Accounting for Impact

REPORT

Helping purposeful brands measure effectiveness and make the case for more investment.

The case for brand impact

PART ONE

In the age of prolific purpose, brand impact deserves to be measured properly.

The case for measuring brand impact

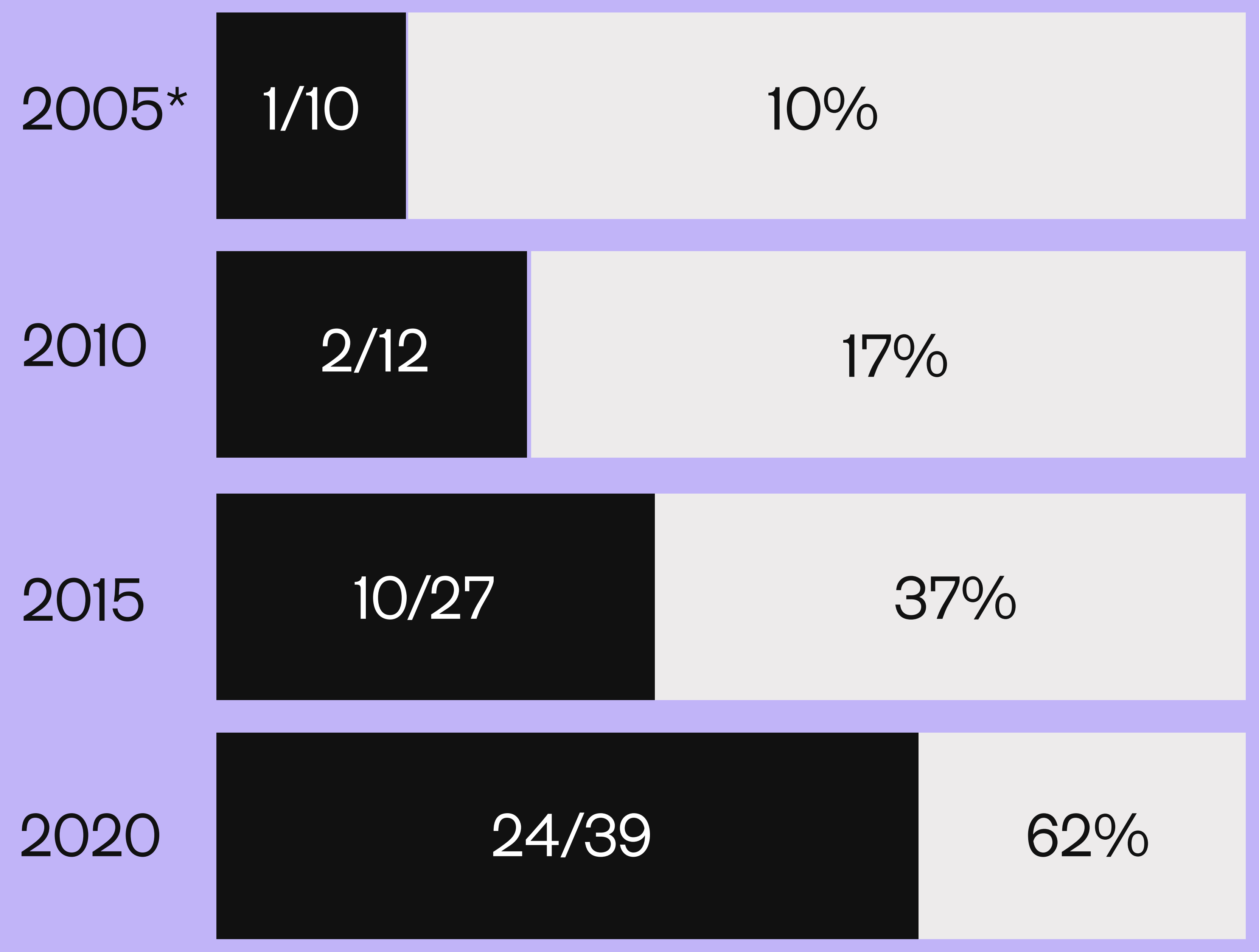
We are living in an era of prolific purpose.

