

The Size of ESG, Sustainability and Impact Measurement & Management Market



— Impact Future Project —

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Aspire Impact is a social enterprise focused on ESG, Sustainability & Impact Assessments. Aspire Impact is India's first Impact Rating system, awarding Green Leaf, Silver Leaf, Gold Leaf or Platinum Leaf to corporations using an independent, standards-based 4P (Product, People, Planet & Policy) framework. It is also the Commissioner & Knowledge Partner of the Impact Future Project (IFP).



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Aspire Circle is a non-profit Trust which promotes enlightened social leadership. Founded in 2007, it builds and scales five impact communities through Scholarships, Fellowships, Internships, IFP (Impact Future Project) Community Leadership, and Impact Hub Community Partnerships. To date, Aspire Circle has awarded 34 scholarships, admitted 250+ Fellows and engaged 200+ IFP leaders.

Impact Future Project

IMPACT FUTURE PROJECT (IFP)

The Impact Future Project (IFP) is a thought-leadership platform and an “appreciative enquiry” about the imminent Impact Economy or Capitalism 2.0. The initiative is for the public good, to (a) generate transformative investment ideas, (b) develop standards-based impact measurement framework, and (c) design a digital platform for standards-based, ESG, Sustainability & Impact Assessments.



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— Impact Future Project —



AUTHORS

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Note from Authors

Dear Friends,

The global ESG, Sustainability & Impact movement is today an unstoppable force, with significant momentum around ESG and Sustainability and strong early movement around Impact. In fact, the ESG market may even be called a bubble with hyperbole around facts often shrouding reality. However, a few facts are irrefutable:

- It is well-accepted amongst institutional investors, that (A) ESG or Responsible Investing; (B) Sustainability or Thematic Investing; and (C) Impact Investing are three steps of the Impact Continuum, which have collectively attracted USD 59 trillion of AUM¹ in 2020 and representing the ABC of Impact: A=Avoid Harm, B=Benefit All, and C=Contribute to Solutions.
- Businesses and regulators are mirroring this classification to adopt ESG, Sustainability or Impact Reporting, based on legal mandates and the investor or stakeholder groups they wish to engage. Last year,
 - ~ **On ESG:** 95% of S&P 500 companies publicly disclosed ESG data and around 25% of Fortune 500 companies committed to achieving carbon neutrality by 2030.
 - ~ **On Sustainability:** 92% of S&P 500 companies; 75% of Top 100 companies in 49 countries; and 70% of Russell 1000 index companies reported on Sustainability in 2020, up from 65% in 2019.
 - ~ **On Impact:** There are now 5080 B. Corps in 155 industries across 80 countries; 3.2% of the world's population is engaged in social ventures; and 1/3 of start-ups are in Impact.
- As a result, the IMM market, which subsumes ESG and Sustainability measurement, evolved into a \$7.6 billion sector in 2020, growing at more than 14% CAGR since 2010 and is dominated

by MSCI, S&P, Bloomberg, Morningstar, Moody's and others. We believe IMM market must be reviewed across five segments: (i) Consulting and Services; (ii) Databases, Indices, Ratings, and Rankings; (iii) Software and Technology; (iv) Executive Education and Training; and (v) Principles, Frameworks, Standards, and Coalitions. Across these segments, we estimate that IMM will grow at 15% CAGR for the next 10 years to become a stellar \$31 billion sector by 2030.

Given this momentum, we believe India must not just embrace the movement towards ESG and Sustainability, but get ahead by leapfrogging to Impact, similar to the transition from landlines to mobile phones or BSIV to BSVI emission standards. Pertinently, ESG is already under immense pressure due to misleading ratings. Therefore, India needs to adopt Impact Standards-based Impact Assessment and Ratings more widely, like those proposed by Aspire Impact.

Aspire Impact's Impact Future Project, or IFP, last year published eight India-focused sectoral reports to catalyse Impact assessment, creating a unique co-authoring community of 200+ CXOs. This year, IFP publications have a global outlook. After the launch of India and the world's first set of Impact Standards for empirical and comparable Impact Assessments for corporations and non-profits, we are delighted to launch another first for the world: this market-sizing study for the integrated ESG, Sustainability, & Impact sector. We thank Aspire Impact's Knowledge Development team for helping build a 550+ organization sample size for this first bottoms-up study.

Sincerely,



Amit Bhatia
Founder & CEO,
Aspire Impact



Harpreet Kaur Ghai
Director,
Knowledge Development,
Aspire Impact

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¹ Per the Global Sustainable Investing Alliance

Foreword



Dear Readers,

I am delighted by the publication of this first estimate of the size of the global ESG, Sustainability & Impact Measurement & Management (or IMM) market. We are on the threshold of a new era, that of Impact Capitalism. Our transition to it is being driven by businesses and investors, and the growth of professional intermediaries who can support and empower them. This report identifies more than 550 such intermediaries. It establishes that the global IMM sector amounted to \$7.7 bn in 2020, and is expected to grow at 15% CAGR (2010-2030) to become a \$31.2 bn sector by 2030.

This report focuses attention on three important aspects worthy of further deliberation:

- It creates one IMM umbrella that unites ESG, Sustainability & Impact intermediaries in one sector, which mirrors the Impact Continuum (Avoid Harm, Benefit All, Contribute Solutions).
- It segments the IMM industry into five distinct sub-sectors: Consulting and Services; Databases, Indices, Ratings, and Rankings; Software and Technology; Executive Education and Training; and

Principles, Frameworks, Standards, and Coalitions.

- Finally, by focusing on the more than 80 M&A deals worth \$100+ bn, it foretells the imminent consolidation of the IMM sector.

The information contained in this publication will, I am sure, prompt many future efforts to develop our promising IMM sector. I congratulate Aspire Impact, Aspire Circle, Capgemini, Harpreet Kaur Ghai and Amit Bhatia on this seminal collective effort.

I also take the opportunity to thank the more than 550 intermediaries and others, who have not been included in this first report, but have contributed to the transition to impact economies that not only drive growth and profits, but also bring solutions to the great social and environmental challenges we face.

Sir Ronald Cohen
President & Co-Founder
GSG (Global Steering Group for Impact Investment)

Messages



This important global report is the first of its kind: a comprehensive analysis of the impact measurement and management industry,

which provides the essential support services to make ESG, sustainable and impact investing work in practice. With the climate crisis already creating

substantial harms, particularly to vulnerable populations, we know that investment for positive impact as well as financial return is crucial for all our futures. This report sets out the key “back office” mechanisms that make it possible for these investments to flow.

Cliff Prior
CEO,
Global Steering Group for Impact Investment



The following report captures the tremendous progress achieved across the impact investing field in recent years, shining a light on the importance

of impact measurement and management tools for the sector's continued growth with integrity. Philanthropy has played a critical role in seeding the impact measurement and management market, amplified by the work of field builders and

by critical regulatory milestones along the way. Looking ahead, we hope this report can help lay the groundwork for further progress, such as standardized impact data, metrics and measurement, which is an essential step toward fulfilling the promise of an impact economy.

Fran Seegull
President, U.S. Impact Investing Alliance
Executive Director, Tipping Point Fund on Impact Investing



Over the last decade, much work has been done to shape the tools of impact measurement and management. Translating that into practice is the

work now; to drive adoption at scale so the work of impact measurement and management can operate as intended. This report highlights how fundamental it will be to that task that we strengthen and grow intermediaries. Its mapping reveals the breadth of contributions being made and

the scale of the opportunity for existing and new actors. Equipping them to do this work with accountability and integrity will be critical to build trust and confidence over time and ensure we make progress in tackling major environmental and social challenges and drive more positive impact.

Prof. Rosemary Addis AM
Managing Partner Mondiale Impact,
Ambassador Global Steering Group
for Impact Investment,
Enterprise Professor Impact, Sustainability &
Innovation, University of Melbourne



Human kind aspires for purpose more than profits, for creativity, more than capital. Stakeholders are embracing these tenets and a fast-growing,

inclusive ecosystem, centred around sustainability is creating an important additional dimension to the essence of what capitalism should be. The challenges that climate change will bring are increasingly certain. The need to act now, to care for

the planet and create far-reaching positive impact, above and beyond, is now an urgent necessity. This Impact Future Project report is an important contribution to the sustainability movement. A valuable resource for anyone who wants to get a comprehensive overview of the ESG, Sustainability & Impact.

Navneet Munot
MD & CEO
HDFC Asset Management



The Impact Future Project continues to relentlessly engage and educate the world on all matters regarding the impact economy. The incisive

and much-needed market sizing study on ESG, sustainability and Impact sector is yet another comprehensive thought paper close on the heels of the 'Impact assessment Standards and framework' launched last year. The past decade has

seen businesses starting to embrace and adopt ESG standards as well as consciously work to create a positive change to the society and not focus only on profits. By adopting some of the principles of Impact Measurement and Management, companies can receive valuable ideas where they can reduce their negative impact and increase their positive impact.

Visalakshi Chandramouli
Managing Partner
Tata Capital Healthcare Fund

Sponsor Message



Dear Readers,

Capgemini is delighted to support and sponsor the Impact Future Project (IFP). We believe

the time has come when the idea of an "Impact Economy" must be mainstreamed. The pandemic has reminded us on the sustainable balance we must maintain with the planet and amongst the people. This will only be possible when all organisations, for- profits and non-profits, corporations,

and funds, transparently measure and report their impact. We believe the IFP is a significant thought leadership initiative in helping build this awareness and a greater imperative to act. IFP not just resonates our values and pursuits of a purposeful existence but takes us a step forward towards this envisioned impact future.

Anurag Pratap
VP & CSR Leader
Capgemini

Executive Summary

The ESG, Sustainability and Impact Measurement and Management (IMM) industry is relatively new and has only gained prominence in the last two decades. It emerged in response to the increasing demand from stakeholders for organizations to measure and report on their social and environmental impacts, in addition to financial performance. Consequently, it has rapidly grown into a \$7.6 billion industry with a promise of \$31.2 billion by 2030. We believe, the industry must be segmented into five distinct sub-sectors for superior analysis: Consulting & Services; Databases, Indices, Ratings, and Rankings; Software & Technology; Executive Education & Training; Principles, Frameworks, Standards, and Coalitions.

We profiled >550 players, bottoms-up, to come up with this first estimate of the IMM sector ever. The 15% CAGR between 2020-30 and the resultant 4x growth of the industry promises to deliver many winners. The significant market growth has been fuelled by the increased number and variety of players, which have grown by over 300% since COP1 in 1995. A high concentration of workforce is employed (~60%) by the Consulting and Services segment, with the Databases, Indices, Ratings, and Rankings, as well as the Software & Technology segments following closely behind. We conclude that the nascent IMM industry is highly fragmented, documenting the 80+ M&A deals worth more than \$100+ bn, and can envision imminent consolidation as IMM matures.

Global IMM Market



The Impact movement, with ESG, Sustainability & Impact investing at >USD 60 trillion, now constituting >40% of all professionally managed AUM, also presents a promising opportunity for India to seize the moment. Although India's share in global ESG, Sustainability & Impact investments is just north of 1%; her share in IMM is >1.5%, largely due to back-office operations of multiple global IMM players and a greater penchant for measurement

by our social sector, especially the regulation driven CSR impact reporting. India's national ESG reporting guidelines, called BRSR (Business Responsibility & Sustainability Reporting) are also over six years old! IMM can play a significant role in driving inclusive growth, achieving SDGs, and India's 2070 net-zero goal. India's share in the global IMM market is expected to be around 2% by 2030. Of the >550 players profiled, 50+ were based in India.

Indian IMM Market



The Advent of Impact Capitalism

“

The old order changeth, yielding place to new.

”

Lord Alfred Tennyson

This is as true today as it was during the industrial revolution in 1834, when Lord Tennyson wrote 'The Passing of Arthur'. This famed poem's central message is that change is the only constant in this world and old systems must make way for better, more advanced structures. Stagnation often leads to inadequate, unsatisfactory and corrupt systems.

Almost two centuries later, we are once again in a state of transition – this time trying to facilitate the evolution of Capitalism 1.0 – which once functioned as a catalyst to enhance wealth, improved standards of living, and inspired great innovations and products – into something which goes beyond wealth maximisation, something more purposeful. While the old economic system successfully grew global Assets under Management year-over-year to USD 123.5 trillion by 2021 (from USD 61.1 trillion in 2015); it created thousands of billionaires and millions of business owners richer and powerful, it left the masses poorer, inequities stark and the planet sicker.

Capitalism 1.0 did serve to meet some of our needs for safety and esteem but failed miserably in delivering on the demands for equitable, just, and inclusive growth. Profits alone are no longer the only returns expected from a business, and no longer serve as the only yardstick to distinguish one great business from another. The world

is in search of purpose and cares about Impact – leading to the emergence of a new vigorous phenomenon, called Impact Capitalism, or Capitalism 2.0.

Need and Genesis

Our forebearers left behind infallible wisdom about conserving and living in harmony with nature. Rachel Carson's powerful exhortation to humans to act responsibly for the sake of the planet in her seminal book *Silent Spring*, Nobel laureate Wangari Maathai's brave and mammoth task of planting millions of trees, the courageous efforts of environmentalists John Muir in the United States and Chico Mendes in the Amazon are just a few examples. Unfortunately, the world has failed to utilise this wisdom and consequently, has become enslaved to a system which has created such huge disparities that 26 of the richest individuals own as much wealth as 3 billion poor.²

Unaddressed issues of inequality, global warming, deteriorating human rights, poverty, and hunger has led the current generation to evaluate the consequences of their actions and move towards the pursuit of sustainable development. The idea of modern 'Sustainable Development' was born when the term was coined by the United Nation's Brundtland Commission. In its 1987 report 'Our Common Future', the commission defined sustainable development as "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs." Its genesis was heralded by, and its growth

² <https://time.com/5508393/global-wealth-inequality-widens-oxfam/>

was intertwined with, the publication of *Silent Spring* in 1962, the establishment of the IUCN in 1969, the passing of the US National Environmental Policy Act in 1969, the UN Conference on the Human Environment and birth of the UN Environment Program in 1972, India's Chipko Movement in 1973 and the OPEC oil embargoes in 1973 and 1979.

These circumstances and events converged into a movement – the Impact Movement – which is a clarion call to action for equitable, just, and environmentally sound economic development. The transition to an Impact Economy is an evolution from Capitalism 1.0 to Capitalism 2.0. It is expanding the role of businesses to include social and environmental considerations. The Impact movement is now on the path to turning capitalism on its head, creating Impact economies, and replacing the 20th-century risk-return framework with the 21st-century risk-return-impact paradigm. The transition is increasingly visible and pervasive across not just businesses but investing, policy and consumption too:

- In **business**, over 75% of Fortune 500 companies and all companies in the FTSE 100, CAC40, BSE 500 and JSE Top 40 now report on ESG. Over 92% of S&P 500 companies report on Sustainability.
- In **investing**, funding for Responsible, Sustainable, and Impact Investing has gone from zero in 2000 to \$59 trillion in 2020, accounting for >50% of total global AUM.

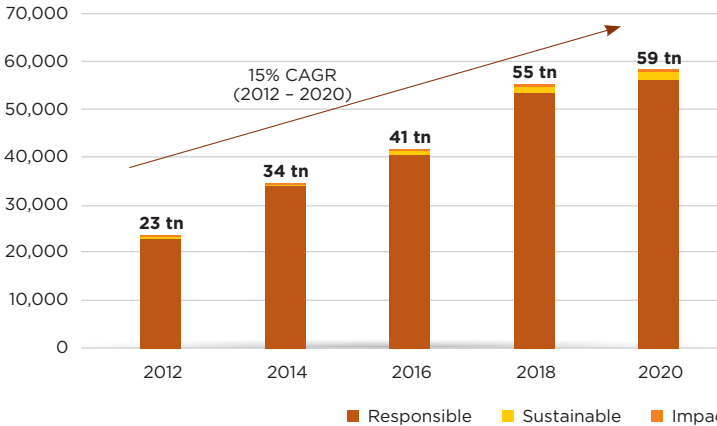
- In **policy**, budgeting and spending has moved from activities to outcomes. Policies and regulation reforms like the 90-10 Solidarity Funds in France, Opportunity Zones in the USA, Green investments in Holland, Social Value Act, Social Investment Tax Relief and Outcome Funds in the UK, new profit-with-purpose legal forms in South Korea and Thailand, are setting a scorching pace in this transition.

- In **consumption**, the Ethical and Responsible Consumption Movement has revealed that 66% of consumers and 73% of millennials are willing to pay more for sustainable products.

The pursuit of an Impact Economy is the pursuit of purpose. Purpose, as defined by the UN's SDGs, is to end poverty and hunger, provide healthcare, promote decent employment, and manifest economic and environmental well-being in every corner of the world. An Impact economy offers a “build back better” promise and provides a roadmap to achieve the SDGs.

In short, a global Impact Economy is emerging as individuals, enterprises and institutions pursue not just profit, but also measurable Impact. Each of these participants will be equally responsible and accountable in this imminent, unstoppable revolution. The Impact Economy will turn man's greatest invention – money – from being a malady to a remedy. It will make capital moral again. And we may just have a shot – to not breach the 2.0-degree Celsius global warming red line.

The Impact Economy

THE IMPACT CONTINUUM	C. Contribute to Solutions																																
	B. Benefit all stakeholders																																
	A. Avoid Harm																																
IMPACT IN BUSINESS	ESG Reporting: 95% of S&P 500 companies had publicly disclosed detailed ESG data; ~30% of Fortune 500 companies committed to achieving carbon-neutrality by 2030	Sustainability Reporting: 92% of S&P 500; 75% of Top 100 companies in 49 countries; and 70% of Russell 1000 index companies published Sustainability reports in 2020, up from 65% in 2019	There are now over 6000 B. Corps in 155 industries across 80 countries; 3.2% of the world's population is engaged in social ventures; 3.7% run established social ventures; 1/3 of start-ups are in Impact																														
IMPACT IN INVESTING	 <table><caption>Impact Investing Growth (2012-2020)</caption><thead><tr><th>Year</th><th>Responsible</th><th>Sustainable</th><th>Impact</th><th>Total</th></tr></thead><tbody><tr><td>2012</td><td>23 tn</td><td>0</td><td>0</td><td>23 tn</td></tr><tr><td>2014</td><td>34 tn</td><td>0</td><td>0</td><td>34 tn</td></tr><tr><td>2016</td><td>41 tn</td><td>0</td><td>0</td><td>41 tn</td></tr><tr><td>2018</td><td>55 tn</td><td>0</td><td>0</td><td>55 tn</td></tr><tr><td>2020</td><td>59 tn</td><td>0</td><td>0</td><td>59 tn</td></tr></tbody></table> <p>Source: GSIA</p>			Year	Responsible	Sustainable	Impact	Total	2012	23 tn	0	0	23 tn	2014	34 tn	0	0	34 tn	2016	41 tn	0	0	41 tn	2018	55 tn	0	0	55 tn	2020	59 tn	0	0	59 tn
Year	Responsible	Sustainable	Impact	Total																													
2012	23 tn	0	0	23 tn																													
2014	34 tn	0	0	34 tn																													
2016	41 tn	0	0	41 tn																													
2018	55 tn	0	0	55 tn																													
2020	59 tn	0	0	59 tn																													
IMPACT IN POLICY	Impact and fiduciary duties (US) Impact Reporting Standards (Brazil)	Specific legal form (US, S Korea, Thailand & UK) Fiscal Incentives (US & France) Impact in Procurement (S Korea, UK)	Outcomes Commissioning (151 impact bonds in 29 Countries) Two \$1bn outcome funds in the making (Africa & India) 2 Wholesalers in operation (BSC, SIA) 3 in process (Canada, Japan, S Korea)																														
IMPACT IN CONSUMPTION	66% of global consumers, including 73% of millennials, are willing to pay more for sustainable goods.																																

