Implementation Guide: Reporting an Investor's Share of Investee Outcomes

IMPACT PERFORMANCE REPORTING NORMS

DISCUSSION DRAFT FOR REVIEW

April 2025

Implementation Guides provide practical guidance, resources, and examples to supplement the **Impact Performance Reporting Norms**. They are designed to help report preparers decide what information to include in their impact reports and how best to present it.

While each preparer may make different decisions based on their specific reporting needs, a common set of considerations informs disclosure-related choices. This Implementation Guide focuses on considerations for how entities choose to report a 'share of outcomes' associated with their investment.

We are inviting comment from report preparers, report users, independent reviewers, and other interested parties. You can share your input directly with the Impact Frontiers team or via email at info@impactfrontiers.org.

We welcome feedback on any aspect of this document but are particularly interested in the questions below:

> **Q1.** Should the investor's 'share of investee outcomes' be reported alongside or instead of the totality of outcomes generated by investees?
>
> **Q2 Is 'share of investee outcomes' the most appropriate term to describe the investor's proportionate share, or would another term (such as 'share of outcomes,' 'percentage of outcomes', 'associated share', 'apportioned outcomes' or 'adjusted results') be more suitable?**
>
> **Q3.** Do you agree with the suggestion to use the word 'attribution', or variations thereof (such as 'attributed share'), only if an investor is aiming to cause changes in outcomes that would not otherwise occur and is able to support these claims with contextual evidence?

This document provides guidance to reporting entities that choose to report a 'share of outcomes' associated with their investment.[1]

The main body of this document is structured into three parts:

1. Key concepts
2. Suggested approach
3. Reporting a share of investee impacts

Additionally:

- Annex 1 provides an overview of approaches to estimating a proportionate share.
- Annex 2 includes an illustrative worked example.
- Annex 3 offers further reading for those interested in the topic.

This guidance was based on a document review and was further informed by discussions with the community of report preparers, users and reviewers piloting the Reporting Norms.

1. Key concepts

An **impact** is a **change** in an outcome **caused** by an organisation. An **outcome** is the **level** of well-being experienced by an individual or group of people, or the condition of the natural environment.[2]

Investors contribute to the outcomes generated by investees by providing financial and non-financial resources. Typically, investors include all the results of their investees, making clear the performance being reported relates to 'investee outcomes'.

However, some entities also choose to estimate the **proportionate share of investee impacts** that can be associated with their actions as an individual investor, relative to those of other investors. **Apportioning** refers to dividing or allocating an outcome among different contributors. It does not imply causality but assigns a share of the total using a chosen methodology (e.g., based on inputs such as ownership percentage or investment size).

Box 1: Why report on the investor's share of investee outcomes and/or impacts?

There is ongoing debate about the extent to which investors can and should apportion – let alone claim credit for – outcomes generated by investees.

On one hand, reporting all outcomes without allocating a share to investors acknowledges that investees are the ones who bring about change through their products, services and operations - while investors play a supporting role. It also avoids methodological challenges of apportioning.

On the other, if investors claim all outcomes regardless of their role or level of influence, large and small investors alike - whether decisive or ancillary - may claim the same effect. In extreme cases, investors have noted that if one adds up the 'number of people reached' in all impact reports of all impact investors, the total number of people would be greater than the actual number of people in the world!

Some asset owners may therefore request the share of outcomes associated with the report preparers' investment, for example in an effort to avoid 'double counting' outcomes across multiple managers.

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[1] Reporting entities can be investment firms, funds or other investment vehicles.

[2] As a default, this document uses the term 'outcomes' because that is what many or most investees and investors report. The term 'impact' may be substituted by report preparers when appropriate.

Attribution refers to assigning causal responsibility for a change in an outcome (i.e., an impact).[3] If an investor claims attribution, they are asserting that their actions *caused* the change, or a portion of it (i.e., the outcome would not have happened, or would have been smaller or different, without their involvement).

