



IMPACT
ECONOMY
FOUNDATION

IWAF GUIDES

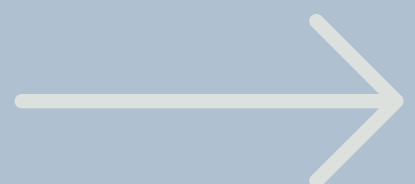
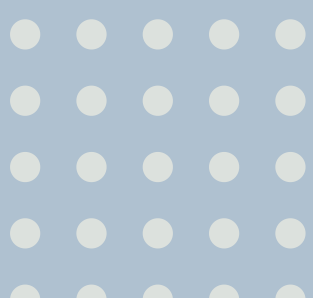
The
'what' & 'why'
of Impact Return
on Investment
(IROI)

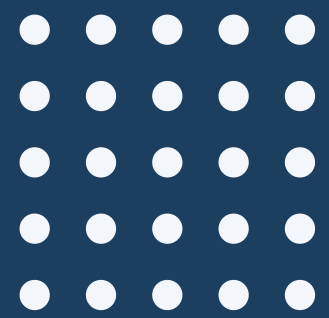


ELEVATE YOUR BOTTOM LINE: EMBRACE THE IROI FOR THE 21ST CENTURY!

To tackle the pressing social challenges of our time, it's crucial for organisations to shift their focus from purely financial gains to encompass social and environmental impacts!

Rooted in the Impact-Weighted Accounts Framework (IWAF), the Impact Return on Investment (IROI) is a transformative tool designed to evaluate the efficiency and effectiveness of an investment's impact on social and environmental factors, alongside financial returns.

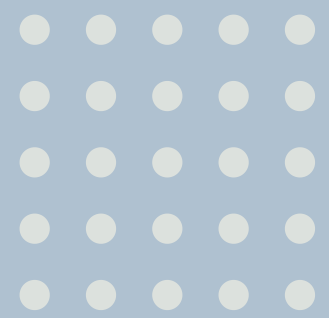




FROM A CONVENTIONAL ~~ROI~~ TO AN IROI


Unlike traditional Return on Investment (ROI), which focuses solely on financial profitability, IROI includes a broader analysis on societal and environmental impacts, offering a holistic view of an investment's performance.

How?
→



WHAT IROI MEASURES

Thanks to IWAF's monetary valuation, IROI incorporates quantified intangible impacts—including **social**, **human**, **natural**, **manufactured**, and **intellectual** factors—into its calculation alongside financial returns. This integration enables the calculation of the total 'Integrated Value Created', offering a comprehensive view of an investment's true impact.


$$IROI = \frac{\textit{Integrated Value Created} - \textit{Investment Cost}}{\textit{Investment Cost}}$$



DECISION-MAKING WITH IROI

1

Make informed trade-offs

2

Steer on purposeful and intentional impact

3

Gain holistic understanding of the value creation model

4

Streamline communication among stakeholders


5

Leverage financial structures for integrated value creation

ABN AMRO SUSTAINABLE IMPACT FUND - IMPACT 2023

The ABN AMRO Sustainable Impact Fund applies IROI to measure both financial and non-financial returns.

Total fund level aggregated impact



2023	Sum of impacts facilitated by 14 companies	Sum of impacts attributed to 14 companies
Total aggregated impact facilitated by the fund	€325m (286%)	€281m (248%)
Total aggregated impact attributable to the fund	€140m (123%)	€130m (114%)

Total impact facilitated and attributed by the fund in 2023, revealing an impressive 286% IROI

For every €1 invested, €2.86 in positive impact was created!

Impact across key areas like climate change, air pollution, and social wellbeing, showcasing how investments drive measurable environmental and social benefits

		Facilitated	Attributed
	Climate change	€221m (1.3mtn)	€106m (0.6mtn)
	Air pollution	€76m	€28m
	Underpayment & Wellbeing	€16m	€2.4m
	Fossil fuel	€10m	€1.6m
	Material use	€1m	€0.5m
	Water Pollution	€1m	€0.4m
		€325m	€140m
Scope 1		€144,219	€43,668
		(857 tonnes CO₂ eq)	(260 tonnes CO₂ eq)

TRANSFORM YOUR INVESTMENTS

Ready to integrate IROI into your strategy?



Contact us at
info@impacteconomyfoundation.org and take
the first step towards impact investing!



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