Era Analysis

The disruption of traditional investing in the form of Impact Investing actually evolved at the beginning of this century when several events converged. John Elkington mooted the idea of the triple bottom line in 1994; the first COP to the UN Climate Change Conference was held in Berlin in 1995, Triodos Investment Management was founded 1999, the UN launched the MDGs in 2000; Acumen and Aavishkaar in 2001, Bridges Fund

Management in 2002, and responsAbility in 2003; the UN PRI were created in 2006; Muhamad Yunus won the Nobel prize for social entrepreneurship in 2006 and Al Gore for fighting global warming in 2007. Crucially, 2008 brought the coining of the term 'Impact Investing' at a Rockefeller meeting in Bellagio.

The growth of the Impact Economy can be understood through the timeline as outlined below.

Early beginnings	Movement Establishment	High Growth
<ul style="list-style-type: none"> • 1928: The first publicly offered SRI fund, known as the Fidelity Mutual Trust, created by Quakers • 1962: Rachel Carson's Silent Spring published • 1969: IUCN established • 1972: The Stockholm Conference on the Human Environment • 1973: India's Chipko movement • 1979: OPEC's Oil Embargos • 1980: IUCN's Global Conservation Strategy for Sustainable Development launched • 1987: Brundtland Report published 	<ul style="list-style-type: none"> • 1990: Triodos Investment Management created in Netherlands • 1992: Earth Summit – The Rio Declaration • 1994: Triple Bottom Line proposed by John Elkington • 1995: COP1 takes place in Berlin • 1997: Kyoto Protocol agreed • 1999: 1st Impact Investment Firm Triodos Investment Management born in The Netherlands • 2000: UN launches MDGs • 2001: Acumen, an Impact Fund, born in the USA • 2002: Bridges Fund Management, UK's first Impact Fund launched • 2002: Aavishkaar, India's first Impact Fund launched • 2005: UN PRI created • 2006: B Labs founded in USA to create a B Corp certification for for-profits • 2006: Nobel Prize for Muhamad Yunus for Social Entrepreneurship (Micro Finance) • 2007: Nobel Prize for Al Gore for Global Warming Advocacy 	<ul style="list-style-type: none"> • 2008: The term "Impact Investment" coined at a Rockefeller meeting in Bellagio • 2009: GIIN launched • 2010: World's first SIB created • 2011: India issues NVGs • 2012: World's earliest Impact Investment Wholesaler Big Society Capital created in the UK • 2012: India makes ESG or BRR mandatory for Top 500 companies • 2014: India's Impact Investors Council created • 2015: UN launches the SDGs • 2017: G7's Global Steering Group for Impact Investment, founded in 2015, sets up its Secretariat • 2018: Greta Thunberg's strike outside the Swedish Parliament, Fridays for Future strikes worldwide • 2020: Aspire Impact launches world's 1st standards-based Impact Ratings • 2021: India converts BRR to BRSR, mandatory for Top 1000 companies • 2021: COP26 in Glasgow, Scotland • 2022: Loss and Damage fund established at COP27 in Egypt

The Role of the Stakeholders

“

There is no power of change greater than a community discovering what it cares about.

”

Margaret J Wheatley

Capitalism 2.0-motivated communities care about people, planet, and policy ahead of profits. In this idealistic, more evolved version of the economy, stakeholders

are expected to play an active role by encouraging, demanding, and participating in the change. As the Impact Economy emerges and moves towards maturity, each stakeholder's role and responsibilities will also undergo a transition. While considering stakeholders, we think of consumers, shareholders, and investors mostly, but there are more players whose roles will emerge and come to the forefront as economies mature. The meaning of rewards will change for stakeholders, and they will play initiative-taking roles to enable new Impact markets.

8 Key Stakeholders

Stakeholders by level of maturity	Seeding	Burgeoning	Mature
Asset allocators	Major allocators adopt screening requirements	Allocators of all sizes apply "no negatives" requirements at minimum	Broad targeting and support of impact enterprises
Fund managers	Narrow range of investment products for institutional clients, targeting relatively few sectors	Wider array of investment products, including some retail offerings; broader sector coverage	Comprehensive array of institutional and retail products; sophisticated financing models
Social entrepreneurs	Small-scale enterprises with limited public profiles	Large- and small-scale enterprises with greater visibility	Numerous large social enterprises with strong reputations and experienced leaders
Governments	Desire to learn from other countries and to introduce pilot programs supporting the impact economy	Substantial reliance on pay-for-performance schemes; increased support of social enterprises	Policies that incentivize the continuous development of impact economy
Social-sector organizations	Small-scale efforts to seed and launch enterprises according to proven models	Greater investment in R&D to drive business innovation and talent acquisition	Consistent generation of ideas for large-scale enterprises; endowments are invested for impact
Intermediaries	Primary function is defining and explaining "rules of the road"	Major functions include convening stakeholders and promoting knowledge exchange	Independent rating agencies and professional-certification bodies create transparency and establish economy-wide norms
Consumers	Participation largely limited to communication and dialogue; some spending directed toward social enterprises	Closer alignment of stated preferences and spending pattern signals that narrowing of the attitude-behavior gap	Impact-oriented purchasing is a mainstream practice; active engagement with companies regarding key causes
Media and analysts	Intermittent coverage that treats impact enterprises as curiosities	Serious coverage of impact economy featured frequently in business press	High-profile coverage of impact economy, on par with coverage of traditional businesses

Source: Catalyzing the growth of the impact economy, McKinsey & Company, October 2018

Evolution of the Impact Measurement and Management Industry

“

You can't improve what you can't measure.

”

Peter Drucker

This quote by management guru Peter Drucker holds true for Impact too. Economic systems that aspire to focus on Impact need ways and means to measure, evaluate, manage, and maximise the social and environmental outcomes of organisational endeavours. GIIN for example, defines IMM as a continuous process of understanding the people and planet, setting financial and social goals, and defining intentions and constraints—to be able to deliver and improve Impact (mitigate the negative and maximise the positive impacts, in alignment with one's goals).

Shareholders, since long, have based their decision-making around investing on financial results. Of late, there is an increasing demand from shareholders and other stakeholders to estimate the non-financial returns as well. Plus, the world needs a tremendous amount of capital to achieve the SDGs by 2030. Clearly, capital cannot stay locked in unproductive, ineffectual projects or businesses. To direct

it to deserving, purposeful avenues, Impact investors need Impact measurement approaches and tools, along with ways to report and communicate the findings. This is not being demanded just by investors. Consumers are increasingly interested in gaining knowledge about various aspects of businesses, including their carbon footprint, sustainable sourcing practices, employee ratings, and more.

Rising Motivation for Measuring and Managing Impact

Entities of all types are more conscious of their Impact and are also realising the importance of presenting the results, both for stakeholder's consumption as well as for improving their own processes.

There are innumerable benefits entities can reap along the journey that can range from a simple risk management plan to radical business transformations.

These motivations further encourage and guide independent and governmental agencies, accounting bodies, and private players to bring in effective reporting frameworks and standards, build innovative tools, or create decision-critical data products and catalyze the rise of the impact measurement and management market.

Motivating Circumstances for Impact Measurement and Management

Regulatory Compliance	A BRR is mandatory in India since 2015 for the Top 500 listed companies. BRR was modified to BRSR in March 2021, including some SDG metrics, and made mandatory for the Top 1,000 listed companies in India from FY 2022-23. Also Sep '22 change in the limits of expenses incurred towards impact assessment that can be considered as CSR spend (to 2% of the total CSR expenditure for that FY or INR50 lakh, whichever is higher). The change in the limit will enable companies to undertake meaningful impact studies especially for entities that are involved in large CSR projects.
Investor Compliance	Investors, particularly DFIs like CDC Group Plc and IFC require their Funds (GP) and enterprise investees to submit Impact Reports. CDC has its own Impact Measurement Handbook and an Evaluation & Learning Program. IFC too has its own Harmonised Framework for Impact Reporting, Fund Operating Principles for Impact Management, and ESG Performance Standards.
Risk Management	Sustainability and ESG factors have the potential to materially influence the long-term performance of a business and the value it creates. Blackrock, the world's biggest asset manager, reiterates that climate risk is investment risk. A Norges Bank Corporate Sustainability Reporting paper states that "companies' exposure to and management of sustainability risks and opportunities can affect their value creation."
Fund Raising	Leapfrog regularly reports its Impact Results and has raised over \$1.5 bn to date for its Impact Funds. Aavishkaar Group, with over \$1 bn AUM, also has a history of regular Impact reporting, has raised 6 Funds and mobilised over \$400 mn for Impact investments.
Brand Building	Companies like Tesla, Starbucks, Bloomberg, Ather Energy & NSDL e-Gov have all regularly published their Impact reports (the latter two companies by Aspire Impact), highlighting their journey and commitment to creating Impact, and pursuing the mantra, "profit with purpose." The Impact reports have enhanced their corporate citizenship and highlight their Impact leadership.
Innovation & Best Practice Adoption	In the 10 years starting in 2007, 433 companies listed on the Shanghai and Shenzhen stock exchanges proved, using hierarchical regression analysis, that corporate Environmental, Social, and Governance initiatives have direct positive impacts on innovative performance.
Future Readiness & Competitive Transformation	As the world shapes Capitalism 2.0, aka Impact Capitalism or a global Impact Economy, companies are preparing for an era of Impact Transparency, including Impact Accounting, Impact-Weighted Profits, etc. Standards and frameworks are evolving to enable this future. Future readiness may involve a multi-year corporate DNA change and Impact Assessments help inform such a transformation. This resonates particularly well with family-owned and multi-generational businesses.
Authentic Conscientiousness & Citizenship	The G7, G20, business chambers and investors are all professing commitment to the UN SDGs. Embracing sustainable development is more than an ethical and responsible choice. It is a global necessity to build a sustainable, equitable and poverty-free world. Many corporations (e.g., Tata Group) and investors (e.g., Temasek) are embracing this as a statement of authentic conscientiousness and citizenship.
Attracting Talent	Measuring Impact helps creates an edge for attracting talent as the workforce, especially millennials, increasingly make decisions about employment based on a company's Impact.

The Solutions Landscape

It is evident that the global quest to measure Impact scientifically is underway. Unfortunately, the proliferation of frameworks, standards, approaches, principles, methodologies, technologies, etc., is leading not just to a problem of plenty and fragmentation of the market, it might also delay global consensus and standardisation. In attempts to be unique, these multiple choices can be confusing for corporations, investors, non-profits, and governments alike. We, however, believe that this is the natural course for the maturity of the global ESG, Sustainability, & Impact market. Innovations will ultimately converge and breakthrough to the ideal path for the world, and for that, we must let a thousand flowers bloom. It is also expected that given the diverse scale, motivation, resources, design, and complexity of projects and programs, there may never be one global standardised, comprehensive method for such measurements. We believe governments and regulators will set the minimum standards for ESG, Sustainability, & Impact reporting, but independent standards and frameworks, which allow corporations and investors to show leadership using a higher bar, will exist and prosper.

Currently, motivated by law and practice, qualitative and quantitative ESG, Sustainability, & Impact data is being collected at unprecedented levels. Jurisdictions are developing ESG and Sustainability reporting regulations. Some of the initiatives are pan-global, while others are specific to certain regions. Quite a few disclosures are voluntary, but regulators are increasingly mandating greater transparency.

In this publication, we use the term IMM market to refer to all segments of ESG, Sustainability, & Impact measurement, management and reporting. We chose the words IMM as they reflect the most comprehensive and highest-level view of the three-step Impact continuum of ESG, Sustainability, & Impact, often referred to as the ABC of Impact: A for Avoid Harm, B for Benefit All, and C for Contribute Solutions. Moreover, we believe, given the overlap of KPIs measured, commonality of actors and congruence of objectives, that we must view this as an integrated set of practices, i.e., as a discipline or science.

The IMM market or landscape can be carved into five distinct areas or segments for market-sizing, for clarity of understanding the forces at work. It includes providers of frameworks that define a standardised process, methodologies that are used to evaluate data, and approaches that value impacts. In addition, there are databases and rating agencies that add to the mix. Assessors and auditors also come in to stamp the authenticity of the social projects. Established consulting companies are diversifying into ESG advisory, along with new dedicated players who are coming in to help companies systematically use ESG considerations in their investment decisions or develop a corporate strategy around the same. Software technology and tools provide the much-needed scale, speed, and accessibility. Educational institutions are also gearing up to fill the skill gap in the market. The existing solutions landscape is a fine matrix of different constituents, each with a specific role and focus.

The IMM market, including all the above segments, is expected to grow 4x to \$31.20 bn by 2030, from \$7.6 bn in 2020.

Methodology

The following pages present overall market growth, divided further by segments. Apart from measuring growth by revenues, an attempt has also been made to explore the market from different dimensions, such as geographic location of companies, number of employees, and focus strategy, i.e., pure play vs. diversified. The base year has been taken as 2020 and the growth has been measured over a period of two decades: 2010-2030.

Sample Selection

Please also note that for the purposes of this forecasting, a sample size of 550+ companies was used, which according to our research is a good representation of the IMM universe. Any other market forecast attempt including any more or a smaller number of companies, may potentially lead to a different market size.

Data Collection

The companies were shortlisted by the Aspire Impact research team through secondary research. Data has been collected through company websites, financial statements, and third-party databases.

Data Accuracy

All data collected has passed through a basic quality check. All analysis has been based on the numbers as found through various sources. In case of differing data, researcher discretion was used to select the most appropriate one.

Forecasting Method

Forecasts are based on run-rates computed using a bottoms-up approach, based on the growth rates of a sample of 550+ companies and non-profits. Forecasts have also been moderated and triangulated through other third-party estimates for various sub-segments.

Impact Measurement and Management Market Summary

Market (2010-2030)	Global ESG, Sustainability, and Impact Measurement and Management Market
Market Size	31.20 bn (2030); 7.68 bn ³ (2020)
CAGR	15%
Forecast Data	2025, 2030
Segments Covered	Consulting and Services; Databases, Indices, Ratings, and Rankings; Software and Technology; Executive Education and Training; Principles, Frameworks, Standards, and Coalitions
Inclusions	ESG, Sustainability, and Impact measurement and management actors
Exclusions	<ul style="list-style-type: none"> Our analysis focuses solely on IMM tools and software in the Software and Technology sector. It does not cover technology spending for sustainability initiatives like technology consulting, green technologies, and systems integration. A 2022 NASSCOM - McKinsey report estimates this global technology spend to be USD 150-250 billion by 2030. We also exclude generic reporting, business intelligence, and dashboard solutions such as Power BI/Tableau. In the Consulting and Services sector, we do not include Environmental Impact Assessment (EIA) agencies, including those licensed by Governments. For example, India's Ministry of Environment has licensed over 200 firms for EIA on new projects. Additionally, our analysis does not cover internal IMM tools or training provided to captive portfolio participants by Incubators, Accelerators, Foundations, Development Finance Institutions (DFIs), and other Investors.

³ 1.2% of revenues of ESG, Sustainability, and Impact investing.
We have assumed 1% revenues on \$59 TN AUM for the purpose.

Market Size and Sub Segments

1 MARKET VIEW: GROWTH 2010-2030

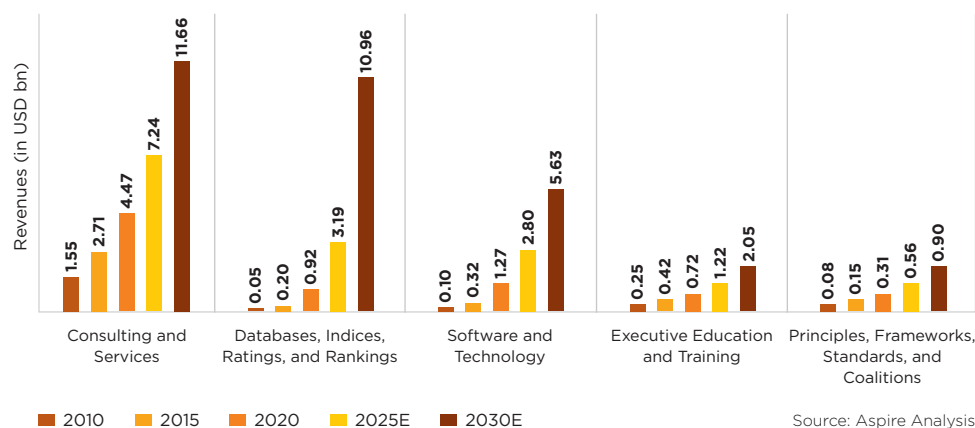
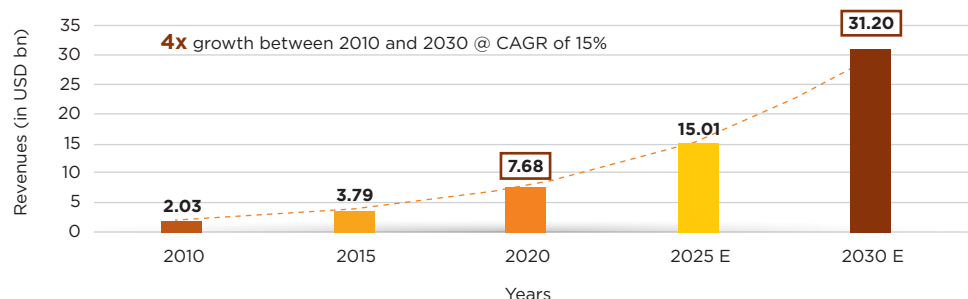
The mainstreaming of the ESG, Sustainability, & Impact market, or IMM, means it is likely to be worth ~\$31 bn by the end of this decade, riding on increasing demands for solutions that can possibly

save the world from the catastrophic effects of global warming and social inequities. The market has grown at an exciting CAGR of 14% between 2010-2020 and is expected to grow at 15% CAGR till 2030.

ESG, Sustainability, & Impact Measurement and Management Market

Growth from 2010 - 2030

Sample Size: ~550+ players



At present, the market size is around \$8 bn, with revenue streams from five different market segments, namely, (i) Consulting and Services; (ii) Databases, Indices, Ratings, and Rankings; (iii) Software & Technology; (iv) Executive

Education and Training; and (v) Principles, Frameworks, Standards, and Coalitions. Consulting and Services will remain the biggest segment, while Databases, Indices, Ratings, and Rankings is expected to see the steepest growth.

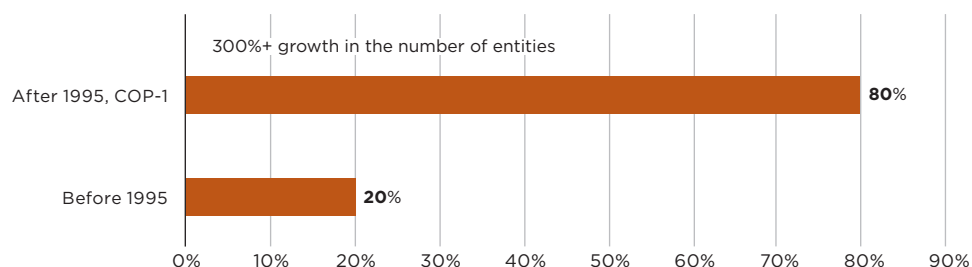
2 MARKET VIEW: GROWTH BY YEAR OF BIRTH OF COMPANIES

The vertical has seen stupendous growth in the number of players either entering the market for the first time, or existing businesses diversifying into ESG, Sustainability, & Impact. Overall, if we divide the birth period into before and after 1995, when the first COP met in Berlin, we see a near 303% growth in the number of players. Basis the data of companies used

in the forecasting exercise, there were around ~100 players in the market before 1995. Years post-1995 have seen an addition of around 400+ companies. Most young companies can be found in the Software & Technology segment, accentuating the fact that the world needs technology more than ever to drive companies towards their net zero destinations.