But for all the brands acting in purposeful ways, only a small fraction are properly measuring their impact. From the launch of Dove's Campaign for Real Beauty, we've seen purposeful brand actions grow from a handful of Cannes winners to over 60% of all Grand Prix. In the same period, Dove added over £2.5bn in brand value. But do we know how many women and girls they helped to feel more beautiful?

While reporting on brand growth is second nature, purposeful brands rarely account for or report on the wider impact they've made. This isn't for lack of desire, it's largely a lack of expertise and resource - impact measurement has always been the domain of development organisations. But this is changing, as more businesses operate as a 'force for good.'

In the era of prolific purpose, investment decisions are made and awards are won and lost on the assumption that a brand's impact is 'valuable', without actually being quantifiable or comparable across brands, industries, or award submissions.

Percentage of Cannes Lions Grand Prix / Titanium Award Winners which contain a purposeful brand action



* launch of Dove Campaign for Real Beauty

The case for measuring brand impact

Purpose deserves to be measured properly.

Not only does this fail to hold brands to account, but it leaves the door open for purpose-washing. We've analysed the top 100 most effective brand campaigns of 2023 - and only 14% were accounting for the impact.

At Revolt, we know that purpose deserves to be measured properly. In a way that accounts for the value it creates in the world - both business value and social or environmental value - and makes the case for further investment in brand impact. Which is why we've been hard at work developing our approach to impact accounting for brands.

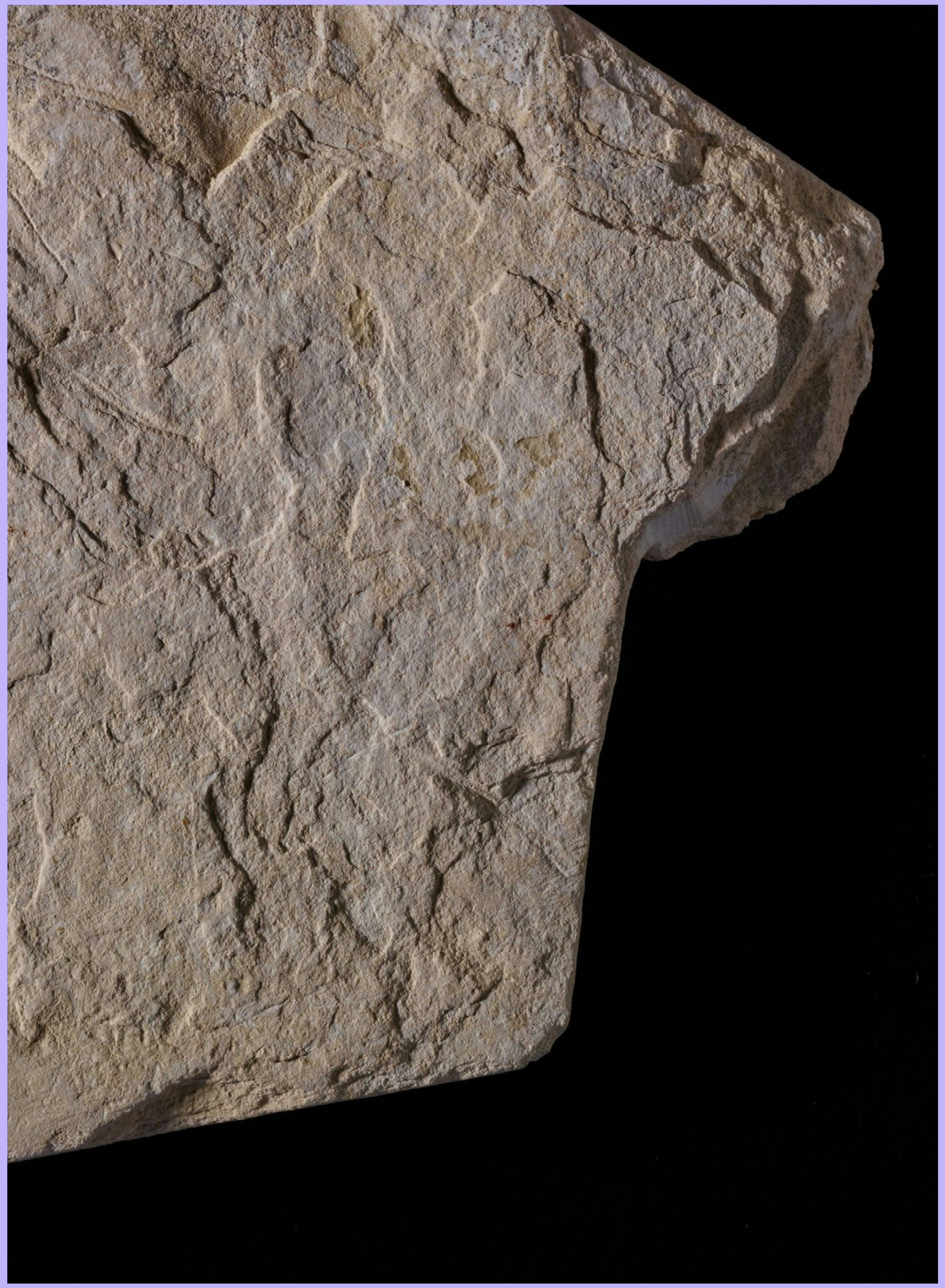
Impact accounting is not a new field, nor is it purely our own invention. Our approach is adapted from NGOs, skilled at measuring real impacts on the ground, and impact investors, skilled at quantifying the value of their investments on society.

