



CHALLENGE 2

CONFUSION ABOUT THE BOUNDARIES OF IMPACT INVESTING AND WHERE IT SITS IN RELATION TO SIMILAR APPROACHES

Resource 2.1

[The ABC Impact Classes \(simplified\)](#)

Level of detail: **Basic**

About: This graphic shows how investors can contribute to the positive impact of their investment portfolios. The ABC represents the impact of the underlying assets/enterprises in a portfolio and stands for:

- ▲ **Act to avoid harm**
- ▲ **Benefit stakeholders**
- ▲ **Contribute to solutions**

This original framework was devised by the Impact Management Project (IMP). We have adapted it slightly by including examples of financial instruments that can be used to create additional impact. This resource also appears in the GSG report, [The Impact Principle](#).

Resource 2.2

[Interactive Vocabulary Map](#)

Level of detail: **Medium**

About: This map shows the relationship between common impact terms. Zooming is possible using your mouse, trackpad or the slider in the bottom right corner. The terms are broken down vertically with increasing levels of detail. Investment strategies and their definitions appear in the centre. They are the focus of the map and appear horizontally along a continuum to indicate the level of intentional impact using the following frameworks:

1 **ABC Impact Classes**

(The Impact Management Project)

2 **Impact First vs. Finance First**

We recognise that there are differing views on how to map the impact-related investment strategies as well as where the boundaries of impact investing are. The GSG will be working with the industry on this and welcomes your thoughts on how to continue to improve on how these issues are illustrated.

Resource 2.3

[The Spectrum of Capital](#)

Level of detail: **Medium**

About: This useful graphic from the Impact Investing Institute maps investment approaches according to their finance goals, impact goals and intentions. It's

a helpful way to visualise and compare investment strategies across the spectrum.

Resource 2.4

[The ABC Impact Classes \(full\)](#)

Level of detail: **High**

About: This is the full information on the ABC framework by the IMP. In our amended version (above) the matrix is populated with examples of types of financial products. In the IMP's version, the matrix is

populated with examples of actual financial products. This can be toggled to show an example of how PGGM, the manager of the second biggest pension fund in the Netherlands (PFZW), is investing its €220 billion of assets under management.