Market Growth by Entities' Year of Birth

Sample Size - 550+ players



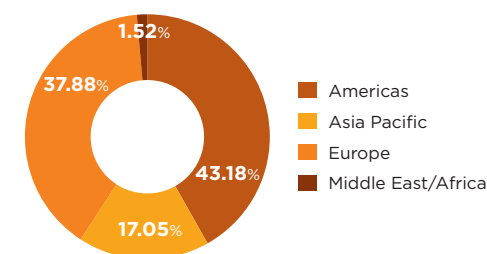
Source: Aspire Analysis

3 MARKET VIEW: GEOGRAPHIC DISTRIBUTION OF COMPANIES

A look at the headquarter countries of the market players suggest that the Americas are at the forefront of this revolution, with a 43% market share, closely followed by Europe at 38%. Asia-Pacific shows good promise, with much action coming in from India and Singapore. The Middle East/Africa has a long journey ahead to come any closer to the other regions.

Market Share by Geography

Sample Size - 550+ players



Source: Aspire Analysis

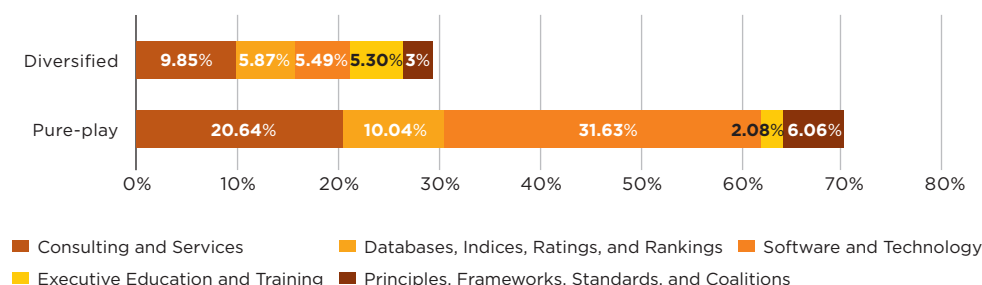
4 MARKET VIEW: SPECIALIZATION

Close to 3/4th of the companies considered for forecasting are “pure play”. This is an encouraging trend, highlighting the fact that companies are now more focused on making adoption of IMM mainstream. Most diversified players exist naturally in two segments: Executive Education & Training, where legacy universities now offer ESG, Sustainability, & Impact-focused courses along with traditional courses; and in Consulting and Services, where we see

the world’s largest firms diversifying into these solutions. The Software & Technology segment sees a high concentration of niche players who are trying to meet the rising demands from companies struggling to collect Impact data, by helping them find their way through multiple reporting formats for regulatory and voluntary reporting requirements. Trends show emergence of numerous companies in the decarbonization/ carbon accounting space of late.

Market Share by Specialization

Sample Size - 550+ players



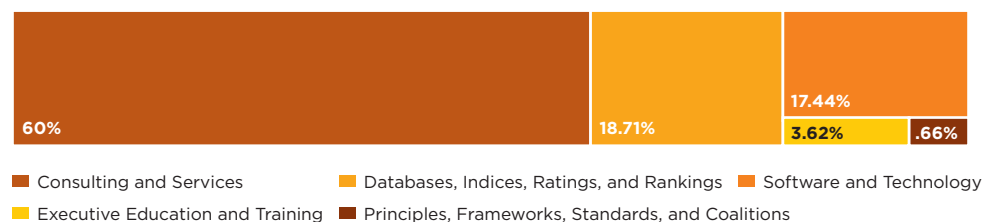
5 MARKET VIEW: OF WORKFORCE DISTRIBUTION

The market shows a high concentration of the workforce in Consulting and Services, followed by the Databases, Indices, Ratings, and Rankings, and Software & Technology segments. Faculty numbers in Executive

Education are dismal bringing attention to the fact that the world cannot be ready with enough research and sufficient content and pedagogy to educate and prepare talent for the new roles unless this vertical is sufficiently staffed.

Market Share by Workforce Distribution

Sample Size - 550+ players



Segment-wise Growth: Insights

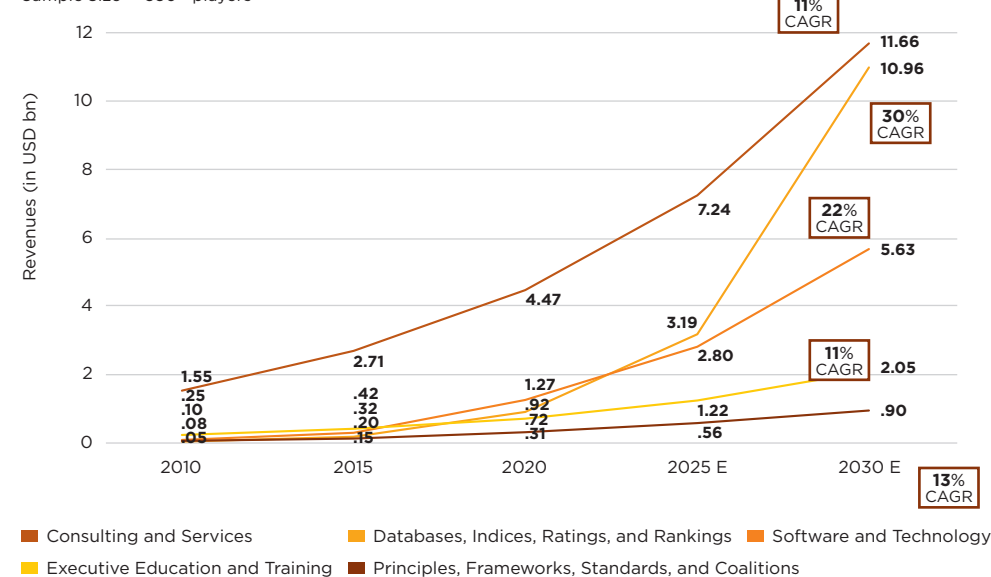
IMM Consulting and Services will grow from \$4.47 bn in 2020 to \$11.66 bn by 2030, accounting for about 1% of the global Consulting and Services market, which will cross \$1 TN by 2030⁴. Databases, Indices, Ratings, and Rankings will grow from \$0.92 bn in 2020 to \$10.96 bn in 2030, marking the steepest growth at 28% CAGR, and accounting for 1.6% of the global \$684 bn market by 2030⁵. The IMM Software & Technology market will similarly grow to

\$5.63 bn by 2030, up from \$1.27 bn in 2020, even so accounting for just 0.3% of the global \$16 TN IT global market by 2030⁶. Impact Executive Education & Training will become a \$2.05 bn industry by 2030, forming 2% of the global Executive Education market, which is expected to cross \$100 bn by that year⁷. With such modest shares of around .25-2% of global markets, IMM is expected to become \$31.20 bn in size.

ESG, Sustainability, & Impact Measurement and Management Market

Year-wise Segment Growth

Sample Size - 550+ players



A closer analysis of the numbers reveals the following trends.

⁴ www.globenewswire.com and www.businesswire.com

⁵ <https://www.alliedmarketresearch.com/big-data-and-business-analytics-market#:text=The%20global%20big%20data%20and,13.5%25%20from%202021%20to%202030.>

⁶ <https://www.businesswire.com/news/home/20210909006056/en/Information-Technology-Global-Market-Report-2021-IT-Services-Computer-Hardware-Telecom-Software-Products---Forecast-to-2025-2030---ResearchAndMarkets.com>

⁷ <https://www.futuremarketinsights.com/reports/executive-education-program-market>

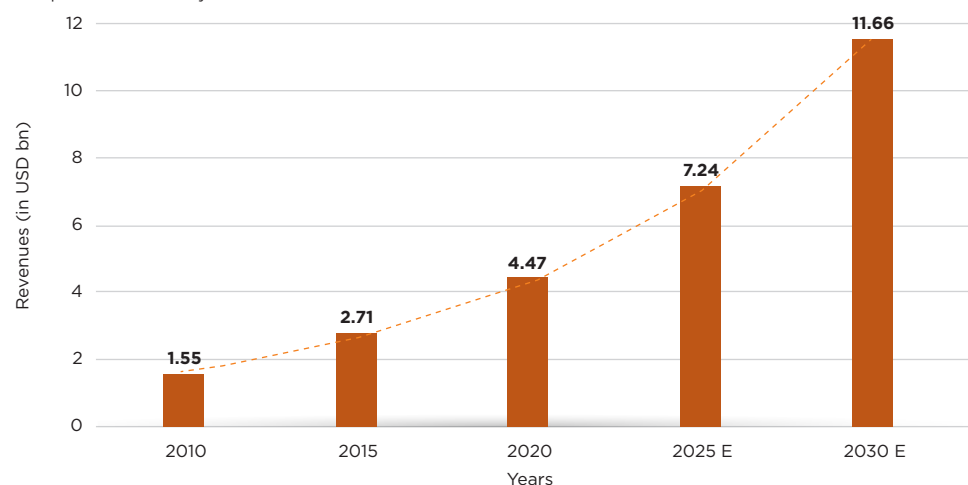
1 CONSULTING AND SERVICES

As the world transitions towards sustainability and impact goals, such as net-zero or carbon neutrality, an increasing number of organizations seek guidance on making, measuring, and managing their impact. This has resulted in the consulting and services vertical becoming the largest contributor to the market revenues, projected to reach

around \$12 bn by 2030 with a CAGR of approximately 10% (2020-2030). The big four consulting firms have also entered this domain, competing with established pure-play service providers like Dalberg, FSG, Y Analytics, and 60 Decibels. Additionally, the market has witnessed the entry of young players like Sustainometric, SG Analytics, InFocus, and Outline India.

Consulting and Services

Sample Size = ~170 Players



Source: Aspire Analysis

Illustrative List of Consulting and Services Players

Name	Headquarter Country and No. of Yrs. in ESG/Sustainability/Impact	Portfolio of ESG, Sustainability, and Impact Services	Highlights	Notable Clients	Recent Related M&A/Partnerships
60 decibels	USA, >5 years (2019)	Impact assessment projects across Agriculture, Quality Jobs, Education, Financial Inclusion, Gender & Inequality, Health & Disability, Off-Grid Energy, Supply chains, Micro and small Businesses	World's largest database of benchmarked, customer-level social impact gathered from more than 100,000 customers	500+ projects, 350+ clients, such as The Rockefeller Foundation, World Bank Group, The Economist, Shell Foundation, Omidyar Network, BBVA	60 decibels spun out of impact investor Acumen in 2019
Bluemark	USA, >5 years (2020)	Practice Verification, Reporting Verification	Inaugural service was its Practice verification of investor alignment with the Operating Principles for Impact Management; First Impact Verification Firm to be Certified as a B Corp	Impact assets worth \$189 bn verified across 100 assignments for clients such as Lightrock, Quona Capital, UBS Group AG, U.S. International Development Finance Corporation	Bluemark is an independent subsidiary of Tidelive, a women-owned advisory firm in impact investing
Bridgespan	USA, 20+ years	Funding strategy, Services portfolio assessment, Leading for Impact city-based programs, Leadership accelerator, Non-profit development program	Non-profit consulting firm; Closely supported by Bain & Company	250+ experts, 1000+ projects for clients such as Omidyar Network, Google.Org, Bill & Melinda Gates Foundation, YWCA USA	None
FSG	USA, 20+ years	Collective Impact, Corporate Racial Equity, Corporate Social Responsibility, Foundation strategy, Opportunity Employment	Non-profit consulting firm	160 experts, 600+ projects for clients such as Robert Wood Johnson Foundation, Eli Lilly and Company, and Save the Children, Chevron, The Coca-Cola company, Goldman Sachs	None
Dalberg Advisors	Geneva, 20+ years	Evaluation, Service Design, Conflict, Security, Humanitarian Aid, Investing for Development, Inclusive Economic Development, Inclusive Business Growth	Projects and collaborations with United Nations, World Bank, Financial Times, and the United Nations Global Compact	400 clients such as Governments of Asia, Africa, Montenegro, African Development Bank, a US think tank	Ravel Innovation (2022)

Name	Headquarter Country and No. of Yrs. in ESG/Sustainability/Impact	Portfolio of ESG, Sustainability, and Impact Services	Highlights	Notable Clients	Recent Related M&A/Partnerships
Y Analytics	USA, >5 years (2019)	Environmental and Social Impact Assessment and Value Creation, Creation, Advancement, and Stewardship of Methodologies	Provides services based on the knowledge gained from the global investment portfolio of The Rise Fund	300+ projects for clients such as The Rise Fund platform, TPG Rise Climate Fund	Y analytics was spun out of The Rise Fund, a \$2 bn impact investing fund managed by TPG Growth and the social impact advisory firm Bridgespan Group
ERM	UK, 30+ years	Corporate Sustainability and Climate Change, Mergers and Acquisitions, Capital Project Delivery, Low Carbon Economy Transition Operational Performance, EHS Management and Compliance, Liability Portfolio Management and Remediation, Safety Services, Digital Services, Product Stewardship	Considered to be the largest pure-play sustainability consultancy; ERM was ranked No.1 in HFS Sustainability Services Top 10 report	7000+ professionals, 22,000 projects for clients such as AkzoNobel, Boeing, Rio Tinto, Shell, Unilever	In 2021, KKR acquired a majority stake in the company ERM's acquisitions: MarineSpace (2022), Point Advisory (2022); Stratos Inc. (2021), SustainAbility Ltd (SA) (2019)
Accenture	Ireland, 13+ years	Net Zero Transitions, Sustainable Value Chain, Sustainable Technology, Sustainability Measurement, Analytics and Performance, Sustainable Leadership and Organization, Sustainable Customer Experience and Brand	Accenture was named a Leader in Sustainability Enablement Technology Services by Everest Group in Sep 2022	Volkswagon, Coriance, Climeworks, Johnson Controls, Schneider Electric	Carbon Intelligence (2022); Greenfish (2022)
KPMG	Netherlands, 20+ years	ESG advisory, Climate change and decarbonization, Economic and social development, Sustainable Finance, ESG assurance and audit, ESG in tax and legal services	KPMG launched a multi-year, multi-billion-dollar program in 2021 to invest in its services focused on sustainability and ESG matters	Philips, Simply Blue Group, Cadence Bank, The Dutch Government	Action Sustainability Asia Pacific (2020)
EY	UK, 20+ years	Climate change and sustainability services, Sustainable finance, Assurance, Strategy and Transactions, Consulting, Tax and law, Corporate Sustainability	EY has been positioned as a leader in the Verdantix Green Quadrant in ESG and Sustainability Consulting 2022; To invest £100 mn in net zero consultancy division, EY Carbon and recruit 1300 people	Government of India	Afara (2022)

Source: Aspire Analysis

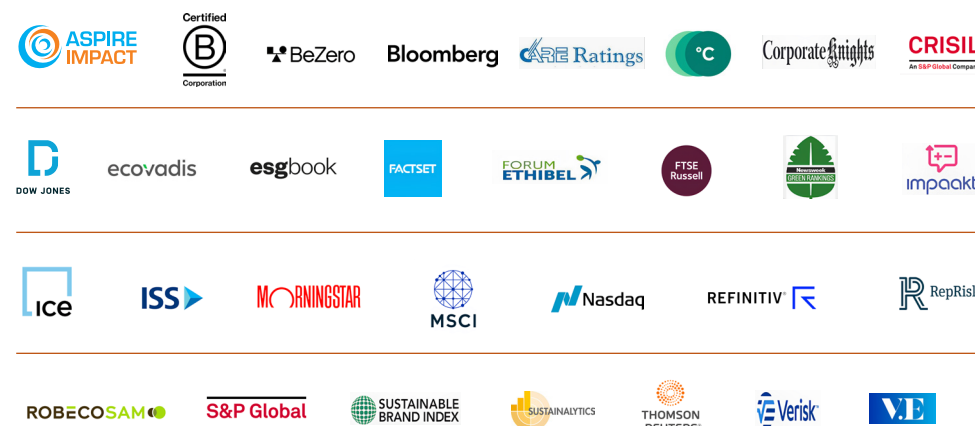
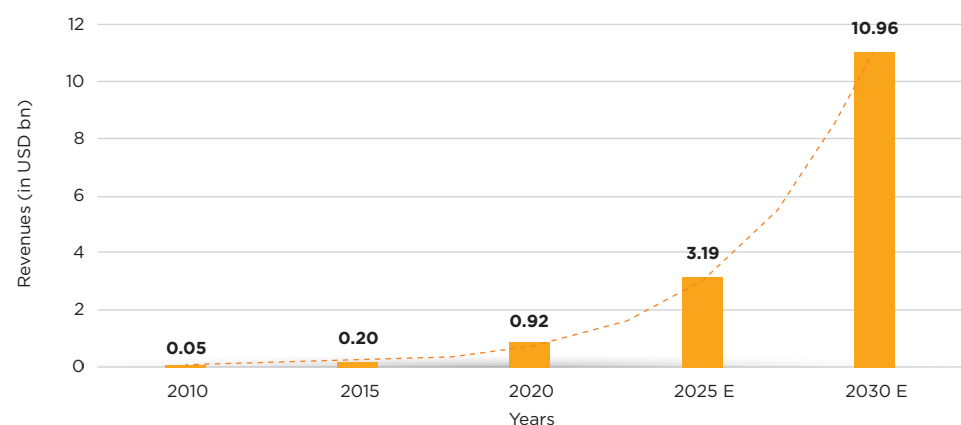
2 DATABASES, INDICES, RATINGS, AND RANKINGS

The Databases, Indices, Ratings, and Rankings vertical is projected to contribute around \$11 bn to the overall market figure by 2030, with a CAGR of 28% (2020-2030). This growth will be driven by the increasing demand for statistics, ratings, and benchmarking intelligence to quantify impact by all types of organizations and stakeholders, including corporates, non-profits, and investors. Established data providers like S&P, Bloomberg, and FactSet currently

dominate this segment, having expanded their offerings around ESG data through mergers and acquisitions. Meanwhile, pure-play ESG data shops like ESGDS, Arabesque, Be Zero Carbon, Cicero, and Aspire Impact are newer entrants. As the world transitions from voluntary to regulatory reporting, such as through the SEC's disclosure requirements or the EU's CSRD, this segment is expected to attract more pure-play players and experience further consolidation in the coming years.