In this report, you'll understand the 3 phases of brand impact, identify where your brand sits, and find tools to embed an impact accounting approach within your purposeful brand measurement. We hope you'll find it useful, and join us in creating more brand impact though purpose done properly.

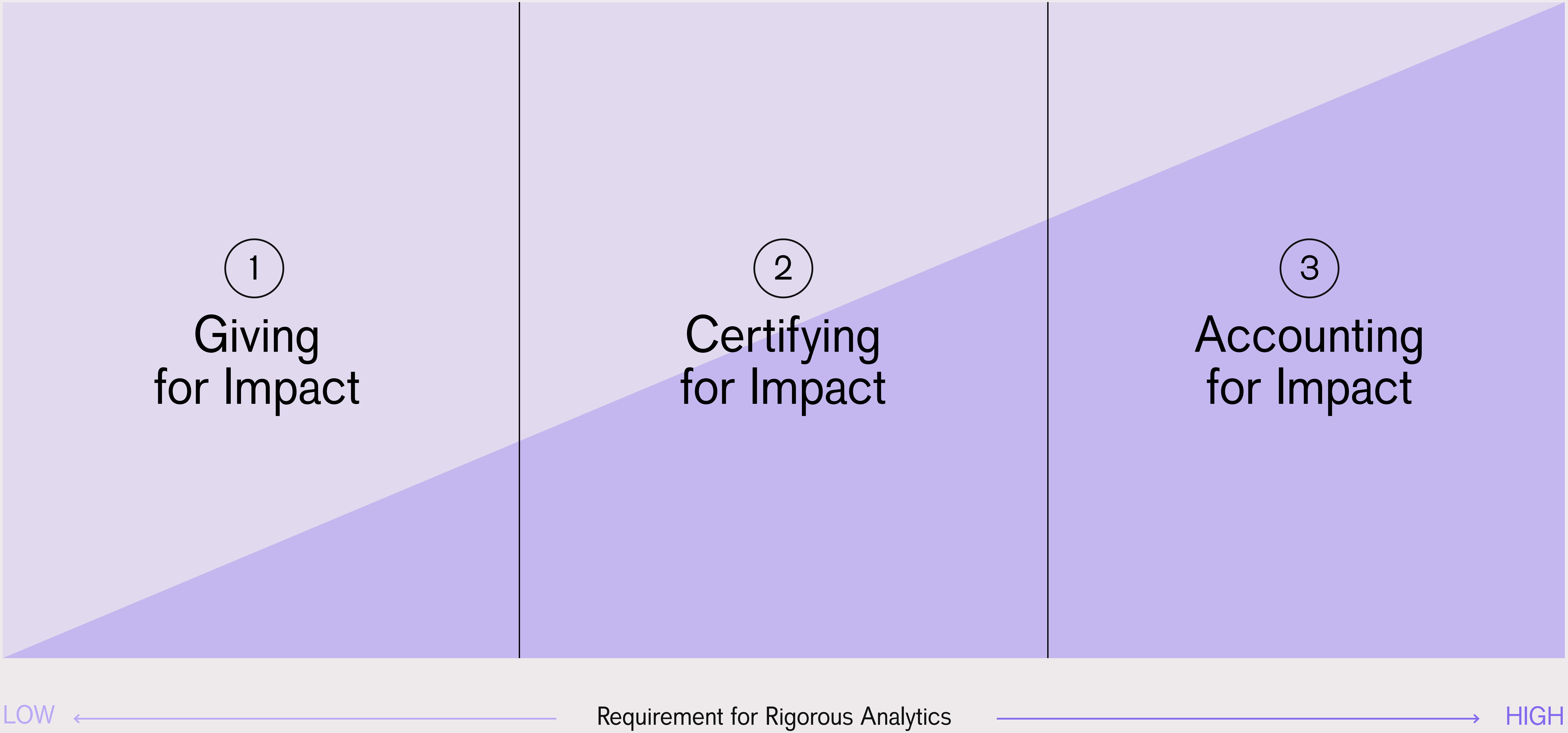
- Alex Lewis, Revolt Co-Founder

× 3 Phases of brand impact

To develop our approach to accounting for impact, we've studied the evolution of purposeful brands closely over the past decade. The development of brand impact reporting can be seen across three phases, with an increasing ability and necessity for brands to directly control and measure their impacts at each phase. On the following pages, we trace these phases and offer practical advice for brands considering a more rigorous, impact accounting approach.



× 3 Phases of brand impact



× 3 Phases of brand impact

Giving for Impact

What defines it?

- Corporate philanthropic giving
- Partners control impact, often mediated by corporate foundation

Advantages

- Resilient to organisational change
- Establishes brand commitment on issues for further phases

Disadvantages

- Hard to measure & claim responsibility for impact
- Sporadic & difficult to scale

Certifying for Impact

What defines it?

- Brand impact certified by third party (eg. B corp)
- Requirement to meet a material standard with regular re-verification

Advantages

- Higher rigour required builds impact management
- Supports development of industry-specific standards and coalitions

Disadvantages

- Imperfect certification schemes & need for standardisation across them
- Direct relationship between investment and return not likely established

Accounting for Impact

What defines it?

- Brand manages impact directly & publicly reports
- Financial relationship between impact and value creation established

Advantages

- Wider stakeholders able to see value of brand impact, creating a virtuous cycle
- Can evaluate and optimise impact efficiency

Disadvantages

- Requires high level of impact measurement literacy throughout the organisation
- Global frameworks & standards still emerging

