framework is a methodology developed by the World Business Council for Sustainable Development (WBCSD) in 2008. The purpose of this indicator (as demanded by several members of the organization) is to help companies better understand the impacts generated by their activity and evaluate their contribution to socio-economic development in the communities where they operate.

Unlike other meters, the Measuring Impact Framework can measure the impact of your activity at any point in your operating cycle, and therefore it is not necessary for the activity in question to be completed. (WBCSD, 2008)

4.3.1 METHODOLOGY

The Framework is based on a four-step methodology que pretende medir la contribución al desarrollo social desde una perspectiva tanto del negocio como de la sociedad. It is rooted in a business approach and begins with measuring what business does through its business activities. The business activities are grouped into four clusters: 1. Governance & Sustainability (Corporate Governance and Environmental Management) 2. Assets (Infrastructure and Products & Services) 3. People (Jobs and Skills & Training) 4. Financial Flows (Procurement and Taxes). (WBCSD,2008)

Once the four types of activities within a company have been defined, this study will be dedicated to explaining the four phases that this indicator states in its guide (WBCSD, 2008) to carry out the measurement of impact. The four steps are as follows:

STEP 1 - SET BOUNDARIES

STEP 2 - MEASURE DIRECT AND INDIRECT IMPACTS

STEP 3 - ASSESS CONTRIBUTION TO DEVELOPMENT

STEP 4 - PRIORITIZE MANAGEMENT RESPONSE

Set boundaries

The Framework Methodology begins by helping companies set the scope and depth of the assessment. It is important that companies set realistic boundaries for this assessment based both on their available resources and the company's overall objectives of the assessment. (WBCSD,2008). Dentro de este parte del proceso la guía identifica cuatro apartados diferentes a tener en cuenta; Identify the objective(s) for the assessment, define the geographic area of the assessment, collect development context information and list key issues for the assessment area and finally select business

activities to be assessed.

Measure direct and indirect impacts

This step aims to help companies map their direct and indirect impacts and identify relevant indicators to measure the extent of these impacts. The direct impacts of a company on society can be inputs or outputs that arise from the day-to-day activities of a company, such as the creation of jobs within the firm, or the sale of a product. Direct impacts are to a large extent within the control of a company. The indirect impacts can be defined as the impacts that are created within a company' influence such as the creation of jobs within the supply chain or improved quality of life for the consumers who buy the product or service. (WBCSD,2008)

Assess business contribution to development

This step builds on the business' perspective of its impacts by assessing to what extent these impacts contribute to economic and social development within the assessment area. To do this the company must try to understand what is important or represents "value" in development terms to the stakeholders in the assessment area. As a result, active stakeholder engagement is recommended in this step. (WBCSD,2008)

Prioritize management response

In this last step the Framework is completed by helping companies prepare a management response. It is important that companies review their original objectives for the assessment and modify this step accordingly to ensure that these objectives are addressed. (WBCSD, 2008)

4.3.2 USERS AND BUSINESS EXAMPLE

The WBCSD is a worldwide association of more than 200 companies that works in the search for sustainable solutions for the whole company, society and environment. Forética is the representative of the WBCSD in Spain and is therefore equivalent to the Spanish Business Council for Sustainable Development. (Ayuso,2018)

As an example of application, the case of a project carried out by the Spanish company Gas Natural Fenosa will be explained. This project was developed in 2012 at the Bujagali hydroelectric plant (Uganda), where the company, through its subsidiary Gas Natural

Fenosa Operations & Maintenance, is awarded the contract for the operation of the plant (Gas Natural Fenosa, 2013). After conducting an analysis of the living conditions of the communities living in the vicinity of the plant, it was found that the keys to local socio-economic development were the eradication of poverty and the promotion of education. Through the use of the Measuring Impact Framework, it was determined that aspects related to suppliers, employment, skills and training, government and products and services had the greatest impact on the local development levers identified. Once these stakeholders were identified as the ones that had the most impact in terms of promoting local development, it was assessed among all of them which were the most important and a series of action plans were established to maximize the impact on the eradication of poverty and the promotion of education.