Databases, Indices, Ratings, and Rankings

Sample Size = ~90 Players



Source: Aspire Analysis

Illustrative List of Databases, Indices, Ratings Players

Company Name	Headquarters Country and Year Founded	Popular Products and Indices	Data Fields and Sources	Coverage	Recent Related M&A/ Partnerships
Bloomberg	USA, 1981	ESG data, Bloomberg ESG & Climate Indices Indices examples: Bloomberg SASB ESG Indices, Bloomberg MSCI ESG Fixed Income Indices, Bloomberg Rockefeller ESG Improvers Index, Bloomberg US Municipal Impact Index, Bloomberg MSCI Paris-Aligned & Climate Transition Indices, Government Climate Risk Integrated Indices	2,000+ fields collected from company reported and derived KPIs	11,800 companies (88% of global equity market capitalization), ESG disclosure scores for 14,000+ companies across 100+ countries	Partnership with MSCI ESG solution (2020), Goldman Sachs (2020), Rockefeller Asset Management (2021); Acquired Second Measure (2020)
Dow Jones	USA, 1896	Sustainability Data, Indices, ESG sentiments, and Scores Indices examples: Dow Jones Sustainability World Index, Dow Jones Sustainability World Index ex Alcohol, Tobacco, Gambling, Armaments & Firearms, Dow Jones Sustainability Asia/Pacific Index, Dow Jones Sustainability Eurozone Region Index	150+ metrics collected from company reported, news-driven sentiments	6,000+ companies globally	Dow Jones acquired by News Corp (2017) Dow Jones acquisitions: OPIS (2022)
FactSet	USA, 1978	ESG Data, Scores, Research, News, Portfolio Analysis and Reporting, Indices Indices examples: FactSet Electric Vehicles Index, FactSet Japan Mid & Small Cap Leaders ESG Index	Data collected for 26 categories as per SASB through 3rd party vendors, company reported, news, watchdogs, independent reports	230K+ companies across 115 Countries	40+ partners such as MSCI, ISS ESG, Sustainalytics, etc., Acquired TruValue Labs (Oct 2020)
MSCI	USA, 1969	ESG Ratings, ESG Data and Solutions, ESG Indexes, Climate Indexes, ESG and Analytics, Real Estate Climate Solutions Indices examples: MSCI ESG Equity Indexes, MSCI ESG Fixed Income; Bloomberg MSCI ESG Indexes, MSCI Climate Paris Aligned Equity and Fixed Income Indexes	4,000 ESG data points, including ratings and raw data, collected from specialized datasets, company disclosures, media sources	8,500+ companies, 680,000 securities, 8 mn+ equity and bond derivatives across 198 Countries/ regions	Partnership with Bloomberg (2020); Acquired Carbon Delta (2019), Riskmetrics Group (2010)

Company Name	Headquarters Country and Year Founded	Popular Products and Indices	Data Fields and Sources	Coverage	Recent Related M&A/ Partnerships
S&P	USA, 1860	Climate Analytics, Climate Credit Analytics, TCFD Reporting, Credit Assessment Scorecards with ESG factors, Positive Impact Analytics, S&P Global ESG Scores, ESG Portfolio Analytics, S&P Global Climonomics Indices examples: S&P 500 ESG Index, Paris Aligned and Climate Transition, Fossil Fuel Free, Carbon Efficient, S&P Sustainability Screened Indices, S&P/Drucker Institute Corporate Effectiveness Index, S&P Catholic Value indices	1,000 data points collected from questionnaires, company documents	9,200 companies (95% global market capitalization) across 96 Countries	Merger with IHS Markit (2022); Acquired Crisil (2020); The Climate Service (2022); Trucost (2016)
Sustainalytics	Netherlands, 1992	ESG Risk Ratings, Controversies Research, Country Research and Ratings, Impact Solutions, Top rated companies, etc. Indices examples: Jantzi Social Index, Global Sustainability Signatories Index 7.5% VC ER	3,200+ for ESG ratings, 450+ for ESG data, 575+ for Product Involvement, etc. Collected from company reported, 3rd party data source, Public sources (media, stock exchange website)	ESG data on 40,000+ companies, ESG ratings on 20,000+ companies across 172 countries	Morningstar, Inc. acquired Sustainalytics (2020), Partnerships with FTSE Russell, IHS Markit, JP Morgan, Morningstar, Qontigo STOXX, Solactive & S&P
ISS ESG	Denmark, 1993	ESG Fund Ratings, ESG Ratings and Rankings, Climate Solutions, Advisory Services, ESG Index Solutions, etc. Indices examples: ISS ESG Freshwater Index Series, ISS ESG EVA Leaders Index Series, Governance Qualityscore Index Series, US Diversity Index	100 industry specific data points collected from company disclosure, 3rd party authentic data provider	ESG ratings for 11,900 issuers, ESG Fund ratings for 26,000 funds, Climate Data for 37,000 issuers globally	Partnership with Solactive (2020); Deutsche Börse acquired ISS (2020)
RepRisk	Switzerland, 1998	ESG data Indices examples: RepRisk Index, RepRisk Violator Index	101 ESG factors collected from public sources & media, 3rd party sources (Govt., NGOs, Research firms)	214,181 companies globally	Partnership with Blackrock, Bureau van Dijk, CDP

Company Name	Headquarters Country and Year Founded	Popular Products and Indices	Data Fields and Sources	Coverage	Recent Related M&A/ Partnerships
Refinitiv	UK, 2018	ESG data, ESG Scores, Investing Solutions Indices examples: Refinitiv/S-Network ESG best practice indices, Refinitiv IX Global ESG Equal Weighted Index, Refinitiv Eurozone ESG Select Index, Refinitiv/Future Super Australia fossil free index, Refinitiv Global Resource Protection Select Index	630+ metrics collected from company reported data, news, NGO websites, etc.	12,000+ companies (85% of global market cap) across 76 countries	LSEG acquired Refinitiv (2021)
esgbook	UK, 2013	ESG data, Fund Scores, ESG scores, Climate data solutions	450+ metrics collected from company reported data, news, NGO websites, etc.	ESG data for 25,000+ companies, Fund scores for 35,000+ ETFs and mutual funds across 170 countries	World Business Council for Sustainable Development (2021)
Aspire Impact Ratings	India, 2020	Aspire specialises in comprehensive Impact assessments & Impact Ratings. It's independent 4P (Product, People, Planet & Policy) framework uses 160+ KPIs to deliver Platinum, Gold, Silver & Green Leaf Ratings. It's forthcoming Ratings-ESG Impact, ESG Risk Ratings and, Climate & Sustainability Ratings alongside their digital platform IKOO	160+ indicators filled with proprietary and public data	Leading Indian companies across auto, health, PE, agri, education, tech, etc.	NA

Source: Aspire Analysis

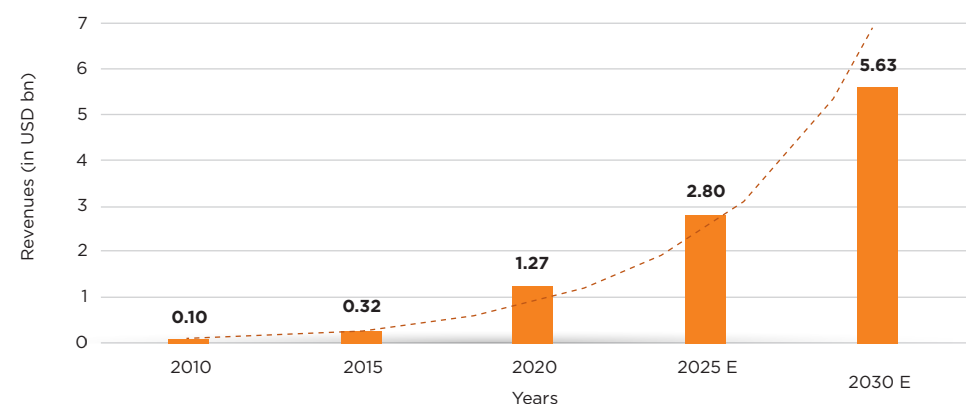
3 SOFTWARE AND TECHNOLOGY

The ESG, Sustainability, and Impact landscape is witnessing a significant growth in the Software and Technology segment, which is projected to become a \$5 bn+ market by the end of the decade, growing at a rate of around 16% from 2020 to 2030. This segment is driven by the increasing adoption of new technologies like the Internet of Things, artificial intelligence, and satellite

monitoring to create innovative tools such as Carboledger, EarthCheck, and Breezometer that can measure different metrics like energy consumption and greenhouse gas emissions. Additionally, the market is seeing an influx of sustainability disclosure reporting and management software companies, such as Diginex, Nossa Data, and ESG Enterprise, further fuelling its growth.

Software and Technology

Sample Size= -200+ players



Source: Aspire Analysis

Illustrative List of Software and Technology Players

Name	Headquarters Country and Year Founded	Overview	Popular Products and Pricing	Notable Clients	Recent Related M&A/ Partnerships
Socialsuite	Australia, 2014	Socialsuite, an ESG and social impact reporting software, offers features such as smart surveys, template library, reporting, quick creation of baseline reports, etc.	Social Impact, ESG Reporting; Starting from \$9,500/year; Per user basis	Binance, Elixir Energy, Dimerix, Sekuro, Newfield Resources Ltd	None
Diginex	Hong Kong, 2017	diginex, a sustainability reporting software, utilizes blockchain and AI technology to provide an ESG platform, supply chain due diligence, and a carbon footprint calculator. It also provides training, advisory, and assurance services.	diginexESG, diginexLUMEN, diginexCLIMATE, diginexAPPRISE; Starting from \$99 user/month; Per user basis	Coca-Cola, Microsoft, London Stock Exchange, Fitch Ratings, World Economic Forum	Reverse merger with 8i Enterprises Acquisition Corp. (2020)
Diligent	USA, 2001	Diligent, a sustainability and ESG reporting software, provides a data collection platform with automation and pre-population capabilities, standard mapping and benchmarking, reporting and platform integration, as well as carbon accounting.	Diligent ESG; Tiered pricing	Barclays, Mastercard, General Mills, Heineken	Insightia (Jan 2022), Accuvio (Aug 2021), Steele Compliance (Feb 2021)
Envizi	Australia, 2004	Envizi, a sustainability performance management software, provides software for data and analytics in the sustainability and energy domains.	Emissions management, ESG Reporting, Decarbonization; Pricing per feature basis	Clients across industries such as real estate, retail, financial services, manufacturing and healthcare, e.g., Celestica	Acquired by IBM in 2022
OpenInvest	USA, 2015	OpenInvest, a values-based investing software, is building tools to encourage ethical investing through custom indexing and sustainability reporting.	Dynamic Custom Indexing, Sustainability Reporting	Private Bank and Wealth management clients	Acquired by J.P. Morgan in 2021

Name	Headquarters Country and Year Founded	Overview	Popular Products and Pricing	Notable Clients	Recent Related M&A/ Partnerships
SoPact	USA, 2015	Sopact, an impact measurement and management software, works with the clients to understand their impact goals and design a roadmap to maximize social impact. Companies can also create and publicly share dashboards which can be populated from as many as 200+ data sources.	Impact Cloud platform; Starting from \$99 per month	Capital Plus Financial, Food for the Poor, ABALOB, New Sun Rising	None
Sphera	USA, 2016	Sphera, an ESG performance and risk management platform, offers multiple integrated ESG management solutions as well as data and consulting services. It focuses on EH&S, operational risk management and product stewardship.	Corporate Sustainability Software, Environmental Accounting Software, Product Sustainability (GaBi) software, Health & Safety Management Software, Operational Compliance Software, Chemical Management Software	Shell, BP, Siemens, Texaco, Dow	Acquired by Blackstone (2021); Sphera's acquisitions: riskmethods (2022), thinkstep (2019); Rivo Software (2017)
Treeni	India, 2015	Treeni, a risk and opportunity assessment platform, offers an open technology, modular solution for automating and managing sustainability data for performance management, reporting, and disclosures. Additionally, it offers risks/opportunities assessments, sectoral research databases, supplier assessments, as well as CSR data, donations, budgets, and impact.	resustain Enterprise, resustain Enterprise CSR, resustain IDEA, resustain platform	UN Global Compact, Manipal Foundation, TATA Motors, Havells,	Sonata Software acquired 24% in Treeni (2020)

Name	Headquarters Country and Year Founded	Overview	Popular Products and Pricing	Notable Clients	Recent Related M&A/ Partnerships
Enablon	France, 2000	Enablon, an EHS, Risk, and Sustainability management platform, provides software solutions for companies for safety and environmental performance management, environmental compliance, risk minimization, and profitability improvement.	Sustainability & ESG Reporting Software, Emissions scenario Analysis Software, Environmental Analysis Software, GHG Emissions Software; Starting from \$100000.00 / year, Per feature	Capegemini, TNT, Mondelez International, Societe Generale	eVision (2018), CGE Risk (2022)
ESG Enterprise	USA, 2019	ESG Enterprise, an ESG Enterprise platform, helps companies and investors better understand climate risks & opportunities, carbon management, and complies with ESG reporting.	Sustainability & ESG Software, Environmental Management & Sustainability Software, ESG Reporting Software & Scenario Analysis, ESG Tools & Calculators, Reputations & Perceptions Measurements; Free version also available, Other plans start from \$59.99/month	The World Bank, Morgan Stanley, The Motely Fool, Boer Group, SwissMetrics	Partnership with ESG data and scoring platform GaiaLens (2022)
IRIS+	USA, 2019	IRIS+ system, an impact measurement and management platform, allows impact investors to integrate social and environmental factors into investment decisions alongside risk and return.	IRIS Catalog of Metrics; Free	acumen Fund, UBS, Bill & Melinda Gates Foundation, J.P. Morgan, Leapfrog Investments	Entities such as Ceres, FSG, WWF, World Resources Institute are its content partners.
Nossa Data	UK, 2020	Nossa Data, a corporate ESG reporting and data management platform, digitises company ESG reporting and data management across multiple frameworks including SASB, TCFD and UNGC.	Reporting, Data Management, Peer Benchmarking Pricing per feature basis	Barclays, techstars, Female Founders, SYMVAN Capital, BGF	Nossa Data is the official technology partner for ShareAction's Workforce Disclosure Initiative (WDI)

Name	Headquarters Country and Year Founded	Overview	Popular Products and Pricing	Notable Clients	Recent Related M&A/ Partnerships
Turnkey	Singapore, 2016	Turnkey, an ESG sustainability solutions platform for corporates and finance, provides modular, customisable ESG risk management solutions for the financial sector, supply chains, corporate sustainability and investment communities. Its reporting is mapped with multiple frameworks & ESG Regulatory of 96 Stock Exchanges.	SustainPro, Sustainion, Risknetic; Starting from \$1000.00 /year, Flat Rate	CVC, NAVIS, ComfortDelgro, Fung Group, Kimberley-Clark Softex	Partnership with Enzo Advisors enabling a fully integrated ESG data intelligence solution
Vera Solutions	UK, 2010	Vera Solutions, a platform providing tools for grantees and grantors, is a social enterprise and Certified B Corporation providing cloud and mobile solutions to social sector organizations	Amp Impact; Starting from \$7000.00 /year, Per User	Aga Khan Foundation, United Nations Foundation, Skoll Foundation, World Resources Institute, Elton Joh Aids Foundation, Salesforce	None
SDG Action Manager	USA, 2020	The SDG Action Manager, a platform focused on impact management solutions, helps businesses understand their performance on the SDGs through dynamic self-assessment, benchmarking, and improvement.	Basic Module (based on B Impact Assessment, the Ten Principles of the UN Global Compact), SDG Specific Modules; Free	20,000+ companies	Entities such as GRI, UNDP, Leeds School of Business are its content advisors.
IKOO by Aspire Impact (to be launched)	India, 2023	IKOO will provide for 'ESG, Sustainability & Impact self-assessments' for all organization types, alongside access to global ESG, Sustainability & Impact Ratings & Reports-both proprietary and secondary.	CREATE, LEARN, BUY, NETWORK modules Will be positioned as a freemium SAAS platform, with Basic, Standard & Premium packages for all user types- corporations, financial institutions and non-profits.	NA. To be launched in Q3 2023	NA

Source: Aspire Analysis

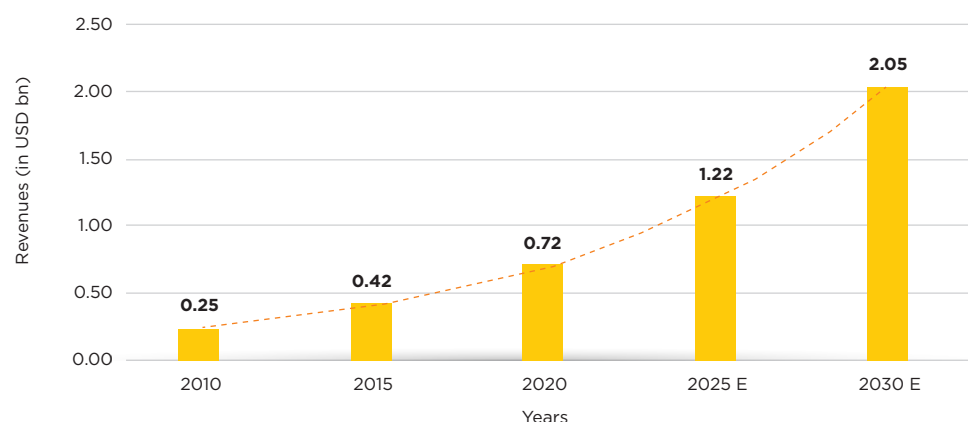
4 EXECUTIVE EDUCATION AND TRAINING

To sustain the projected high-growth market predictions in the sustainability and impact landscape, there will be a high demand for skilled resources, particularly leaders who can steer companies towards impact capitalism. Recognizing this market gap, many traditional universities have started offering executive education courses focused on sustainable investing, corporate sustainability, impact

measurement, and other relevant topics. In fact, some universities have gone further and established specialized schools, such as Stanford University's Stanford Doerr School of Sustainability, the University of Cambridge Institute for Sustainability Leadership, and the University of Oxford's Smith School of Enterprise and the Environment. The Executive Education & Training segment is expected to grow at a CAGR of 11% between 2020 and 2030, with an estimated market size of \$2 bn by 2030.

Executive Education and Training

Sample Size = ~45 Players



Illustrative List of Executive Education and Training Players

Name	Headquarters Country and Year Founded	Courses Overview	Has an ESG/ Sustainability/ Impact focused specialized School?	Noteworthy Courses	Mode of Delivery
Griffith Business School	Australia, 1971	Provides multiple degrees and courses on sustainability topics such as Sustainable Environments, Economics for a Sustainable Future as well as on Impact topics such as Innovation for Impact and more noticeably Tourism Impact Assessment	No	Leadership for Sustainable Business, The Politics of Environment and Sustainability, Tourism Impact Assessment, Master of Environment, Master of Climate Change Adaptation	Residential, Online, Blended
Harvard Business School	USA, 1908	Runs an online course specifically targeted at organizational performance measurement at non-profits. Also, provides 8 - weeks online courses in sustainable investing and strategy. Limited options and only online programs.	No	Driving Non-profit Performance and Innovation, Sustainable Investing, Sustainable Business Strategy	Online
IIM Lucknow	India, 1984	Offers a post graduate program in Sustainable Management	No	Post Graduate Programme in Sustainable Management	Residential
INSEAD	France, 1957	Provides sustainability courses for leaders and entrepreneurs. Also, runs a sustainability program for legal professionals with Impactwise, an ESG analytics and advisory firm, as its program partner.	No	INSEAD Business Sustainability Programme, INSEAD Social Entrepreneurship Programme, The impactwise Sustainability Programme for Legal Professionals	Residential
London Business School	UK, 1964	One 6-week online sustainability course offered	No	Sustainability Leadership and Corporate Responsibility	Online
NYU Stern School of Business	USA, 1900	Provides courses on Corporate sustainability as well as has designed a Social Impact curriculum with courses underneath	No	Social Impact, Corporate Sustainability: Pivoting Towards an ESG Mindset, Corporate Sustainability, Sustainable Finance, Investing and ESG	Residential, Online

Name	Headquarters Country and Year Founded	Courses Overview	Has an ESG/ Sustainability/ Impact focused specialized School?	Noteworthy Courses	Mode of Delivery
Stanford Graduate School of Business	USA, 1925	Offers multiple sustainability courses through 7 departments and divisions such as Social Sciences, Earth System Science, Oceans, etc. and Interdisciplinary programs such as Change Leadership for Sustainability Program.	The Stanford Doerr School of Sustainability	Leadership & Design Thinking for Corporate Sustainability Challenges, Emmett Interdisciplinary Program in Environment and Resources, Sustainability Science and Practice (MA), Sustainability Science and Practice (MS), Strategies for Sustainability Program	Residential, Online
Judge Business School	UK, 1990	Dedicated institute for sustainability leadership which provides multiple sustainability courses through all modes	University of Cambridge Institute for Sustainability Leadership	Master of Studies in Sustainability Leadership, Master of Studies in Interdisciplinary Design for the Built environment, The Prince of Wales's Business & Sustainability Programme, Sustainable Finance, Leading Sustainability: High Impact Leadership	Residential, Online
Saïd Business School	UK, 1996	Offers courses focused on Impact, especially a course on impact measurement along with other ESG, and Sustainability focused courses	Smith School of Enterprise and the Environment	Oxford Impact Investing Programme; Oxford Impact Measurement Programme; Oxford Leading Sustainable Corporations Programme; Oxford Social Finance Programme; Oxford Climate Emergency Programme; Environmental, Social and Governance Sustainability Programme	Residential, Online

Name	Headquarters Country and Year Founded	Courses Overview	Has an ESG/ Sustainability/ Impact focused specialized School?	Noteworthy Courses	Mode of Delivery
Yale School of Management	USA, 1976	Offers Sustainability as a focus area as part of its 2 year Executive MBA program with 6 courses. 2 options for individuals for 6 - week online courses.	No	Executive MBA with Sustainability as an Area of Focus; Sustainable Finance and Investment; Corporate Sustainability Management: Risk, Profit, and Purpose	Residential, Online
Coursera & Duke University	USA	An online course offered in collaboration with Coursera. Other courses at the University include - Water Innovation Leadership Development Program	Nicholas School of Environment	Impact Measurement & Management for the SDGs is a 4-module online course led by Cathy Clark from CASE Centre at Duke University	Online
Aspire Impact	India, 2020	Impact Specialist Program (ISP) is a 1-week, 40-hours Executive Education Program to Design, Build, Scale and Manage Impact	Yes	ISP is designed for future Chief Impact Officers, who not only master ESG & Sustainability but embrace the merging Impact Science to lead an organisation's Impact Strategy. The program includes four real-life case studies and a step-by-step organisational Impact Diagnostic.	Residential

Source: Aspire Analysis

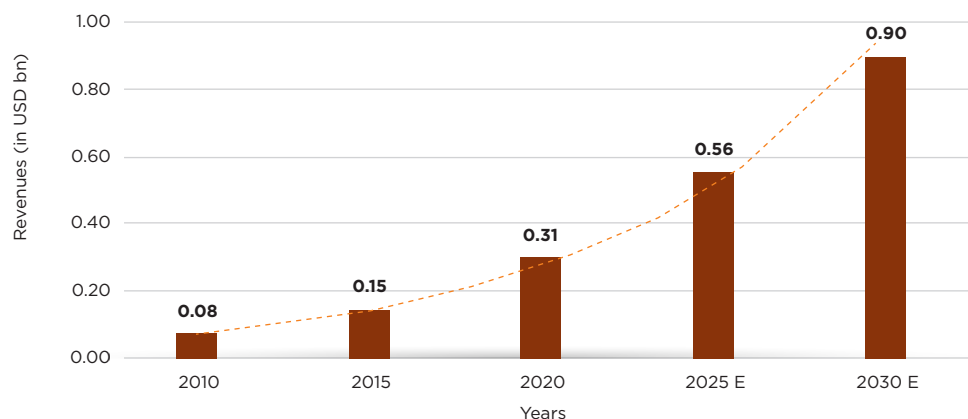
5 PRINCIPLES, FRAMEWORKS, STANDARDS, AND COALITIONS

The backbone of the ESG, Sustainability, and Impact market lies in Standards, Principles, and Frameworks. However, due to limited players as well as the fact that many of these organizations operate as not-for-

profits or function on a voluntary basis, this segment is projected to grow at a CAGR of approximately 11% between 2020 and 2030, reaching a market size of roughly \$1 bn by the end of the decade.

