

IWAF GUIDES

The benefits of Impact Accounting for COMPANIES



What is the Impact-Weighted Accounts Framework?

The Impact-Weighted Accounts Framework (IWAF) revolutionizes success measurement by translating social, human, and natural impacts into monetary terms. This **standardizes impact language** and integrates it into strategic decision-making, helping businesses and investors make informed, impact-driven choices.

A key component of IWAF is the **Integrated Profit & Loss (IP&L)** statement, which extends traditional P&L by capturing financial and non-financial impacts on stakeholders and the six capitals, all translated into currency terms.



Who can benefit from Impact Accounting and its Added Value?

The IWAF is our tool designed to support companies and their employees across all organisational facets to steer on their impact through **Impact Accounting**. This guide highlights the benefits of adopting Impact Accounting with IWAF for **companies**.

Discover IWAF's Unique Value Proposition through 5 key benefits





steer on purposeful and intentional impact

Unlike traditional frameworks, IWAF focuses on the **actual impacts** — such as contributions to well-being and reduced health impacts — rather than just inputs and outputs. This allows companies to measure, report, and shape strategies based on their effect on well-being in society.



make informed trade-offs

By translating impacts into currency, IWAF enables organisations to **compare and prioritise** impacts. This helps them assess the relative importance of options and allocate resources more effectively. For instance, they can compare reducing water usage to cutting carbon emissions and make decisions that optimise contributions to stakeholders' welfare.

identify new business opportunities

Forecasting with a focus on broad value creation is crucial for identifying business opportunities beyond immediate financial gains, especially in sectors transitioning towards more sustainable models. Leveraging IWAF is essential for **staying ahead**, identifying new business opportunities, and ensuring long-term competitiveness and **longevity**.



streamline stakeholder engagement

By translating impact into currency, IWAF helps stakeholders - investors, employees and consumers - better understand the impact organisations have on society. This common language for impact management, fosters **transparency through comparability**, enhancing dialogue, and enabling collaboration towards common goals.

leverage financial structures for integrated value creation

By using valued impact metrics, organisations can use existing financial infrastructure, such as ROI calculations, budgetting cycles, etc., for impact information as well. This integrates impact at the heart of the organisation. This **streamlines** reporting and management, balancing financial objectives with sustainability goals for holistic decisionmaking and responsible corporate practices.

Embrace the journey of impact measurement and management with IWAF alongside these leading organizations.

Discover how at <u>impacteconomyfoundation.org</u> and join us on a journey to redefine success in business!