2. Suggested approach

When reporting the outcomes and impacts of investees in Section 3 of the Reporting Norms, report preparers are not encouraged to estimate the proportion associated with their investment unless this is explicitly requested by report users.

The default approach in the Reporting Norms to disclose the totality of investee results – alongside investor contribution to these outcomes and impacts (see Box 2) - is due to both conceptual and methodological challenges of apportioning, such as:

- Assigning a share of investee impacts to an individual investor requires complex and often subjective decisions about the weight of the investor's financial and non-financial contributions.
- There is no established methodology that is applicable across outcomes and satisfies debates about factors such as timing and risk.[4]
- The collective nature of apportionment: Unless all investors undertake the exercise – then each individual investor is likely to over (or under) estimate their relative share.

Report preparers are therefore encouraged to report all outcomes / impacts of investees without apportioning them to any individual investor. To enhance clarity for readers, report preparers are encouraged to state that they are reporting the total outcomes / impacts of their portfolio companies, without adjustments. This can be done by:

- Including an explanatory statement in the main body of the impact report, such as *"We report on the total outcomes and impacts of our investee companies, without attempting to estimate the proportionate share associated with our invested capital"*
- When disclosing specific results, report preparers can re-iterate that outcomes and impacts are generated by investees. This may be especially helpful for readers who engage only with an Executive Summary or infographics. For example, instead of including a figure of "300,000 smallholder farmers reached" – which may create uncertainty about whether investor is claiming that this is 'their' impact - the result could instead be presented as "300,000 smallholder farmers reached by portfolio companies."

Box 2: Recap of Impact Performance Reporting Norms

Section 3 focuses on the outcomes and impacts of investees on affected communities and the natural environment.

Preparers are encouraged to report on each investee or asset individually, covering:

- Both positive and negative, intended and unintended results.

[3] The "ascription of a causal link between observed (or expected) changes" (OECD). Note: Attribution does not imply sole attribution. Outcomes are rarely the result of a single actors; they often reflect the influence of multiple factors, including other investments, external interventions, confounding variables, or broader market conditions (OECD).

[4] Guidance exists for some outcome areas, such as avoided emissions.

- The investor's contribution, including financial and non-financial inputs, to investee outcomes and impacts.
- Context to help interpret the level of outcomes and impact: Presenting results relative to targets and sustainability thresholds, indicating the extent to which results represent the views and experiences of affected individuals and communities
- Explanations to help understand impact performance: Including any data sources, assumptions or calculations and other methodological notes, including where evidence is stronger or weaker.

3. Reporting a share of investee outcomes

Investors may also, for reasons noted above, choose to report the share of results associated with their investment.[5] This involves apportioning investee outcomes among different contributing investors.

Report preparers are encouraged to include estimates of their proportionate share **alongside** total outcomes generated by the investee during the reporting period to provide readers with a complete picture.

Various methods can be used to apportion investee impacts. These are typically based on inputs provided by investors to investees – such as capital contributions and non-financial support. More complex approaches may also seek to account for the relative value of investor contributions, considering factors like timing and type of financing (e.g., catalytic capital). A summary of these methods is provided in **Annex 2**.

There is no universal methodology for apportioning investee outcomes; the approach should be tailored to the specific reporting context.[6] If choosing to report a proportionate share, report preparers should:

- Clearly state the adjustment factor: What the investee outcomes have been adjusted for (e.g., share of ownership).
- Disclose the methodology used, including key assumptions, calculations, and other methodological notes, in line with the performance 'explanations' suggested in Section 3 of the Reporting Norms.

Report preparers can also acknowledge any potential limitations in the estimate, such as those resulting from:

- The choice of methodology. For example, ownership-based pro-rating does not account for non-financial contributions and excludes debt and grant providers.
- Bespoke methodologies, which may rely on subjective factors, making the estimate less robust.
- Contextual factors. For example, external influences (e.g., other interventions, policy changes, economic shocks) may lead to over- or under-estimations of the investor's proportionate share.

Annex 2 provides a worked example of reporting an investor's share of investee outcomes.