Principles, Frameworks, Standards, and Coalitions

Sample Size = ~60 Players



Source: Aspire Analysis

Demystifying Principles, Frameworks, and Standards

Principles, Frameworks, and Standards are the mainstay of IMM. However, they are the most complex piece of the puzzle with users such as corporates, investors, and non-profits typically possessing very little clarity around their selection and practice. Causes for the commotion include multiple frameworks, differing objectives, amount of data required, qualitative vs. quantitative disclosures, evolving regulatory

landscapes, as well as harmonization efforts that may make existing frameworks in use redundant (e.g. CDSB). Often there is misunderstanding between the application and purpose of different encompassing elements, i.e., of principles, frameworks, and standards.

To dispel the clouds of mystery and allay the storms of ignorance, it is important to start from the basics.

Definitions

Principles	Principles are operating guidelines for sectoral actors to show alignment with common discipline (e.g., due-diligence process for investing), values (e.g., equal opportunity employer aka DEI) and industry practices (e.g., active ownership & voting) with the aim to harmoniously grow the sector, guide performance and demonstrate transparency.
Frameworks	Frameworks are analytical demonstration of data, structured for easy comparison, benchmarking and reporting; is decision-oriented and allows objective adoption. A framework may have one methodology (i.e., measurement rubrics) or multiple methodologies for computing different performance indicators, ratios or indices. Frameworks answer the HOW? question.
Standards	Standards answer the WHAT question. After Principles and Frameworks set the tone and criteria, standards (also called indicators sometimes) define exactly what is to be reported, in quantitative or qualitative terms, at the most specific and granular level in a disclosure, e.g., Scope 1, 2, 3 emissions, number of females on a board, number of employees trained on ESG, etc.
Regulations	Regulations are legislative acts, necessarily issued by a regulator (e.g., SEC), industry body (e.g., TRAI or IRDAI) or a nation-state (e.g., The Companies Act of India) or union of nations (e.g., EU) for transparency, reporting and other fiduciary compliances.

Source: Aspire Analysis

Principles

It is worth noting that while some principles are integrated into disclosure frameworks, also known as principles-led frameworks, like GRI, SASB, or IIRC, which outline disclosure requirements, report content, and quality standards, there are also principles that exist independently. These principles provide general guidance and best practices for companies to establish responsible business practices,

effective corporate governance systems, and incorporate sustainability and impact concepts into their operations. Typically created by CXO coalitions or industry alliances, these principles aim to drive motivation, provide networking opportunities, and create an expectation that business leaders will continue to learn from each other. Some examples of the latter are as follows:

Illustrative list of Principles

Name	Year Founded	Facilitating Body	Focus Area	Count	Objective	Target User	Participants
G20/OECD Principles of Corporate Governance	1999	OECD	Corporate governance	6 principles around effective corporate governance, role of stakeholders in corporate governance, board responsibilities, etc.	To ensure effective corporate governance and help policy makers to evaluate and improve the legal, regulatory, and institutional framework for the same	Financial and non-financial publicly traded companies	53 adherents across OECD, G20, and FSB members
The Ten Principles of the UN Global Compact	1999	UNGC	Corporate sustainability	10 principles around human rights, labour, environment, and anti-corruption	To help companies establish a culture of sustainability and responsible business practices	Corporates	15000+ companies, 3800+ non business participants across 160 countries
The Equator Principles	2003	Citigroup, ABN AMRO, Barclays, and West LB in collaboration with IFC	Project finance	10 principles around environment and social assessment, stakeholder engagement, reporting and transparency, etc.	To establish a baseline risk management framework for financial institutions to manage environmental and financial risks when financing large projects	Banks, Financial institutions	138 participants across 38 countries

Name	Year Founded	Facilitating Body	Focus Area	Count	Objective	Target User	Participants
Principles for Responsible Investment (PRI)	2005	UNEP FI + UNGC	Responsible investment	6 principles around incorporating ESG issues into investment analysis, ownership policies, seeking disclosures from investees, etc.	To support investors in incorporating ESG factors into their investment and ownership decisions	Investment managers, Asset owners, Service Providers	4902 signatories across 90 countries with AUM worth \$121.3 TN
Guiding Principles on Business and Human Rights (UNGPs)	2011	UNDP	Human rights	31 principles implementing the UN's "Protect, Respect and Remedy" framework	Guidelines for States and companies to prevent, address and remedy human rights abuses committed in business operations	Companies, Government	Universal
Principles for Positive Impact Finance (PIPF)	2017	UNEPI	Impact finance	4 principles around definition of impact finance, adoption of framework, assessment, and transparency	To guide financiers and investors in their efforts to increase the positive economic, social, and environmental impact of their financial products and services for bridging the funding gap for SDGs.	Financiers, Investors, Auditors	Not available
National Guidelines on Responsible Business Conduct (NGRBC)	2018	MCA	Business responsibility	9 principles around transparency, human rights, equitable development, restoring environment, etc.	To mainstream the concept of business responsibility around social, environmental, and economic issues	Corporates	Top 1000 corporates in India
Operating Principles for Impact Management (OPIM)	2019	IFC	Impact investing	9 principles around defining strategic impact objectives, manager's contribution to achievement of impact, assessing impact of each investment, etc.	To provide investors with a framework to design, implement, and embed impact considerations throughout the investment lifecycle.	Impact asset managers, Asset owners, Asset allocators, Development banks and Financial institutions	166 signatories across 39 countries with assets worth \$508,741 mn

Name	Year Founded	Facilitating Body	Focus Area	Count	Objective	Target User	Participants
Responsible Banking Principles	2019	UNEPFI	Sustainable banking	6 principles around alignment, target setting, customers, stakeholders, governance, and transparency	To provide a sustainable banking framework for helping banks align their strategy, lending and investment decision-making with SDGs.	Banks	300 signatories across 49 countries with assets worth \$84.7 TN
CFO Principles on Integrated SDG Investments and Finance	2020	UNGC	SDG financing	4 principles around SDG measurement tools, integration, financing, communication & reporting	To mobilize corporate finance and investments to achieving the SDGs.	Corporates	89 signatories

Source: Aspire Analysis

Frameworks and Standards

Various types of frameworks and standards exist in the ESG, sustainability, and impact market. One category of such frameworks is reporting or disclosure frameworks, like GRI and SASB. These frameworks come with specific standards or indicators that allow companies to measure and report qualitative or quantitative data. Companies can choose any applicable disclosure framework for their industry or sector, and the reporting is done in-house or with the

help of consulting firms or technology tools. The collected data is published in ESG or sustainability reports, which may be standalone or integrated into financial reports on an annual basis. It is important to note that these frameworks do not involve any ranking and only facilitate organizations in their non-financial reporting, much like how GAAP works for financial accounting. Some examples are as below:

Illustrative list of Reporting Frameworks and Standards

Name	Year Founded	Objective	Facilitating Body	Count of KPIs	Scope	Advantages	Limitations
Global Reporting Initiative (GRI)	1997	To provide global best practices for public reporting on economic, environment, and social impacts, including those on human rights	GSSB	3 series of standards - Universal standards (3), Sector specific standards (40), Topic specific (3)	Sector-agnostic (but is going to develop specific standards for 40 sectors)	World's most widely used standards for sustainability reporting; Standards are modular	Adoption is voluntary, Difficult to compare performance across companies, Missing on Impact focus of products

Name	Year Founded	Objective	Facilitating Body	Count of KPIs	Scope	Advantages	Limitations
International Integrated Reporting Framework (IIRC)	2010	To drive the adoption of integrated reporting across the world by providing guidance for reporting structure and content	IASB and ISSB	NA	Sector-agnostic	Guidance on connecting financial statements and sustainability-related financial disclosures	Adoption is voluntary, No indicators for disclosure.
Sustainability Accounting Standards Board (SASB)	2011	To create sustainability accounting standards to help companies disclose financially material sustainability information along 5 key dimensions - the environment, social capital, human capital, business model and innovation, and leadership and governance	ISSB	77 industry specific standards across 11 thematic sectors; Each industry standard has 6-30 disclosure topics	Industry-specific	Most used sustainability reporting standards among the Russell 100	Adoption is voluntary, Inward looking in the sense that they try to assess the world's impact on a company's financial performance unlike GRI which looks at the company's external impact
Task Force on Climate-Related Financial Disclosures (TCFD)	2015	To develop a set of recommendations for voluntary climate-related financial disclosures to help investors and lenders in the assessment of climate-change risks	FSB	4 recommendations (governance, strategy, risk management, and metrics and targets) supported by 11 disclosures	Agnostic with some sector-specific guidance	Strong focus on risks and opportunities associated with transition to low-carbon economy	Adoption is voluntary, Focused on environment, Descriptive framework which poses limitation on comparison
IBC Disclosure Project	2020	To help companies align their sustainability reporting and tracking with the SDGs	WEF, IBC, and the Big 4 accounting firms (Deloitte, KPMG, EY and PWC)	Stakeholder Capitalism Metrics including 21 core and 34 expanded indicators organized under four sustainability pillars: People, Planet, Prosperity and Principles of Governance including 21 core and 34 expanded indicators	Industry agnostic	Drawn from established standards such as SASB, GRI, and TCFD; encourages disclosures on a 'comply or explain' basis	Limited adoption by ~121 IBC companies

Name	Year Founded	Objective	Facilitating Body	Count of KPIs	Scope	Advantages	Limitations
Aspire Impact	2022	Comprehensive Impact Assessment and rating framework	Aspire	150+ KPIs under 4 Ps - Product, People, Planet, and Policy & Governance	Industry-agnostic	India's first set of open standards for Corporate Impact Assessment, Reporting & Ratings; Total Impact Performance Management system, subsuming all Sustainability and ESG reporting.	Limited adoption currently, Requires company engagement and company data which may not be public
IFRS Sustainability Disclosure Standards (IFRS S1, IFRS S2)	In - progress	To drive integration in reporting, combining reporting required by IASB and ISSB (CDSB + SASB); Work is underway for General Sustainability-related Disclosures and Climate-related Disclosures	IFRS Foundation	TBD	Sector and Industry Specific	Harmonization of reporting; Dual focus on general sustainability and climate related disclosures	Not known, yet to be launched

Source: Aspire Analysis

Let's start with the second type of frameworks, which offer guidance and assist in decision-making around ESG/Sustainability/Impact priorities. For instance, financial institutions may develop frameworks for their clients to manage environmental and social risks when obtaining development finance. The IFC Performance Standards provide a good example, as clients must meet them throughout their investment with IFC. Other examples include the WBCSD Measuring Impact Framework, ISO 2006, IMPs Five Dimensions of Impact, and SDG Impact Standards.

Moving on to the third type, voluntary frameworks that companies can use to assess their ESG/Sustainability/Impact performance against benchmarks and receive a score, rating, or inclusion in A-lists/top 100 lists. Companies typically self-disclose data beyond the required reporting disclosures during a reporting period. Positive scores, top rankings, or

inclusion in A-lists can significantly boost reputation, credibility, and competitive advantage. Examples of such frameworks are GRESB, CDP (formerly Carbon Disclosure Project), DJSI, and GIIRS. These should not be confused with ESG ratings or scores managed by third-party aggregators like S&P or MSCI, which are typically based on publicly available data and AI algorithms that extract data from news sources, litigation filings, customer reviews, and complaints. Corporates are not required to self-submit any data but may be consulted by rating agencies for feedback or supplementing existing data with more information.

Regulations

Lastly, governments and legislations are increasingly mandating companies to disclose ESG factors such as emissions, environmental protection efforts, and board diversity. Failure to do so can lead to penalties or legal action.

Illustrative List of Regulations

Name	Country and Application Since	Authoritative Body	Focus Area	Objective	Entities in Scope	Target Reporter
National Greenhouse and Energy Reporting (NGER)	Australia since 2007	The Clean Energy Regulator	Emissions and energy reporting	To create a single national framework for reporting and disseminating information of companies regarding greenhouse gas emissions, energy production, energy consumption and other information as specified under the legislation.	851	All registered controlling corporations each year until the corporation is deregistered.
Non-Financial Reporting Directive (NFRD)	Europe since 2018	EU Commission	Environmental protection, Social responsibility and treatment of employees, Respect for human rights, Anti-corruption and bribery, Diversity on company boards	To increase the transparency of non-financial disclosures by large entities across all 28 member states, using a 'comply-or-explain' system	11600	Large public interest companies such as publicly traded businesses, banks, and insurance providers with >500 employees

Name	Country and Application Since	Authoritative Body	Focus Area	Objective	Entities in Scope	Target Reporter
Sustainable Finance Disclosure Regulation (SFDR)	Europe since 2021 (Level 1), 2022 (Level 2)	EU Commission	Sustainability Risks and Principal Adverse Impacts (e.g., GHG emissions, Water, etc.)	To improve comparison between numerous sustainable investment products through sustainability impact disclosures at both entity (level 1) and product level (level 2), thus preventing greenwashing	Not estimated	Financial market participants and financial advisers based in the EU, as well as outside of the EU, who market (or intend to market) their products (UCITS, AIFs, separately-managed portfolios) to clients in the EU
Corporate Sustainability Reporting Directive (CSRD)	Europe from 2023	EFRAG	ESG factors, Sector specific standards, Double materiality and reporting in line with SFDR and EU taxonomy	CSRD will replace NFRD as of fiscal year 2023. It will allow businesses to disclose more information about sustainability risk & opportunity, impact on society & environment, including making third party assurance mandatory.	49000	EU managers and EU company (including EU subsidiaries of non-EU parent companies, except listed micro-enterprises) exceeding at least two of the following criteria: > 250 employees and/or, turnover of more than €40 mn and/or, total assets of €20 mn.
Streamlined Energy and Carbon Reporting (SECR)	UK since 2019	BEIS	Energy and emissions	Reporting on energy use and related greenhouse gas emissions as part of financial reports thus encouraging the adoption of energy-saving measures	11900	Quoted and unquoted large companies including charitable companies, Large LLPs; large defined as meeting two of the following criteria: 250 employees, annual turnover of £36m, annual balance sheet of over £18m
Task Force on Climate-related Financial Disclosures (TCFD)	UK since 2022	FSB	Governance, Strategy, Risk Management, and Metrics and targets around climate-related risks and opportunities	To increase the consistency of businesses' climate disclosures by mandating entities to provide climate-related financial disclosures	1300	Listed companies, Limited Liability Companies (LLPs), banks or insurers with more than 500 employees

Name	Country and Application Since	Authoritative Body	Focus Area	Objective	Entities in Scope	Target Reporter
Sustainability Disclosure Requirements (SDR)	UK from 2025	FCA	Product labels, Consumer-facing disclosures, Detailed disclosures	To introduce a labelling regime requiring specific investment products to include labels reflecting their sustainability criteria - Sustainable Focus, Sustainable Improvers, Sustainable Impact	Not available	Listed issuers, Asset managers and Asset owners, Distributors
Climate change disclosure rules for companies and ESG disclosure rules for funds and advisors	USA from 2024	SEC	Environment, Social & Governance factors	1. To make public companies disclose extensive climate-related financial metrics, risks and GHG emissions in their SEC filings (S-K and S-X). 2. To improve and standardize disclosures related to ESG investing strategies considered by funds and advisers, and to expand the 80% name rule (80% of the fund must be invested in the types of investments by the name) to include funds with ESG-related names.		Not available
Business Responsibility and Sustainability Reporting (BRSR)	India since 2021 - 2022 (Voluntary), from 2022 - 2023 (Mandatory)	SEBI	Environment, Social & Governance factors	Creating connections between a company's financial performance and its ESG performance as a single source of sustainability-related disclosure guideline in India.	1000	Top 1000 listed organisations (by market capitalization) in India.
ESG Disclosures - Canada	Canada from 2024	OFSI	Climate	Financial institutions in scope to publish their climate disclosures in alignment with the TCFD framework along with climate risks and emissions from their clients	Not available	Federally regulated banks and insurance companies

Source: Aspire Analysis

The Unfinished Agenda

The IMM market, while growing at an excellent rate, has recently become something of a 'choice overload'. While there have been some early, prominent, and consistent actors, many new ones have sprung up, sensing the brilliant potential of this sector. The eagerness of businesses, investors, and consumers to capture Impact is being met by a flurry of solutions. From standards and frameworks to ratings and education, everybody is trying to jump on to the bandwagon. While solving a lot of problems, this is also creating the problem of plenty. Rating methodologies differ so much that each one will offer a different opinion of the same company. Diverse and incomparable ESG-rating methodologies render them to be of little use ultimately.

Criticism

Impact Measurement and Management systems are intended to tell their users the "what" and "how" of reporting on Impact. Rating agencies further rank companies and tell consumers/investors "who" is performing the best or the worst. Because numerous entities are trying to do the same thing, this has led to disorientation and chaos for the consumers of this information, such as investors. Greenwashing is becoming a big issue, threatening the very foundations of Impact Capitalism, which should be based on ethics and integrity. Some of the recent criticisms in this field, as reported by media, are as follows:

- 1 The SEC's investigation of Goldman Sachs' asset management division regarding the inaccurate representation

of ESG metrics for two of its mutual funds.