TABLE 4

Indicator name	Measuring Impact Framework
Year of establishment	2008
organization	World Business Council for Sustainable Development (WBCSD)
Definition/Objective	The purpose of this indicator is to help companies better understand the impacts generated by their activity and evaluate their contribution to socio-economic development in the communities where they operate.
Application level	Local, national and global levels

Source: Own elaboration

4.4 SOCIAL RETURN ON INVESTMENT (SROI)

Social Return on Investment (SROI) is a framework for measuring and accounting for this much broader concept of value; it seeks to reduce inequality and environmental degradation and improve wellbeing by incorporating social, environmental and economic costs and benefits.

SROI measures change in ways that are relevant to the people or organisations that experience or contribute to it. It tells the story of how change is being created by measuring social, environmental and economic outcomes and uses monetary values to represent them. (Nicholls, Lawlor, Neitzert y Goodspeed, 2012)

An SROI analysis can take many different forms. It can encompass the social value generated by an entire organization, or focus on just one specific aspect of the organization's work.

An SROI analysis follows a structure based on the logic model seen in the first part of this work, and includes six steps (Nicholls, Lawlor, Neitzert and Goodspeed, 2012):

1. **Establishing scope and identifying key stakeholders.** It is important to have clear boundaries about what your SROI analysis will cover, who will be involved in the process and how.
2. **Mapping outcomes.** Through engaging with your stakeholders you will develop an impact map, or theory of change, which shows the relationship between inputs, outputs and outcomes.
3. **Evidencing outcomes and giving them a value.** This stage involves finding data to show whether outcomes have happened and then valuing them.
4. **Establishing impact.** Having collected evidence on outcomes and monetized them, those aspects of change that would have happened anyway or are a result of other factors are eliminated from consideration.
5. **Calculating the SROI.** This stage involves adding up all the benefits, subtracting any negatives and comparing the result to the investment. This is also where the sensitivity of the results can be tested.
6. **Reporting, using and embedding.** Easily forgotten, this vital last step involves sharing findings with stakeholders and responding to them, embedding good outcomes processes and verification of the report.

Within these six phases in this work will highlight section 2(Mapping outcomes),since it can be considered the most important part of the whole process and from which it will be possible to determine the future of the rest of the analysis.

MAPPING OUTCOMES

To carry out this impact map, the SROI Network recommends using a schematic or table so that companies can apply it to their activities, and that will be used below to explain the different phases of the creation of this impact map.

Starting on the impact map

The Impact Map should be divided in columns, and it starts with information on the organization and the scope of the analysis from the project plan. After this, the second column must include stakeholders and intended or unintended change which are based on the stakeholder analysis completed in step 1 of the analysis. The last column on the Impact Map is for the company to record things that are needed to do at a later point as it goes along. Throughout this stage, the rest of the Impact Map is filled in step by step. (Nicholls, Lawlor, Neitzert y Goodspeed, 2012).

Identifying inputs

The inputs column is the next one to fill in on the Impact Map. The investment, in SROI, refers to the financial value of the inputs. It is needed to identify what stakeholders are contributing in order to make the activity possible – these are their inputs. Inputs are used up in the course of the activity – money or time, for example (Nicholls, Lawlor, Neitzert y Goodspeed, 2012).

Valuing inputs

When this impact map is carried out, activities will arise that cannot be monetized. If these activities are important for the activity of the company, they must be valued monetarily. To do this, it must be assigned a monetary value that represents the real value of these inputs. (Nicholls, Lawlor, Neitzert and Goodspeed, 2012).

Describing outcomes

SROI is an outcomes-based measurement tool, as measuring outcomes is the only way you can be sure that changes for stakeholders are taking place. The company has already set out the view of the intended or unintended outcomes that are expected, so but they need to check with their stakeholders to see if this view was correct. They may describe the effects differently to how the company would describe them. For this reason, the outcomes description column can only be completed after talking to your stakeholders. (Nicholls, Lawlor, Neitzert y Goodspeed, 2012).