[5] As well as reporting on each investee or asset individually, reporting entities may also report a proportionate share of investee impacts aggregated at the portfolio level.
[6] Including investor type, asset class and outcome area.

Where calculations are particularly complex (e.g., fund-of-funds structures, where an investor takes a share of a manager's share of investees), a methodological note or detailed calculation can be provided for transparency.

Suggested language for reporting an investor's share of outcomes could include:

- "Portion of investee outcomes linked to our role as investors"
- "Share of results associated with our investment"
- "Adjusted," "pro-rated," or "proportionate" share of investee outcomes.

Entities should avoid using the term "attribution" unless making a causal claim that changes in outcomes (i.e., impacts) occurred because of their investment and/or engagement.

This is because 'attribution' implies to readers that the outcomes would not have happened (or would have been smaller or different) without the investor's actions. Following the companion **Implementation Guide on Investor Contribution**, this would require analysis of an 'alternative scenario' (i.e. a counterfactual) to determine whether / how much of the change in outcome was actually caused by the investor.

One paragraph summary:

The default approach suggested in the Reporting Norms is to report total outcomes / impacts generated by investees, without adjusting for the proportion associated with report preparers' investment, unless explicitly requested to do so by report users. Report preparers can enhance the clarity of disclosures by clearly indicating stating that reported metrics refer to investees' outcomes and impacts.

When asked to apportion outcomes by report users, report preparers can choose the most suitable methodology for the investment context. They are recommended to include in their impact reports:

- The adjustment factor (e.g. share of ownership)
- Methodology used
- Any limitations in the chosen approach

  The use of the term 'attribution', or variations thereof (such as 'attributed share'), appropriate only an investor is aiming to cause changes in outcomes that would not otherwise occur and is able to support these claims with contextual evidence.

Annex 1: Common approaches to adjusting investee outcomes based on an investor's share of investment

The appropriate methodology for apportioning investee outcomes among different investors will depend on the goals and resources of report preparers and the needs of their report users. Report preparers may wish to select a methodology in conversation with their report users, based on those users' information needs and intended purposes in decision-making.

In general, preparers can consider two types of approach:

Approach #1: Proration by share of capital provided[7]

Investors most commonly apportion investee impact by prorating based on their amount of invested capital as a share of enterprise value. Investors may choose different methods of calculating proration, each with considerations outlined in the table below:

Method	Considerations
PCAF Standard (carbon accounting): • For listed companies, divide investment amount at stake by enterprise value including cash (EVIC); • For private companies, divide investment amount stake by total equity + total debt	• Credits debt investors for their role in enterprise growth
Assign attribution based on equity ownership as a percentage of enterprise total market value	• Easy to apply and commonly used by equity investors • May overattribute due to not accounting for debt capital • Valuation of equity changes as market valuations rise and fall
Assign attribution based on share of invested capital as a percentage of the value of total assets or liabilities as recorded in the enterprise balance sheet	• The value of the investment must also be at book value • Book value of equity changes as accountants revalue assets
Assign attribution based on the historical value of each investor's contribution to primary fundraising	• Not affected by subsequent valuation changes • Historical information may not be available • Not appropriate for investors who acquired equity at market prices in secondary transactions

Because enterprises may raise funds from different sources at different times, investors may need to determine how they will calculate proration when impacts cannot be neatly segmented into distinct amounts linked to distinct funding sources (e.g., incremental impacts from multiple fundraising rounds).

Approach #2: Adjusted proration

[7] Methodology proposed by the GIIN and outlined in The Partnership for Carbon Accounting Financials (PCAF) Standard

While relatively straightforward, proration based solely on investment amount may undervalue the benefits of additional aspects of investor input (both financial and non-financial). Preparers may justify a rationale for adjusting figures based on these aspects, as illustrated in the (non-exhaustive) table below:[8]

Aspect of Investor Input	Rationale for Adjusting Attribution
Timing of investment	Seed / early-stage investment may be considered fundamental to enterprise impacts achieved relative to later-stage investments.
Level of risk assumed	Investors assuming a higher level of risk (e.g., a first loss position) may consider attributing a larger share of results.
Type of capital	Some types of capital (e.g., growth capital) may be viewed as having a greater influence on impacts than others (e.g., maintenance capital).
Catalytic role	Some investments may mobilize additional financing for an enterprise (e.g., through leveraging instruments such as syndicated loans).[9]
Non-financial advisory services	Services such as technical assistance and capacity building may involve lower resource commitments than invested capital, while still driving greater impact performance.