- 2 German financial regulator BaFin's raid of Deutsche Bank and its asset management business DWS Group over allegations of exaggerated ESG credentials.
- 3 BNY Mellon Investment Adviser's \$1.5 mn fine from the SEC for lying about ESG investment policies for some of the mutual funds managed.
- 4 BlackRock Inc.'s \$20.9 billion iShares ESG Aware MSCI USA lost almost a quarter of its value this year. The exchange traded fund holds shares of Meta, Exxon Mobil Corp., and Chevron Corp., companies which, per most retailer investors, should not be on an ESG fund's list.
- 5 Elon Musk's Tweet – "Exxon is rated top ten best in world for ESG by S&P 500, while Tesla didn't make the list! ESG is a scam. It has been weaponized by phony social justice warriors."
- 6 MSCI's upgrade of McDonald's ESG rating without any consideration to a 7% increase over four years in GHG emissions in the company's supply chain.
- 7 Phillip Morris, a company that sells 700 billion cigarettes a year, being added to the DJSI North America.
- 8 In a study of over 13,000 ESG scores from companies, the top ratings firms (Refinitiv, MSCI, and Sustainalytics) disagreed on scores 64% of the time, according to *The Wall Street Journal*. Around 33% of companies received disagreeing scores, while 31% received an opposite rating.

While these are issues faced by investors and consumers at one end, at the other end of the spectrum are businesses who also face a lot of challenges in preparing their ESG or Sustainability reports. They often find themselves in the middle of an 'alphabet soup', with new standards, frameworks and principles emerging everyday – IFC, UN, PRI, IMP, GRI, SASB, CDP, IRIS+, IWAI, etc. – with their acronyms used more and more frequently, often without much context.

Not only is IMM confusing, but it is also a time-consuming and costly process. With no single central controlling or accrediting authority, there is an absolute lack of harmonisation and standardisation.

In the current IMM practice:

- Each Impact assessment is customised and bespoke
- Impact Measurement use multiple approaches without standardisation
- Impact Measurement is not comparable across causes or frameworks
- SWOT for Impact/social programs is available, but not comparable on like-to-like basis with other programs.

As much as the world is trying to move towards IMM, it is important that it finds balance, harmony and symmetry.

The Need for Standardisation

The all-important purpose of IMM is to enable decision-making, to engender the informed 'right' choice when it comes to investing, consumption, or policymaking. Realising the emerging issues, a lot of harmonisation and standardisation initiatives have begun. A point to note here is that these efforts should not lead to developing a 'one size fits all' solution, because it never will, but to develop a system which is easy to understand, adopt, and implement.

Harmonization Efforts

EU taxonomy and the regulatory landscape in countries like the UK and USA are indicators that countries and their respective regulators will have a huge role to play in enforcing Impact data collection, assessment and reporting, while being transparent.

Convergence of Global ESG Reporting Standards

Name	Year	Harmonization Effort
Impact Management Project	2016	A global consensus building initiative to make Impact management mainstream. It has been incubated and hosted by Bridges Insights, a UK-based not-for-profit, funded by the likes of Blackrock, Deutsche Bank and Omidyar Network; guided by CDP, B Lab, SASB, PRI, etc., and supported by many organisations around the world who came together to share Impact management best practices and examples from their organisations.
Statement of Intent to Work Together	2020	In the US, in September 2020, five organisations – CDP (formerly the Carbon Disclosure Project), CDSB, GRI, IIRC and SASB – announced a shared vision for Sustainability standards and frameworks to complement Financial GAAP for a comprehensive reporting system under integrated reporting.
Corporate Reporting Dialogue	2014	CRD was an initiative convened by IIRC, designed to strengthen cooperation, coordination, and alignment and improve coherence, consistency, and comparability between key international standards and frameworks. The body was dissolved last year, post COP26 in Glasgow, citing the success of its mission over 7 years. Participating organisations included CDP, CDSB, FASB, GRI, IASB, IIRC, ISO, and SASB.
IBC Disclosure Project	2020	WEF, IBC, Deloitte, KPMG, EY and PWC came together to bring consistency and comparability by establishing common metrics for Sustainability disclosures and reporting. Its metrics draw from existing disclosure frameworks such as SASB, GRI and TCFD, combined with US GAAP. The metrics are called “stakeholder capitalism metrics” and organised under - People, Planet, Prosperity and Principles of Governance.
International Sustainability Standards Board	2021	At COP26, the IFRS Foundation announced the formation of ISSB. Simultaneously, IFRS Foundation also announced its consolidation with CDSB, an initiative of CDP and the VRF.
Value Reporting Foundation	2021	IIRC and SASB merged to form the VRF.
Joint Impact Indicators	2021	A subset of HIPSO indicators and the IRIS catalog of metrics in common topics across investments, increasing harmonisation in Impact measurement and reporting.

Source: Aspire Analysis

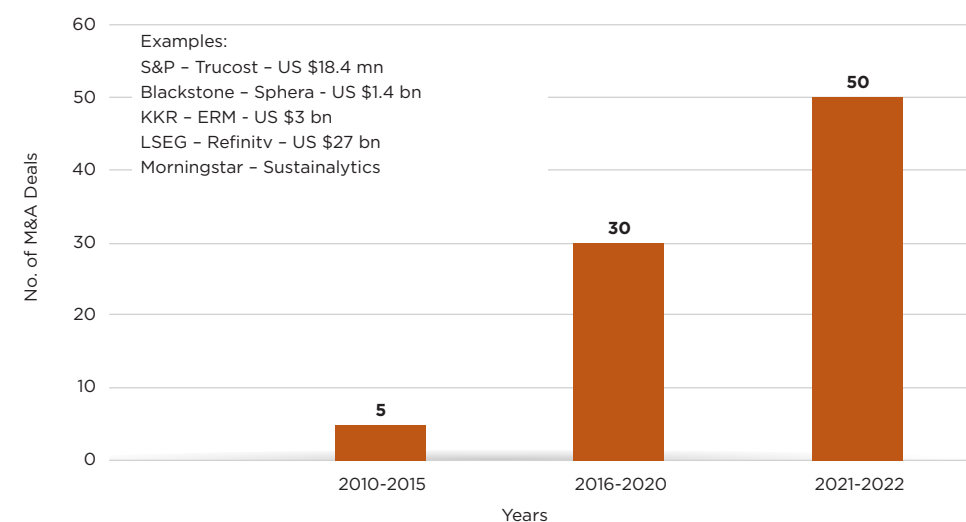
Consolidations

Apart from harmonization efforts, the burgeoning growth in the market has led to a recent surge in consolidations by way of M&A as well. Stalwarts such as Bloomberg, S&P, MSCI, Moody's, Accenture, McKinsey, and ERM have grown immensely over the last few years by devouring smaller players. Supported by innovative technology, focused on niche problems, and pumped by billion-dollar investments there are numerous young players emerging on the landscape – many of which will become great acquisition targets down the line.

A sharper focus on ESG, Sustainability, and Impact by all stakeholders is responsible for lucrative M&A deals which easily run into billions of dollars. From 2010 till 2022, there have been more than 80 (number not exhaustive, only for illustration purposes) notable deals, well worth over \$100 bn that made headlines. These transactions were spread across all IMM segments. It was also noticed that the deals varied greatly in terms of size and structuring. It will be an interesting space to watch till 2030 as the world runs up to reduce the emissions by 45% to meet the 1.5-degree climate target.

80+ M&A Deals between 2010-2022

>100 bn in transaction value



Source: Aspire Analysis

M&A deals are a bellwether for the growth in the sector. The fact that the # of deals in the last two years (50) outnumber the number of deals in the previous decade (35) buttresses our hypothesis that the

sector will keep consolidating and will indeed deliver the 15% CAGR we have projected.

A sample list can be found in Annexure II at the end of this book.

The Vision of an Impact Economy

“

If you can't fly then run, if you can't run then walk, if you can't walk then crawl, but whatever you do, you have to keep moving forward.

”

Martin Luther King Jr.

The above quote virtuously summarises the fervour required to upkeep the momentum that started centuries ago when Plato wrote about the ill effects of deforestation, was sustained by William the Conqueror passing a law to protect game animals, Jonathan Swift lamenting the condition of London's gutters, Benjamin Franklin protesting against waste dumping and Mahatma Gandhi predicting the ill-effects of excessive urbanisation, and has continued to proliferate in recent times with young and brave activists like Greta Thunberg and Malala Yusufzai questioning world leaders about their inaction. There is a growing disquiet due to socio-economic inequity and climate injustice, which has been shaping an Impact revolution.

The vision of an Impact Economy is to simplify and uncomplicate the dichotomy that organisations and governments face today, to choose between financial returns and Impact returns. In an evolved economy, these lines are expected to blur with the seamless integration of Impact alongside Risk and Return.

The Shape of the Impact Economy

Throughout this publication thus far, we have explored how the transition towards a higher economic order – one with a greater purpose, which is more just and equitable, and which can restore natural justice – is advancing. Impact economy, Conscious capitalism, Inclusive capitalism, or Neo-capitalism... the labels may differ, but the essence remains the same: to call upon the world to change for the better and pursue purpose over profit.

This change is irreversible and imminent because, at its very core, all the forces shaping the global economy and capitalism are changing. From consumer attitudes to accounting methods, from governments to media, there is widespread transformation everywhere.

Future economies will be significantly different from the current traditional capitalist practices and would be constructively restructured by an intense and proactive interplay among different stakeholders. Impact economies will be competent enough to bring a collective search for social, climate, and economic justice by addressing social and environmental issues at scale.

A Transitional Journey from Traditional to Impact Economy

	FROM: Traditional or Financial Economy	TO: Impact Economy
Purpose	Wealth Maximisation	Impact Optimisation (Business Schools and Literature currently using Stakeholder Value maximisation in their vocabulary)
Societal Values	Individualism (Liberty over Equality), Prioritisation of exchange-value	Collectivism (Equity, Justice & Inclusive Growth), Prioritisation of use-value
Technological Shifts	Information asymmetry leading to undue competitive advantage for businesses	Ubiquitous information facilitated by technology for an equitable market
Consumption Patterns	Passive, No/limited choice for consumers, High profit margins	Responsible, Sustainable brands, Value-for-money
Metrics	Predominantly financial: Revenues, Profits, Dividends, Interest, etc.	New Impact Metrics: Impact-weighted Profits, Underserved Customers, Diversity, Equity & Inclusion (or DEI), Carbon Positive Status, Net Zero Transition, ESG Ratings, etc.
Reporting	Financial Audits (GAAP, FAS, IAS, etc.)	ESG, Sustainability & Impact Assessments (GRI, SASB, IMP, IRIS, GIIRS, UNPRI, Aspire Impact 4P, etc.)

Source: Aspire Analysis

These changes are not accidental but are being actively engineered by different stakeholders, such as governments in pursuit of net-zero pathways and SDGs, by investors pivoting towards responsible investments, media celebrating sustainability, consumers trying to consume healthier products,

and businesses trying to earn stakeholder loyalty and consumer trust by creating more circular and planet-friendly products. The net result of all these hectic activities by different actors is the emergence of a new theory of change. This theory of change reflects the emerging shape of the Impact Economy.

The Impact Economy: Theory of Change

Inputs	Activities	Outputs	Outcomes	Impact
Leadership and Technology	<ul style="list-style-type: none"> Inclusive Indicators Policy Toolkit for Governments Generally Accepted Impact Principles Impact Disclosures 	Strategic changes: <ul style="list-style-type: none"> Shift from GDP as a sole measure of growth Improved policy frameworks Adoption of impact measurement Transparency and ethics in impact New platforms 	<ul style="list-style-type: none"> New indicators for growth and development Impact ecosystems Impact-weighted accounts Mandatory measurement and reporting of audited impact Transparency 	Economic Justice <ul style="list-style-type: none"> 1 NO POVERTY 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 17 PARTNERSHIPS FOR THE GOALS
Capital	<ul style="list-style-type: none"> Responsible, Sustainable & Impact Investing Innovating Financing (SIBs, Funds, Outcome Funds, etc.) Incubators, Accelerators 	Process changes: <ul style="list-style-type: none"> SDG funding gap addressed Access to capital Support to effective solutions (impact entrepreneurs) 	<ul style="list-style-type: none"> Finance as a force for good Profits & Capital are moral again Private Capital unlocked for Public Good 	Social Justice <ul style="list-style-type: none"> 2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 10 REDUCED INEQUALITIES 16 PEACE & JUSTICE STRONG INSTITUTIONS
Policy and Law	<ul style="list-style-type: none"> Move to Risk-Return-Impact Paradigm Embed The Impact Act at the heart of the Impact Economy Sensitization & Mobilization 	Structural changes <ul style="list-style-type: none"> Reduced social inequity and climate justice Increased awareness of challenges/ solutions Businesses move beyond BAU 	<ul style="list-style-type: none"> New social contract between Government & Society to mark a new equilibrium Systems Change - Embed Impact consideration in decision making by Governments, Businesses, Investors & Consumers 	
Advocacy and Education	<ul style="list-style-type: none"> Global Advocacy (COP, Extinction Rebellion, Fridays for Future, etc.) Talent development & Capacity Building (Executive Education) Community building 	Behavioural and Values-based changes: <ul style="list-style-type: none"> Growth in commitment to Principles (e.g., PRI or IFC), Frameworks (e.g., SBTi or Aspire Impact), Accounting (Impact Accounting by IWAI) Access to market-relevant insights Access to communities and cross-sector networks 	<ul style="list-style-type: none"> Enhanced understanding of impact economy Connected and motivated impact leaders Aware consumers 	Climate Justice <ul style="list-style-type: none"> 6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 14 LIFE BELOW WATER 15 LIFE ON LAND

Source: Aspire Analysis

The Promise of Impact Measurement and Management

Data that could positively or negatively affect an entity's or its stakeholders' financial performance is deemed material and must be tracked and disclosed. To take stock of the situation, the world is developing and strengthening its ESG disclosure regimes since this reporting addresses a wide range of issues that are pertinent to all industries. Managing and disclosing such material issues will attract Impact investors looking to invest in organisations aligned with a social purpose, looking at a Sustainable future, and promising strong financial returns. Stakeholders now demand evidence of performance, building on the growing consensus that merely announcing plans and setting targets is not sufficient, making organisations focus on and prioritise Impact Measurement and Management even more.

These numerous and diverse disclosures also bring with them the need to measure Impact, since it is essential to highlight the difference entities are making to the planet and people. Impact management entails measuring the lives touched, the forests saved, the people helped. In this present situation, it can be rightly said that IMM is to Impact economies what the north star used to be for seafarers.

The Great Desideratum

Standardised and comparable IMM can help channelise funds to deserving companies/ initiatives, unlock capital, and propagate

global collaboration. Some reasons why different entity types need such a system are as follows:

Corporations

- To be aware of the apparent risks
- Have a better understanding of customers, thus develop better-suited products and services
- Nudge the world to move from a "Do no harm" to "Contribute to solutions" philosophy.

Public

- Create transparency and Civil Society faith
- Attract Public Funding
- Build a vibrant Civil Society sector with impactful NPOs.

Non-Profits

- Draw attention from Funders/Donors and ease the process of decision-making for philanthropies by illustrating the difference the non-profit makes by fulfilling its mission
- Provide both quantitative and qualitative inputs and feedback to help improve programs and activities
- Sustain non-profits and make them economically viable.

Philanthropies

- Allocate capital for the worthiest causes
- Enhance the efficiency and effectiveness of philanthropic capital
- Objectively measure and compare Impact across sectors and projects.

The Advantages

IMM clearly enables deeper Impact and truly benefits all stakeholder groups, uniting the world with Impact. Some of the ways in which this can be beneficial are as follows:

Promises for Corporations

Although corporations have had access to ESG & Sustainability metrics for a while from multiple frameworks (GRI, TCFD, SASB, etc.) and providers (MSCI, S&P, Bloomberg, etc.), the inconsistent ratings have caused concerns, for which IMM has the following fixes:

- Value creation for all stakeholders involved
- Efficient utilisation of resources
- Reputation and goodwill building
- Risk mitigation
- Long-term revenue growth.

Promises for Financial Institutions

Investment managers globally are under pressure from institutional and retail investors to ensure their money does no harm. They will benefit by:

- Examining and integrating the true Impact of investees in their investment decisions
- Computing their portfolio impacts by aggregating the Impact of the underlying assets
- Ensure capital flows are allocated to the

appropriate asset classes and strategies.

Promises for Non-Profits

- Transparently and scientifically report their standards-based program impact
- Raise funding based on their empirical outcomes and impacts
- Build Sustainable non-profits by scaling effective programs as evidenced by IMM
- Improve branding due to futuristic best-practice adoption.

Promises for Donors and Funders

Funders perform both fiduciary and moral duties when they commission Impact assessments, as Trustees with an agency of the underserved. The benefits for them are:

- Aligning scarce philanthropic resources to outcomes and Impact, not inputs and activities
- Ensuring high ROI of the funding on targeted beneficiary communities or planet
- Reporting transparent, measurable and comparable performance of their programs.

With the stakeholders now recognising the crucial role played by IMM, there is much action in the market in terms of emergence of more tools and frameworks, and more importantly their zealous adoption.

The Headway

The progress in IMM is visible through promising trends such as increased understanding of IMM, larger availability of research and guidance, and emergence of sophisticated tools and frameworks, which are some of the reasons for the growth in this market. As sustainability challenges become more pressing, the time to act

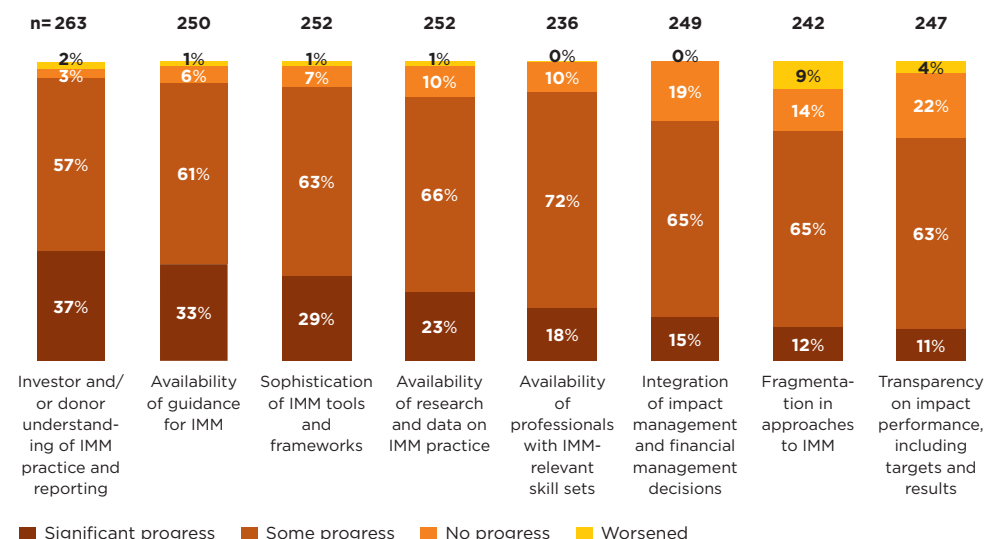
is limited and is only getting shorter. It is rightly pushing businesses to transform with alacrity, and thoughtfully measuring and managing the outcomes.

Following are the findings from a GIIN survey on the emergence of IMM practice, where most respondents quote positive progress.

Progress in IMM practice (2017 – 2020)

Number of respondents shown above each answer option.

Those respondents who chose 'not sure/not applicable' have not been included.



Source: GIIN, The State of Impact Measurement and Management Practice, Second Edition No

Adding to the excitement and motivation in this evolving space are initiatives by companies such as French food group Danone, which published its Impact-adjusted EPS for FY 2019, showing carbon-adjusted EPS grew at 12% YoY versus 8% growth in recurring EPS due to 9% carbon productivity. Kering, a French luxury goods company, measures its carbon emissions, water use, water pollution, land use, air pollution and waste, and converts the Impact into a monetary value to help measure its progress in becoming more

sustainable. Others will follow suit. There are also valiant scientific initiatives taking shape, such as the Impact-Weighted Accounts Initiative, which is working towards the determination of Impact valuation coefficients and the creation of Impact-weighted accounts; and the emergence of a New Efficient Frontier, which adds Impact to the traditional Risk and Return paradigm.

These examples are a great leap forward and will provide the necessary impetus to upkeep the promise presented by IMM towards building an Impact Economy.