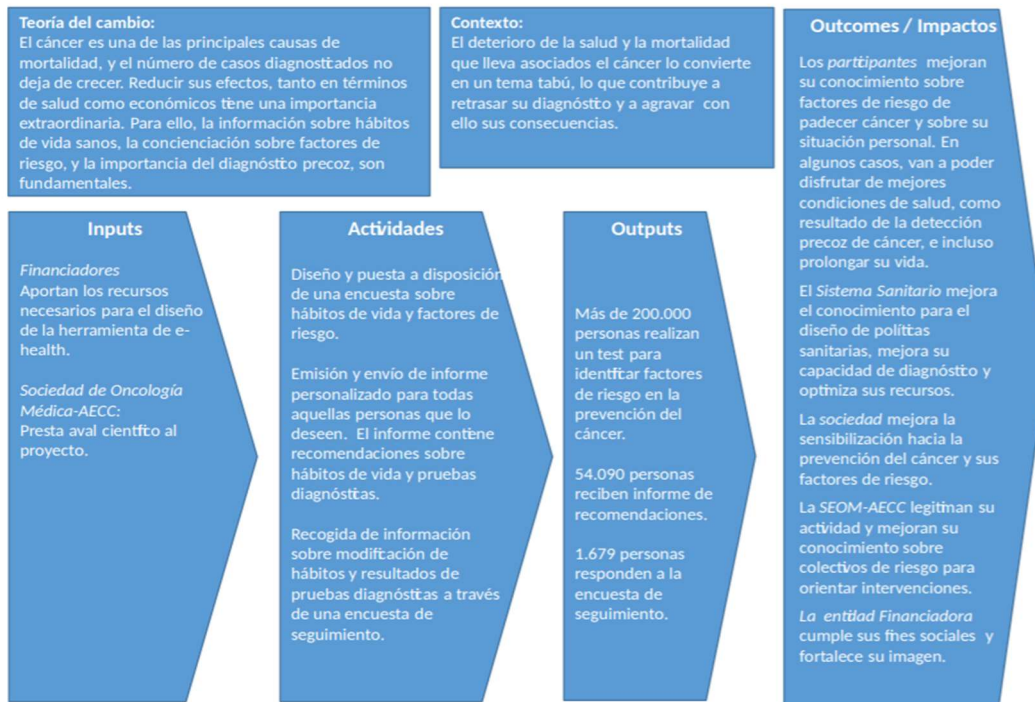
4.4.2 USERS AND BUSINESS EXAMPLES

The SROI methodology has been applied mainly in the public and social sector. In Spain, analyses have been carried out on activities such as Special Employment Centres (CEE) or in the field of health, as in the case set out below in the Tansolo5minutos project. (Ayuso, 2018) .

Cancer is one of the leading causes of death, and the number of cases diagnosed continues to grow. Reducing its effects, both in terms of health and economics, is of extraordinary importance. To this end, information on healthy lifestyle habits, awareness of risk factors, and the importance of early diagnosis are essential. TanSolo5Minutos (TS5M) is a social participation campaign that is launched with the aim of generating the first dynamic map of risk factors for cancer prevention, thanks to the identification of the respondent's zip code. (Fernández, López, Ariza, Ruiz, Tirado, Sianes, 2013).

The following figure shows the steps explained above, outlining very clearly all the stages of the SROI:

Figure 3



Source: Fernández, López, Ariza, Ruiz, Tirado, Sianes, 2013

TABLE 5

Indicator name	Social Return on Investment
Year of establishment	2012
organization	The SROI Network
Definition/Objective	Social Return on Investment (SROI) is a framework for measuring and accounting for this much broader concept of value; it seeks to reduce inequality and environmental degradation and improve wellbeing by incorporating social, environmental and economic costs and benefits.
Application level	Local and national level

Source: Own elaboration

5. COMPARISON OF METERS

After having seen the four meters of the business social impact that this study has considered most complete among all the existing measurement guides, we will now proceed to make a comparison between them, in order to synthesize the information exposed above and thus determine in a simpler way the most convenient methodology for each company.