Though the effects of these additional aspects may be significant, they can be difficult to measure and quantify. Preparers can enhance their estimates through:

- **A rules approach,** predetermining the relative value of different inputs, usually based on guidance developed for investment decision-making purposes;[10] or,
- **Estimation** by the investee and/or people experiencing impact, weighing the inputs of different investors in relation to one another.

[8] Adapted from DCED and Uk Government ICF guidance
[9] OECD and the World Bank have defined methodologies to assess the amount of additional private financing mobilized that can be attributed to Multilateral Development Banks (MDBs) and European Development Finance Institutions (EDFIs) by financing instrument.
[10] For example, see FMO Attribution Rules and the ACEF Simplified Attribution Tool (SAT)

Annex 2: Worked example

The example below is provided for illustrative purposes and is non-exhaustive. It is designed purely to inspire report preparers, not as a model or recommendation for any individual report preparer.

Note: For simplicity, the below example refers only to 'scale' metrics and does not account for other dimensions of impact such as 'depth' or 'duration.'

A venture capital fund holds a 60% stake in a pharmacy chain that since investment has made healthcare more affordable and accessible for 120,000 people. Over the reporting period, the investee has added 30,000 new customers.

Option A: Default approach

The fund reports on total outcomes generated by investees, without adjustment.

In Section 3, Impact Performance, investee outcomes are reported as:

Name of metric	Definition / rationale	Baseline (at investment)	Target	Performance over reporting period	Cumulative since investment
Number of patients with access to more affordable and accessible healthcare	Patients are those subscribed to the community e-health plan Affordable compared to alternative (e.g. pay per prescription) Community pharmacy model that has been shown to help patients, on average, save money	20,000 patients (2021)	300,000 patients	30,000 new patients in 2024	120,000 (Q4 2024)

In their impact report, the fund includes the figures:

- 120,000 patients reached by pharmacy since investment
- 30,000 new patients reached by pharmacy over the reporting period

Option B: Reporting a share of investee outcomes

The fund reports on total outcomes generated by investees, as above, but also presents an estimate of the proportion of outcomes associated with their investment.

In their impact report, the fund also includes:

- Share of investee outcomes associated with our invested capital: 72,000 patients since investment, and 18,000 over the reporting period.

They disclose the adjustment factor used (share of ownership) as well as the fact that the share is an approximation, and subject to the following limitation: The chosen approach does not account for non-financial contributions and may under-value the role of other investors, such as debt providers.

Option C: Claiming an attributable share of investee impacts

The fund reports on total outcomes generated by investees, as above, but also presents an estimate of the proportion of changes in outcomes (i.e., impacts) that can be attributed to their actions as an investor.

This is because the fund has an impact thesis to support innovative and previously overlooked investment opportunities that create health outcomes for low-income communities that would not otherwise occur.

Following the Implementation Guide on Investor Contribution, the fund discloses:

- The fund anchored the Series A financing round, which the company had previously been struggling to raise, and appointed a Board member to oversee allocation of R&D resources to scale the development of new product lines.
- These product lines were specifically aimed at lowering the price-point for pharmacy services.