The Toolkit for an Impact Economy

Reorganised economies are expected to provide solutions to the existing rampant problems of Capitalism 1.0 that needs to be jolted out of its mistaken pride of being an absolute system. The following set of measures will beget the future economies.

1 Solutions for Structural and Policy Issues

New corporate forms, like Profit with Purpose Companies or B-Corps, regulation and fiscal incentives, institutions like Impact Wholesalers, Pay for Success or Outcomes-based Models through Impact bonds and Outcome Funds, will no longer exist in minority numbers but will become the majority norm.

2 Re-fabricated Traditional Behavioural and Values-based Societal System

Change in fiduciary duties, Impact measurement, self-governance, and Impact integrity along with regulations

will remould traditional behaviours and values and make this a people-led movement.

3 Reimagined Constitutional Measures

As has been evident on several occasions in history, strong constitutional measures are sometimes needed to pull a final plug on malpractices plaguing economies and institutions. Just as we needed an Emancipation Proclamation in 1833 to end slavery, the Factory Act of 1833 and the Education Act of 1870 to partially end child labour in the UK, Rachel Carson's activism in the US to institute Earth Day and the Clean Water, Clean Air and Endangered Species Act in the 1970s, a new social contract in the form of an Impact Act of Capitalism 2.0 will mandate annual measurement and reporting of Impact by all and ensure a rebalance of individual and community rights, liberty and equality.

The New Equilibrium

The Impact economy will help set a new equilibrium across three dimensions – Historic, Economic, and Financial.

- Historically, the time for the Impact economy has emerged after two centuries of industrial and state capitalism. The future economic systems will be guided by institutions such as the UN and GSG resulting in many more initiatives such as PRI, SDGs etc. The motives of democracies will move away from control and profits to Impact.
- Economically, Impact economies will shift from wealth maximisation to Impact maximisation. Financial metrics will not

be considered alone when it comes to evaluating success but will expand to include Impact metrics such as Impact-weighted profits, carbon positivity, water positivity, solid waste management positivity, etc. which will be reported through newer universal systems such as Impact-Weighted Accounts and Generally Accepted Impact Principles.

- Financially, Impact economies will see unprecedented flow of capital to truly deliver social and economic justice. The asset managers and investors will no longer be afraid to assess each investment opportunity for its Impact performance. Risk, Return and Impact will be systematically optimised.

The Silver Bullet

Impact economies will be inclusive of philanthropists and capitalists, private and public markets, big and small businesses, for-profits, and non-profits. Increased social expenditure, growth in the number of Impact enterprises, higher responsible and sustainable investments, growing number of companies reporting on ESG metrics, and rising responsible consumerism will all be indicators of the new world economic order, across developed and developing economies alike.

Throughout history, humanity has been able to move from darkness to light in times of need. The Industrial Revolution that made goods affordable, the Tech revolution that connected us in unprecedented ways, the formation of the European Union that ended the cycle of wars, were all leaps of humankind – paradigm shifts, led by

societies. The world has embarked on a journey to turn the system once more on its head. Illuminated stakeholders are boldly envisioning and innovating to build a new global Impact Economy, which will ensure that the entire economic system works for the people and the planet. Considering the magnitude of the current social and environmental challenges, it would not be an easy task, but if there ever was a silver bullet, it will be this re-imagined, re-constructed, and re-employed Impact Economy!

“

Great things are done by a series of small things brought together.

”

Vincent Van Gogh

IMM in India: A Key Driver for Achieving Net Zero 2070 and a Catalyst for Sustainable Development

India has set an ambitious goal of achieving net-zero emissions by 2070. To achieve this, it is important for companies in India to adopt sustainable practices and measure their impact on the environment, society, and economy. This is where IMM comes in.

IMM helps companies understand and measure their impact on various stakeholders, such as customers, employees, suppliers, communities, and the environment. By adopting IMM, companies can identify areas where they can reduce their negative impact and increase their positive impact. This, in turn, can help them contribute towards India's net-zero goal by reducing their carbon footprint, conserving natural resources, and promoting sustainable development.

IMM in India has a relatively short but rapidly evolving history. CII took the first steps in 1991, during the Rio Summit, to engage industries in the areas of environment and climate change. Following this landmark event, CII set up three Centres of Excellence that focus on various aspects of sustainability such as climate change, air pollution, environment, green building, energy, and water management. These centers work towards promoting sustainable practices and providing guidance to industries on adopting environmentally responsible measures. But the concept of IMM first gained prominence in India with the introduction of the Companies Act, 2013, which mandated companies to spend a portion of their profits on CSR activities. This led to an increased focus on tracking the impact of these activities and the need for a standardized approach to measure and report on their outcomes.

Since then, IMM in India has seen significant growth with the emergence of various frameworks and standards. For instance, GRI and SASB have gained widespread adoption in the country. Additionally, there has been a growing interest in measuring impact across the investment landscape, with impact investing gaining popularity in recent years. In 2018, the SEBI introduced a new framework for Mutual Funds to invest in social welfare activities, further emphasizing the importance of IMM in the investment industry. SEBI also mandated the top 1000 listed companies to disclose their BRSR which includes their sustainability performance.

India has also been at the forefront of developing innovative approaches to IMM. For instance, the impact measurement and management framework developed by the Impact Investors Council of India is a comprehensive approach to impact measurement, management, and reporting for impact investors and investees. Similarly, the Social Stock Exchange proposed by the Indian Government aims to create a platform for raising capital for social impact businesses and will require companies to report on their social and environmental impact.

There are also some Indian companies that are leading the way in IMM adoption. These companies tend to be large, multinational corporations that operate in industries with a significant impact on society or the environment, such as energy, mining, and telecommunications. They have recognized the importance of IMM in managing risk, improving stakeholder engagement, and enhancing their reputation. For example, Tata Steel has developed a Sustainability

Framework which includes a set of sustainability goals and key performance indicators. Similarly, ITC Limited has developed an E-Choupal system that connects farmers to the market through technology, helping them increase their income and reduce their environmental impact.

India is also home to a number of leading impact investors, including the Tata Trusts, Omidyar Network India, and Aavishkaar. Between 2010 and 2019, impact enterprises in India successfully raised a significant amount of funding amounting to \$10.8 billion. This funding has been raised collectively by around 600 for-profit social enterprises, which collectively had a positive impact on the lives of more than 490 million beneficiaries across India⁸. These investors played a key role in driving the growth of the impact investing industry in India and are expected to continue to be major players in the years to come. In addition to impact investors and social entrepreneurs, mainstream investors are also showing increasing interest in ESG factors and impact measurement. According to a Dolat Capital report⁹, 8 out of the 10 ESG-focused mutual fund schemes in India have been launched in the last two years. Additionally, 17 out of the 19 investment managers and asset owners who have signed up with UN PRI have done so in the past two years. Among these signatories, 6 signed up in 2020 and 11 in 2021. All these developments will propel the role of IMM in India.

Despite the growing demand for IMM services, challenges remain in the Indian market. These include a lack of standardization in reporting frameworks and methodologies, limited availability of reliable impact data, and a need for greater awareness and education among companies and investors. Overall, the Indian IMM market is poised for growth as more companies and investors

recognize the importance of ESG factors and impact performance. With the support of government regulations and the development of standardized reporting frameworks, the market is expected to continue to grow and evolve in the coming years.

India's share in the global IMM market is expected to be around 2% by 2030, mainly driven by software and technology companies, consulting services, and data and ratings players.

Despite the growing demand for IMM services, challenges remain in the Indian market. These include a lack of standardization in reporting frameworks and methodologies, limited availability of reliable impact data, and a need for greater awareness and education among companies and investors. Overall, the Indian IMM market is poised for growth as more companies and investors recognize the importance of ESG factors and impact performance. With the support of government regulations and the development of standardized reporting frameworks, the market is expected to continue to grow and evolve in the coming years. India's share in the global IMM market is expected to be around 2% by 2030, mainly driven by data and ratings players, software and technology companies, and consulting and services.

In conclusion, IMM can play a crucial role in helping India achieve its net-zero goal of 2070. While Indian companies have made progress in adopting IMM, they still lag behind their global counterparts. It is important for the government, industry associations, and companies to work together to overcome the challenges and promote the adoption of IMM in India.

⁸ <https://iic.in/wp-content/uploads/2021/01/India-Impact-Investing-Story-June-2020.pdf>

⁹ https://images.assettype.com/bloombergrq/2022-03/9d1e5379-2ca3-41d8-9735-2fcd9cdd593e/Dolat_Capital_India_ESG_Report_10_March_2022.pdf

Key Takeaways

1 The IMM market, which encompasses ESG-Sustainability-Impact, has become a significant force with five segments including Consulting and Services, Databases, Indices, Ratings, and Rankings, Software and Technology, Executive Education and Training, and Principles, Frameworks, Standards, and Coalitions. This market has seen significant consolidation, with M&A transactions exceeding \$100 bn since 2010. In 2020, the market generated \$7.6 bn in revenue and is projected to grow at a CAGR of 15% to reach \$31 bn by 2030.

With the clock ticking towards the 2030 targets, businesses and countries are scrambling to achieve their goals. As a result, service providers across all IMM segments are expected to capitalize on the opportunity, leading to an acceleration in entry of new players as well as market consolidations. This trend is being driven by the increasing focus on ESG factors, and it is expected to continue as companies strive to measure and manage their ESG performance.

2 Despite ongoing efforts to harmonize and standardize ESG, Sustainability, and Impact frameworks and standards, there remains no clear consensus on the optimal approach. Companies across the globe currently report to regulators based on their jurisdiction and to investors and markets through multiple ratings or voluntary disclosures. Although voluntary disclosures were once viewed as sufficient for encouraging non-financial reporting, investor demand is driving nations to adopt mandatory

disclosure regimes with penalties for non-compliance, as evidenced by the UK's mandatory climate-related risk disclosures through TCFD and the SEC's disclosure rules for companies, funds, and advisors.

However, we believe that independent frameworks and standards that can establish gold standards for IMM will continue to thrive alongside regulatory reporting. Nevertheless, the search for a universal framework is not an ideal vision.

3 The complex and intricate regulatory environment, coupled with a growing demand for third-party verification of impact claims and statements, is driving the consulting and services segment to become the largest ecosystem partner in the ESG, Sustainability, and Impact space. These services allow leaders to leverage the expertise and support of specialists to make informed decisions. Consultants help leaders select the optimal reporting framework, implement impact measurement methodologies, and deploy the best software for carbon/climate accounting. This enables leaders to implement impactful initiatives with confidence.

4 Despite being crucial for assessing the performance of corporates or fundings, investors and financial institutions often struggle due to a lack of usable data. Setting up an in-house team of analysts is often cost-prohibitive and may lack the necessary expertise. To bridge this gap, Databases, Indices, and Ratings companies are leveraging

their resources and scale to collect, process, standardize, and convert data into analytics, reports, ratings, and other ready-to-use forms that enable quick decision-making. Although this segment faces some challenges such as comparability issues across different ratings providers and different criteria for data collection, it is expected to experience significant growth over the next decade.

5 As the demand for data increases to measure and manage impact, paper files and Excel spreadsheets are no longer adequate for storing and analysing statistics. To address this challenge, technology is providing custom-built software solutions for recording, tracking, and comparing impact. This segment is expected to see more platforms offering advanced data tracking capabilities, such as satellite monitoring, the Internet of Things (IoT), and more. Climate-analytics SaaS-based software is predicted to occupy a significant share of this vertical as reporting becomes more comprehensive, demanding, and computationally complex.

6 As ESG, Sustainability, and Impact become increasingly important, the sector will require leaders and practitioners with the necessary understanding, knowledge, and best practices to navigate its rapidly evolving, multidisciplinary landscape. The demand for executive education in this field is growing, with many universities offering relevant courses. The importance of executive education is highlighted by the fact that 77% of institutional investors consider it important for senior executives to have a strong understanding of sustainability risks and opportunities, according to a survey by the Principles for Responsible Investment. Furthermore, 75% of companies surveyed by EY said that a lack of ESG skills and expertise is a barrier to effective ESG integration¹⁰.






Executive education can produce stellar talent and research, even though currently it holds a very small market share in the ESG ecosystem. It is expected to continue playing an important role in developing the next generation of leaders and practitioners in the ESG, Sustainability, and Impact space.

¹⁰ Ernst & Young (EY). (2021). Navigating disruption without losing sight of ESG priorities. Retrieved from https://www.ey.com/en_in/governance-and-reporting/navigating-disruption-without-losing-sight-of-esg-priorities

Annexure I

Existing Research Related to IMM

Aspire's research enhances the global body of knowledge on IMM and is the first to publish market sizing & forecasts till 2030, with a sample of 550+ companies across five IMM segments.

Publication	Title	Publisher	Author(s)	Focus	No. of Pages	USP
	The Size of ESG, Sustainability and Impact Measurement & Management Market	Aspire Circle (Indian NPO), January 2023	Amit Bhatia, Harpreet Kaur Ghai (both Aspire Impact)	Global; Business & Investment (incl. ESG & Sustainability)	80	Global Market Sizing for five IMM segments, Forecasts till 2030, 550+org sample size
	Impact Measurement & Management (IMM): Impact Investing's Evolving Ecosystem	Said Business School, Oxford University, October 2021	Edward Yee, Zhilin Xiao, Hannah Levinson, Takeshi Igarashi, Noah Law	Global Impact Investing; focus on Frameworks, Principles & Reporting	48	Systems mapping
	Impact Measurement & Management in Sustainable Finance	Asian Development Bank (ADB), April 2021	Prof. Alex Nicholls (Oxford University)	Global; Business & Investment (incl. ESG & Sustainability)	53	Exhaustive Background paper with description of key methodologies
	Impact Measurement & Management in India	Impact Investors Council (IIC)- Indian Impact Investment Industry Body, October 2020	Devang Bhandari, Sakshi Uberoi (both KPMG), Swasti Saraogi & Shriya Nane (both IIC)	India Impact Investment (excl. ESG & Sustainability); Focus on Process & Practices	77	India Sample (26 impact investors)
	The State of Impact Measurement & Management Practice	GIIN-Global Impact Investment Industry Body, January 2020	Rachel Bass, Hannah Dithrich, Sophia Sunderji, Noshin Nova (all GIIN)	Global Impact Investment (excl. ESG & Sustainability); Qualitative Insights	64	Survey-based- 278 respondents; 2-year trends; global sample

Annexure II

M&A Deals - Illustrative List of Deals b/w 2010 and 2022

Buyer	Target	Year
Accenture	Carbon Intelligence	2022
Accenture	Greenfish	2022
Accenture	akzente	2022
Accenture	Avieco	2022
BCG	Quantis	2022
BearingPoint	I Care	2022
Dalberg	Ravel Innovation	2022
Deloitte	Carbon Care Asia	2022
Diligent	Insightia	2022
Ecovadis	Ecotrek	2022
ERM	MarineSpace	2022
ERM	Point Advisory	2022
EY	Afara	2022
GIVE	Goodera (India CSR Business)	2022
IBM	Envizi	2022
NASDAQ	Metrio	2022
S&P Global	Climate Services	2022
Santander	Way Carbon	2022
Sphera	Riskmethods	2022
Intercontinental Exchange	Urgentem	2022
S&P Global	IHS Markit	2022
S&P Global	CICERO Shades of Green	2022
Infogrid	Aquicore	2022
JLL	Envio	2022
TRC Companies	Enzo Advisors	2022
Legence	LORD Green Strategies	2022
RepTrak	ESG Analytics	2022
Accenture	Zestgroup	2021
AXA	ClimatSeed	2021
Blackrock	Baring Climate Change Scenario Model	2021
Blackstone	Sphera	2021
Diligent	Steele Compliance	2021

Buyer	Target	Year
Diligent	Accuvio	2021
dss+	Sofies Group	2021
dss+	KKS Advisors	2021
ERM	Stratos	2021
esgbook	World Business Council for Sustainable Development (WBCSD)	2021
Institutional Shareholder Services	ACRe Data	2021
JP Morgan	OpenInvest	2021
KKR	ERM	2021
LSEG	Refinitiv	2021
Moody's	RMS	2021
OneTrust	Planetly	2021
Simplify Compliance	Basic Safe	2021
WSP	Golder	2021
Intercontinental Exchange	RisQ	2021
ERM	Sustainalize	2021
ERM	E4tech	2021
ERM	OPEX	2021
Goby	Conservice	2021
Cority	WeSustain	2021
Bloomberg	Second Measure	2020
Deutsche Borse	ISS ESG	2020
Factset	Truvalue Labs	2020
KPMG	Action Sustainability Asia Pacific	2020
Landmark Information Group	RiskHorizon	2020
McKinsey and Company	Vivid Economics	2020
McKinsey and Company	Planetrics	2020
Morningstar	Sustainalytics	2020
NASDAQ	OneReport	2020
Refinitiv	The Red Flag Group	2020
Wolters Kluwer	CGE Risk	2020
Navex	CSRware	2020
ERM	SustainAbility	2019
Institutional Shareholder Services Inc.	CAER	2019
LSEG	Beyond Ratings	2019
Moody's	Vigeo Eiris	2019
Moody's	SynTao Green Finance	2019

Buyer	Target	Year
Moody's	Four Twenty Seven	2019
MSCI Inc	Carbon Delta	2019
S&P Global Inc	RobecoSAM AG's ESG rating business	2019
Sphera	thinkstep	2019
Sustainalytics	GES International	2019
Institutional Shareholder Services Inc.	Oekom Research	2018
Sustainalytics	Solaron Sustainability Services	2018
Wolters Kluwer	eVision	2018
Institutional Shareholder Services	South Pole Group (investment climate data division)	2017
Institutional Shareholder Services	IW Financial	2017
Sphera	Rivo Software	2017
S&P Global	Trucost	2016
Wolters Kluwer	Enablon	2016
LSEG	FT Russell	2014
MSCI Inc	GMI ratings	2014
RobecSAM	SAM	2013
Sustainalytics	Responsible Research	2012
MSCI Inc	Riskmetrics Group	2010