This comparison will be made on four aspects: level of application, participation of stakeholders, the sector to which it is aimed and finally the ease of access to the measurement tool.

5.1 Application level

Although all the meters analyzed measure the social impact of companies, not all are designed to measure this impact on the same type of projects. The following table classifies the four methodologies as to what level of application can be performed.

TABLE 6

	Locally	National level	Global level
B Impact Assessment	No	Yes	Yes
LBG Model	Yes	Yes	Yes
Measuring Impact Framework	Yes	Yes	Yes
Social Return on Investment	Yes	Yes	No

Source: Own elaboration

5.2 Participation of interest groups

Although all methodologies recommend active participation, not all require this involvement on the part of stakeholders.

TABLE 7

	Participation of stakeholders
B Impact Assessment	It does not require the participation of stakeholders. The organization has sufficient information to perform the analysis with guarantees.
LBG Model	In order to successfully carry out this methodology and properly assess the impact of social projects, the information provided by the collaborating entities and the beneficiaries of the project is required.
Measuring Impact Framework	Although they recommend the participation of stakeholders, they do not consider it necessary.
Social Return on Investment	It is necessary to obtain information especially from stakeholders who have experienced a significant change as

	a result of the activity analyzed.
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Source: Own elaboration

5.3 Target sector

As explained in each of the sections in which the four different methodologies were analyzed, some of these methodologies are only aimed at social projects, some can only be applied to the activities of the operational cycle of a business, and others that can be applied in both cases. The following table summarizes this feature.

TABLE 8

	business activity	Third sector
B Impact Assessment	Yes	No
LBG Model	No	Yes
Measuring Impact Framework	Yes	Yes
Social Return on Investment	No	Yes

Source: Own elaboration

5.4 Participation in the organization that develops the methodology

Some of the methodologies analyzed can only be used by companies that are part of the group or the organization that has developed them. This can make it difficult for smaller companies that cannot access these organizations to access these methodologies.

TABLE 9

	Need to be a member	Available to the general public
B Impact Assessment	Yes	No
LBG Model	No	Yes
Measuring Impact Framework	Yes	No
Social Return on Investment	No	Yes

Source: Own elaboration

6. CONCLUSIONS

Currently there are different models and methodologies to measure social impact in the business environment, and a standard model has not yet been reached to report on it and to which all companies can attend. Therefore, companies must choose between the different existing methodologies (some of the most important have been exposed earlier in this study) those that best suit their business characteristics and those that best suit their final objectives.

This lack of consensus discussed above causes confusion in companies when choosing the right methodologies, sometimes causing deficient impact studies or that do not adequately represent the reality of the company. In addition, although there are several prestigious organizations in this area, there is no global organization that can be considered official when it comes to carrying out studies of the social impact of companies. This, together with the almost non-existent regulation of these reports, means that most companies do not sufficiently value the production of these reports. In the specific case of Spain, incentives for companies that publish these social results would encourage the realization of the same and would help to increase the prestige and valuation by the leaders of the companies and stakeholders of this type of reports.

Another aspect that is observed in all the methodologies analyzed is the lack of macroeconomic information on the social impact of the sector in which they carry out their activity or the country in which they operate. All the models studied focus on the impact that the company in particular causes without contextualizing them in the sector, thus making it difficult to detect if the possible negative effects are an isolated action or a global trend, and therefore making it difficult to take effective measures when it comes to reducing or eliminating these negative impacts.

However, it is inevitable to highlight that the reporting of this type of impact information is on the rise, and is increasingly valued by companies, public administrations and society in general. This growing interest in the subject will lead to further development in terms of methodologies and facilitate standardization and consensus in terms of measuring corporate social impact.

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