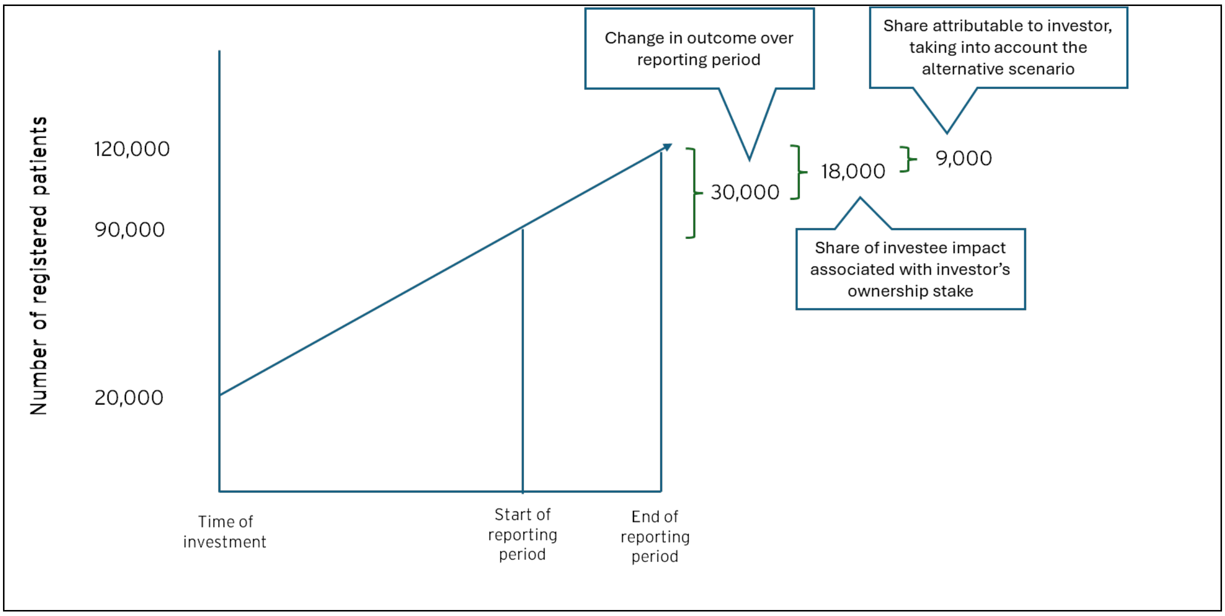
In their impact report and in communications with investors, the fund includes an estimate of the proportion of change in outcomes that can be attributed to their actions.

Recognising that other investors may have provided capital in their absence, the fund nonetheless believes their value creation activities have significantly accelerated the depth and pace of the pharmacy's impact. Comparing the difference relative to a likely counterfactual scenario, the fund calculates that, using a conversative estimate, half of the share of investee impacts associated with their investment would not have occurred 'but for' their actions. The fund therefore reports the following attributable share of impact:

- Share of investee impacts attributable to the fund: 30,000 patients since investment, and 9,000 over the reporting period.

They disclose the adjustment factors used (share of ownership and the difference between the observed and counterfactual scenarios) as well as the fact that the share is a rough approximation, and subject to a number of limitations.

The differences are depicted visually, below:


Change in outcome over reporting period
Share attributable to investor, taking into account the alternative scenario
Number of registered patients
120,000
90,000
20,000
30,000
18,000
9,000
Share of investee impact associated with investor's ownership stake
Time of investment
Start of reporting period
End of reporting period

Annex 3: Further reading

Matthijs de Bruijn. The Fundamental but Avoided Question of Attribution in Impact Investing. Steward Redqueen. 2017.

Gianluca Gaggiotti et al. How Investors for Impact Assess Contribution and Attribution. Impact Europe. 2022.

Global Impact Investing Network (GIIN). Compass: The Methodology for Comparing and Assessing Impact. 2021.

Lisa Hehenberger and Willemijn Verloop. The Attribution Challenge – Moving Beyond 100% Claims. impactInvestor. 2025.

New Economics Foundation. Small Slices of a Bigger Pie: Attribution in SROI. 2011.

Paddy Carter. Attribution (Not Contribution). British International Investment.

Project Frame. Project Frame Methodology: Evaluating Greenhouse Gas Impact for Early-Stage Investments. 2024.