Annexure III

List of 550+ Actors Used in IMM Forecasting

- | | | | | | |
|----------------------------------|--|---|---|---|--|
| • :response | • Apambu | • Benchmark Digital | • Carbon Trust | • ClimatePartner | • Deloitte |
| • 15Rock | • Apex Companies | • Beyond Ratings | • Carbon+Alt+Delete | • ClimateView | • Demir Enerji |
| • 180 degrees consulting | • Apex Group | • BidConnect USA | • carbon4 finance | • Coalition for Environmentally Responsible Economies (CERES) | • Denkstatt |
| • 2 Degrees Investing Initiative | • Aplanet | • BJSS | • CarbonChain | • Codio Impact | • DFGE |
| • 2EX Technology | • Arabesque ESG Book | • Bloomberg | • CarbonQuota | • Columbia University - Columbia Business School | • Dhvani Rural Info Services |
| • 3Degrees | • Arara.io | • Blue Sky Analytics | • Carbonsink | • Confederation of Indian Industry (CII) | • Diginex |
| • 3R Sustainability | • Arcadis | • BlueGreen Sustainability Consulting | • carbonzero | • Conservice ESG | • Diligent |
| • 4th Wheel Social Impact | • Archer | • Bluemark | • CareEdge | • Consultancy Services | • Disklosure |
| • 60 Decibels | • Arthan | • Boston Consulting Group | • CDP | • Control Risks | • DNV |
| • Aakel Technologies | • ASC Advisors | • BreezoMeter | • CDSB | • Cority Software | • Doconomy |
| • ACA Group | • Asia Sustainable Finance Initiative (ASFI) | • Bridge 3 | • Cedara | • Corporate Citizenship | • Dowjones |
| • Accacia | • Asian Venture Philanthropy Network (AVPN) | • Bridgespan | • Centre for Sustainability and Excellence | • Corporate Knights/Global 100 | • dss+ |
| • Accenture | • ASKEL Sustainability Solutions | • Broadridge Financial Solutions | • CFA Institute | • Covalence ESG Ratings | • Duke University - The Fuqua School of Business |
| • Accern | • Aspire Impact | • Brundtland Consulting | • CFA Institute - Global ESG Disclosure Standards for Investment Products | • Cozeta | • Dynamo Software |
| • AccountAbility | • Assent Compliance | • BSR | • Change Gap | • CRD Analytics | • E&Y |
| • Accountancy Europe | • Asset4 (acquired by Thomson Reuters) | • Bumi Global Karbon | • Charities Aid Foundation | • Creative Capitalism Japan | • e3 Consultora Ambiental |
| • Accuvio | • Associated Chambers of Commerce & Industry of India (ASSOCHAM) | • Bureau Veritas | • China Alliance of Social Value Investment (CASVI) | • Creditinfo | • Earth Check |
| • ACT Commodities | • Asuene | • Burgiss | • Cicero Shades of Green | • CRISIL | • Earth on Board |
| • Acumen Academy | • Avetta | • Cadmus | • Clarity AI | • Cropin | • EcoAct |
| • ADEC Innovation | • B.Corp. | • Caesar | • Clean Energy Access Network (CLEAN) | • CSR Hub | • Ecocrumb |
| • AG Sustainable | • Bain & Company | • Callan | • Clear Impact | • CSRBox | • Ecomate |
| • Agendi | • BayTree | • Calvert Investments | • Clearbrook | • CSRware (acquired by Navex) | • Ecometrica |
| • Aither | • BCTA Impact Lab | • Canterbury Consulting | • Cleartrace | • Cuantix | • Ecovadis |
| • Alcumus | • Be Zero Carbon | • CAP Conseil | • Clermont Partners | • Curzon Consulting | • ECPI Indices |
| • Algorhythm | • Bearing Point | • CapGemini | • CLG | • Daato | • Edison Energy |
| • Alva | | • Carboledger | • Climate Action 100+ | • Dakota Software | • Efiko Academy |
| • Alvarez & Marsal | | • Carbon Footprint | • Climate Bonds Initiative | • Dalberg | • EHS Hero Management (formerly BasicSafe) |
| • Ambee | | • Carbon Intelligence (part of Accenture) | • Climate Smart Businesses | • Datamaran | • EHS Insight |
| • Antea Group | | | • ClimateClever | • DEKONTA doo | • EKA Software Solutions |
| • Anthesis | | | | | • EKI Energy Services |
| | | | | | • Ellipsis Energy |
| | | | | | • Emex Software |

- Emission Critical
- Emitwise
- Emizio
- Enablon
- Encamp
- Enel X
- Energise
- Energy Impact Partners (EIP)
- Engie Impact
- EnHelix Software
- Envantage
- EnvironFocus
- Environment Arabia
- Envision digital
- Envizi (an IBM company)
- eolos
- Equileap
- ERM
- ESG Analytics
- ESG Enterprise
- ESG Impact (ESGi)
- ESG Intelligence
- ESG Navigator
- ESG Playbook
- ESG Risk AI (Acuité)
- ESGai Technologies
- ESGAUGE
- ESGDS
- ESGeo
- ESGROBO
- ESGTech
- ESSA Technologies
- ET Index Research
- EthiFinance
- Ethisphere
- Ethos
- Euronext
- European Investment Bank (EIB) - Environmental and Social Standards
- Evaluate8 Sustainability
- Evalysis
- Fact Set
- FAIR Labs
- Fandoro
- Federation of Indian Chambers of Commerce & Industry (FICCI)
- Figbytes
- Finch and Beak
- Fincite
- First Climate
- Fisa
- FiscalNote ESG Solutions
- Fitch Ratings
- fjol-digital
- Flexigrant
- Forum Ethibel
- FSG
- FTI Consulting
- FTSE Russell
- FUNData
- FutureCamp Climate
- Future-Fit Business Benchmarks
- Futurescape
- G17Eco
- Genpact
- GHG Protocol
- GIIRS
- Glass Lewis
- Global Impact Investing Network (GIIN)
- Global Investor Coalition on Climate Change (GIC)
- Global Steering Group for Impact Investment (GSG)
- Global Sustainable Investment Alliance (GSIA)
- Go2 Markets
- Goodera
- GoProdigii
- gorlem
- Governance Solutions Group (GSG)
- Green Project Technologies
- Green Ranking by Newsweek
- Greenbase
- GreenCo
- Greenly
- GreenstonePlus
- Greenworks ESG
- GRESB
- GRI
- Griffith University - Griffith Business School
- Grow Sustainability Consulting
- Grupo Report
- Harmonized Indicators for Private Sector Operations (HIPSO)
- Harvard University - Harvard Business School
- HEC Paris
- Hermes EOS
- Hong Kong Exchange (HKEX)
- Horvath & Partners
- HSI Donesafe
- Human Impact + Profit (HIP)
- Hyphen Global
- ICR Systems & Management
- Ideal Ratings
- IFC Performance Standards
- IFRS Sustainability Disclosure Standards (IFRS S1, IFRS S2)
- IHS Markit
- IIRC
- IMP - Five dimensions of impact
- Impaakt
- Impact Beacon
- Impact Investing Institute
- Impact Institute
- Impact Lens
- Impact Reporting
- Impacttt
- ImpactTracker/Hivve
- Impactvise
- Impak Analytics
- Imperial College London - Imperial College Business School
- ImplementaSur
- India Climate Collaborative (ICC)
- Indian Green Building Council (IGBC)
- Indian Impact Investors Council (IIIC)
- Indian Institute of Corporate Affairs (IICA)
- Indian Institute of Management (IIM)
- Indian School of Business (ISB)
- Indian School of Development Management (ISDM)
- inFocus
- Inrate
- Institut Européen d'Administration des Affaires (INSEAD)
- Institute of Rural Management Anand (IRMA)
- Integrity Next
- Integrow
- Integrum ESG
- Intellex technology
- Intellectap
- Intello Labs
- Intercontinental Exchange (ICE)
- International Association for Impact Assessment (IAIA)
- International Corporate Governance Network (ICGN)
- International Standards Organization (ISO)
- Investor Alliance on Human Rights (IAHR)
- IPE Global
- iPoint
- IRIS+
- IsoMetrix Software
- ISOS Group
- ISS ESG/Oekom
- Itad
- IVIS Technologies
- J-PAL
- Junxion
- Jupiter Intelligence
- JUST Capital
- Kayrros
- Keramida
- KKS Advisors
- Klinkby Enge
- KPMG
- Landmark Information Group
- Llyod's Register Quality Assurance (LRQA)
- Locus Technologies
- Logicladder
- LogicManager
- London Stock Exchange (LSE)
- Lucideon
- Mahindra University
- Manifest Climate
- Mark Labs
- Masader
- Massachusetts Institute of Technology (MIT) - Sloan School of Management

- Maturity Institute
- Mazars
- McKinsey & Company
- Measurabl
- Mercer
- MESA
- MetricStream
- Metrio
- MioTech
- Moody's
- MorningStar
- Move to Impact
- MSCI
- My Console
- MyLogIQ
- NASDAQ
- National University of Singapore NUS Business School
- Natural Capital Protocol
- Navex
- NEPC
- Net Zero Analytics IKE
- Neufin
- New York University (NYU) - Stern School of Business
- niiti Consulting
- Normative
- Nossa Data
- Nous Group
- Novata
- Novisto
- One Brave Step
- OneReport (acquired by Nasdaq)
- OneTrust
- Onyen
- OpenInvest
- Optera
- Oren
- Ortec Finance
- Outline India
- Owl ESG
- Pacific community ventures
- Partnership for Biodiversity Accounting Financials (PBAF) Standard
- Partnership on Sustainable, Low Carbon Transport (SLoCaT)
- Persefoni
- Pico Analytics
- Pixxel
- Plan A
- Plan Be
- Plantar Carbon
- PortageBay
- Portfolio Decarbonization Coalition (PDC)
- Position Green Group
- Preqin Solutions
- Prescinto
- Prizma
- ProcessMap
- Project Canary
- Proof Of Impact
- PulsESG
- PwC
- PwC - Total Impact Measurement and Management (TIMM)
- Qontigo
- QuantifiedESG
- Quentic
- Ramboll
- RCT-YES (by Mathematica)
- Real Impact Tracker
- REDF - Social return on investment (SROI)
- Refinitiv
- ReGen Strategic
- Reporting21
- RepRisk
- Resnovae
- Responsible Investor
- Resync
- Rimm
- Rio ESG
- Risckconnect
- risQ (acquired by ICE data)
- RobecoSAM
- Rodinia
- RS Sostenible
- S&P
- SafetySync
- Sais Sustentabilidade
- Sambodhi
- Samhita Social ventures
- Sancroft
- SASB

- Sattva Consulting
- Science Based Targets initiative (SBTi) Net Zero Standard
- Scope 5
- Scopewire
- SDG Action Manager
- SDG Impact Standards
- Semtrio
- Seneca ESG
- Sensefolio
- S-Factor
- SG Analytics
- SGS
- SINAI Technologies
- Singapore Exchange (SGEX)
- Skymetweather
- Smart Head
- Social and Human Capital Coalition (SHCC)
- Social Impact
- Social Value International (SVI) Standards
- SocialCops
- Socialsuite
- SOLUTIS
- SoPact
- South Pole
- Sphera
- Stakeholder Empowerment Services
- Stanford University - Stanford Graduate School of Business
- Starboard Tools
- Step Change
- Supercritical
- Susnex
- Sustain Life
- SustainAbility
- Sustainable Brand Index
- Sustainable Business Consulting
- Sustainable India Finance Facility (SIFF)
- Sustainalytics
- Sustaineration
- SustainLab
- Sustainometric
- Sweep
- Swiss Climate
- Sylvera
- SYMPACT
- SynTao
- Taskforce on Nature related Financial Financial Disclosures (TNFD)
- Tata Consultancy Services (TCS)
- Tata Institute of Social Sciences (TISS)
- TBL Manager
- TCFD
- TEJ (Taiwan Economic Journal)
- Telematica
- Tellery Group
- Terrascope
- TerraviewOS
- Tetra Tech
- The Academy for Sustainable Innovation
- The Center for Sustainable Investment and Finance at the Swiss Federal Institute of Technology
- The Civic 50/Points of Light
- The Energy and Resources Institute (TERI)
- The EquityTool
- The Good Company
- The Impact Management Academy
- The Institutional Investors Group on Climate Change (IIGCC) - Net Zero Investment Framework
- The Investment Impact Index
- The Middleway
- The New School - The Impact Entrepreneurship Initiative
- The Reporting Exchange (part of WBCSD and ESG book)
- The Social Enterprise Institute
- The Social Finance Academy
- The Stakeholder Company (TSC)
- Think impact
- Thomson Reuters
- Tideline
- Tofuture
- Toitū Envirocare

- Toniic Tracer
- TraceFi
- Traidcraft India
- Transitory
- Traverse
- Treeni
- Trinity consultants
- Trucost
- Truvalue labs
- TTC
(Thinkthrough Consulting)
- Turnkey
- TÜV SÜD
- UL Solutions
- UNDP
- UN Principles for
Responsible Investments
(UN PRI)
- Uniqus Consultec
- United Nations
Conference on Trade and
Development (UNCTAD)
- United Nations
Environment Program
Finance Initiative
(UNEPFI)
- United Nations Global
Compact (UNGC)
- University College
London - UCL School of
Management
- University of California -
Haas School of Business
- University of Cambridge -
Judge Business School
- University of Cape Town
Graduate School of
Business
- University of London -
London Business School
- University of Melbourne
- University of Michigan -
Ross School of Business
- University of Oxford -
Saïd Business School
- University of Pennsylvania
-The Wharton School
- University of Zurich
- Unravel Carbon
- Up2You SRL SB
- Updapt CSR
- US Impact Investment
Alliance
- US SIF
- Util
- VAAJU
- Valora Consultores
- Value Xd
- Veda
- Velocity EHS
- Vera Solutions
- Verdantix
- Verisk
- Vervantis
- Via Green
- VitalMetrics
- Viverno
- Vizibl
- VOTO
- Waro
- Wastebox
- Watershed
- WEF/IBC -
ESG Disclosure Project
- Win.d
- Workiva
- World Benchmarking
Alliance (WBA)
- World Business Council for
Sustainable Development
(WBCSD) - Measuring
Impact Framework
- World favor
- World Resource Institute
- Moody's Vigeo Eiris
- WSP & Golder
- Y Analytics
- Yaad Yarok
- Yale University -
Yale School of
Management
- YvesBlue
- Zeroboard
- Zersent
- ZOOiD

Annexure IV Abbreviations

AUM	Assets under management	G7	Group of Seven (France, Germany, Italy, Japan, the United States, the United Kingdom, and Canada)
BEIS	Department for Business, Energy & Industrial Strategy	GAAP	Generally Accepted Accounting Principles
BRR	Business Responsibility Reporting	GHG	Greenhouse gases
BRSR	Business Responsibility and Sustainability Reporting	GIIN	Global Impact Investing Network
BSE	Bombay Stock Exchange	GIIRS	Global Impact Investing Rating System
CAC	Cotation Assistée en Continu	GRESB	Global Real Estate Sustainability Benchmark
CAGR	Compounded Annual Growth Rate	GRI	Global Reporting Initiative
CDSB	Climate Disclosure Standards Board	GSG	Global Steering Group for Impact Investment
CII	Confederation of Indian Industry	GSSB	Global Sustainability Standards Board
COP	Conference of Parties	HIPSO	Harmonised Indicators for Private Sector Operations
CSR	Corporate Social Responsibility	IASB	International Accounting Standards Board
CSRD	Corporate Sustainability Reporting Directive	IASB	International Accounting Standards Board
DEI	Diversity, Equity & Inclusion	IBC	International Business Council
DFI	Development Finance Institutions	IFC	International Finance Corporation
DJSI	Dow Jones Sustainability Indices	IFRS	International Financial Reporting Standards
EFrag	European Financial Reporting Advisory Group	IIRC	International Integrated Reporting Council
EPS	Earnings per share	IMM	Impact Measurement & Management
ESG	Environment, Social and Governance	IMP	Impact Management Project
EU	European Union	IRDAI	Insurance Regulatory & Development Authority of India
FASB	Financial Accounting Standards Board	ISO	International Organization for Standardization
FCA	The Financial Conduct Authority	ISSB	International Sustainability Standards Board
FSB	Financial Stability Board		
FTSE	Financial Times Stock Exchange		
G20	Group of Twenty (Argentina, Australia, Brazil, Canada, China, EU, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, UK and USA)		

IUCN	International Union for Conservation of Nature	SBTi	Science-based Target Initiative
IWAI	Impact-Weighted Accounts Project	SDG	Sustainable Development Goals
JSE	Johannesburg Stock Exchange	SEBI	Securities and Exchange Board of India
KPI	Key Performance Indicator	SEC	U.S. Securities and Exchange Commission
LLPs	Limited Liability Partnerships	SIB	Social Impact Bond
M&A	Mergers and acquisitions	SRI	Socially Responsible Investing
MCA	Ministry of Corporate Affairs	SWOT	strengths, weaknesses, opportunities and threats
MDGs	Millennium Development Goals	TCFD	Task Force on Climate-related Financial Disclosures
NSDL	National Securities Depository Limited	TRAI	Telecom Regulatory Authority of India
NVG	National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business	UN	United Nations
OECD	Organisation for Economic Co-operation and Development	UNDP	United Nations Development Programme
OFSI	Office of the Superintendent of Financial Institutions	UNEP FI	United Nations Environment Programme Finance Initiative
OPEC	Organization of the Petroleum Exporting Countries	UNGC	United Nations Global Compact
PRI	Principles for Responsible Investment	VRF	Value Reporting Foundation
ROI	Return on Investment	WBCSD	World Business Council For Sustainable Development
S&P	Standards & Poor's	WEF	World Economic Forum
SASB	Sustainability Accounting Standards Board	YoY	Year-on-Year

Author Bios



Amit Bhatia, Founder & CEO, Aspire Impact

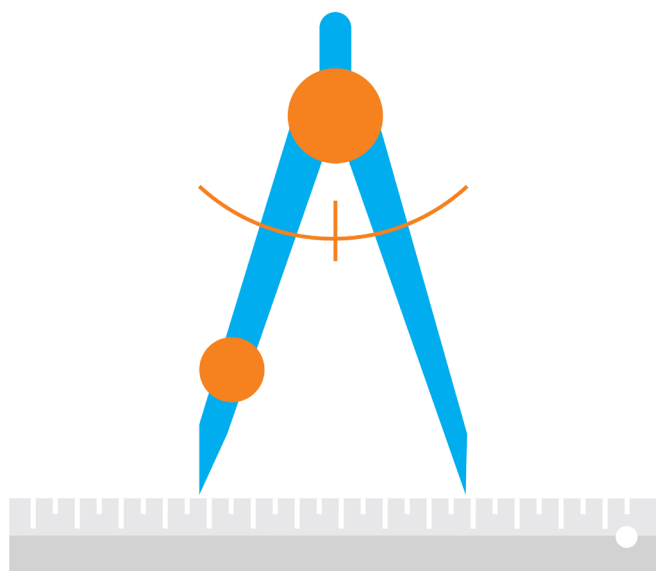
Amit Bhatia (www.amitb.in), Founder of Aspire Impact & Aspire Circle, was formerly Inaugural CEO of G7's Global Steering Group for Impact Investment (2017-20); Founding CEO of India's Impact Investors Council (2014-2017); Founding CEO of WNS Knowledge Services; and, Founder of McKinsey Knowledge Centre.



Harpreet Kaur Ghai, Director, Knowledge Development, Aspire Impact

Harpreet leads the Knowledge Development vertical at Aspire Impact. She is an MBA in Finance and a Lean Six Sigma Green Belt holder from KPMG. Harpreet has over 12 years of experience in the research and data collection domains, having worked with S&P Global and Alternative Path and also as a freelancer.

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IMPACT DATA FOR IMPACT MARKETS IS HERE



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IKOO delivers digitized and comparable impact data at your fingertips

IKOO is a global, multi-lingual, digital platform, to be launched in Q1, 2023, for corporations, investors and non-profits to assess and measure Impact in a standardized and comparable manner. It catalyzes the ESG, Sustainability & Impact movement with online standards-based assessments; comparisons and benchmarking using public & proprietary impact data; and Impact Ratings to differentiate organizational impact performance.

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KEY RESEARCH CONTRIBUTOR : Sayan Debnath

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Sanjam Sehgal

DISCLAIMER

We kindly request you to take note that this research represents our first attempt at forecasting the growth of the IMM market and, it is a first such global attempt too. We have made every effort to ensure the validity of our assumptions regarding data used such as revenues, employees, etc., but it is possible that we may have overlooked or not fully accounted for certain actors or activities. It is also to be noted that this is not an exhaustive list and may not include many new players. The revenues were also not easily available for most players since the market includes a ton of diversified players with no disclosures on divisional revenues. As most players were privately-held or VC-funded companies, the estimations were hard and often based on primary interviews.

Additionally, we would like to acknowledge that this research has some limitations and exclusions, as some variables or factors were not considered due to data unavailability or lack of resources.

In light of these limitations, we would like to advise that caution should be exercised when interpreting the results of this analysis. Additional checks and further investigation may be required before the findings can be relied upon for critical decision-making purposes.

Despite these limitations, we believe that this research is a valuable first step towards understanding the underlying dynamics of emerging IMM landscape. As with any research endeavor, there is always room for improvement and refinement. We are committed to building on this foundation and continuously refining our methods and approach in future research endeavors.

We are open for your comments, feedback, and suggestions. If you are an IMM actor whom we inadvertently missed, we apologise- please immediately send us your details so we can include you in the next edition. Please feel free to write to us at harpreet.kaur@aspireimpact.in

ASPIRE™

Aspire, founded by Amit Bhatia, focuses on impact leadership and ecosystem development through three initiatives: Aspire Education (www.aspireeducation.in) for education, Aspire Impact (www.aspireimpact.in) for ecosystems, and Aspire Circle (www.aspirecircle.org) for social leadership. Aspire, established in 2007, based in Gurgaon (India) is committed to making Impact a way of life.



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