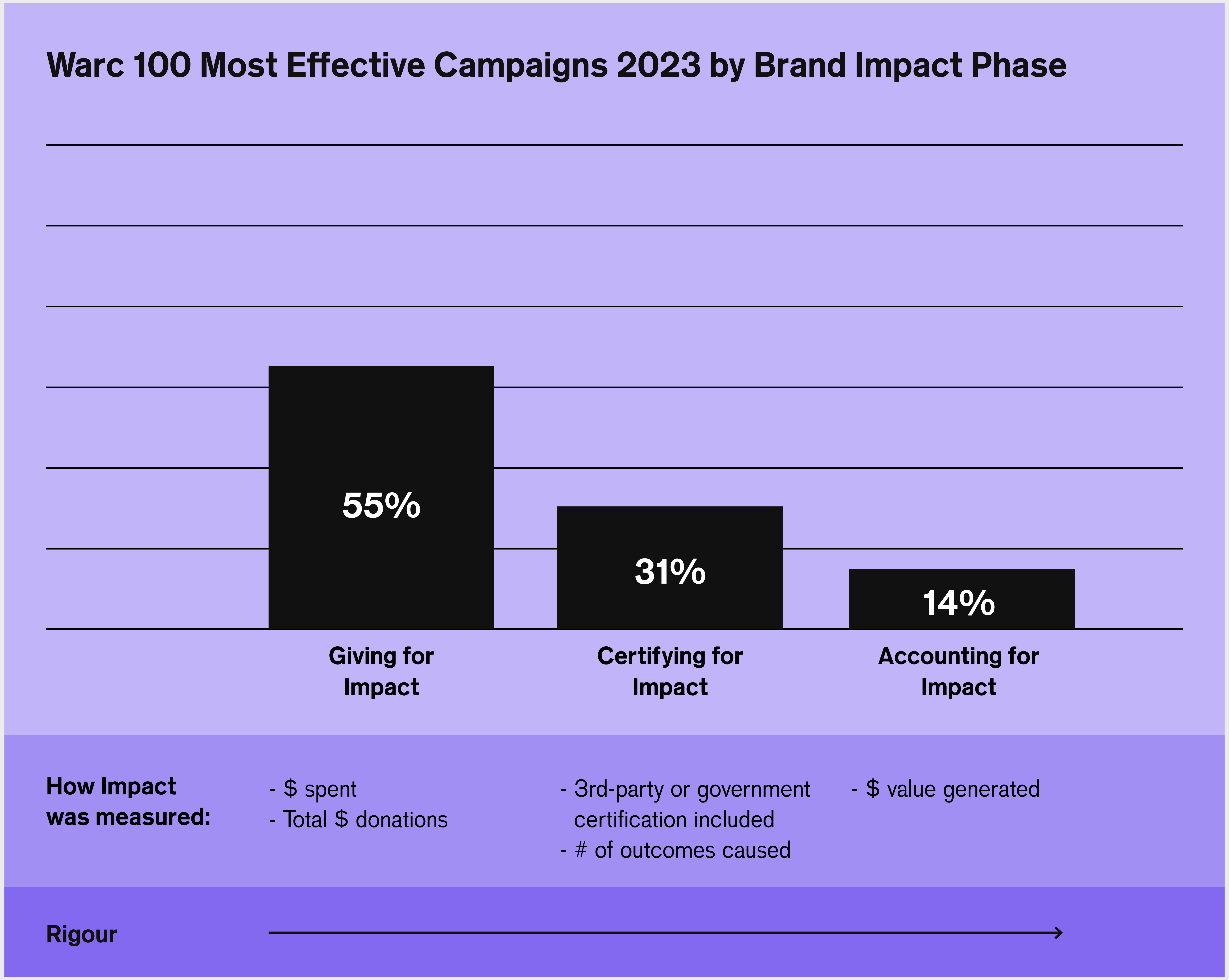
LOW ← Requirement for Rigorous Analytics → HIGH

Where are brands today?

To establish where best-in-class brands are on this journey, we have evaluated the purpose campaigns identified by WARC[1] as the most effective of 2023. The majority of brands remain in phase one of brand impact, taking an altruistic and arms-length approach.

Of the 36 purposeful campaigns on this year's list, only five demonstrated an element of accounting for impact. Those that did, included proven outcomes and in one case, partial financial valuation of those outcomes.

It is Revolt's ambition that the development of the field of impact accounting for brands will raise the bar for brand impact as a measure of effectiveness and will result in more brands adopting an impact accounting approach over time.



Giving for Impact

PART TWO

In the first phase of brand impact, brands demonstrate their purpose by monetary donations and communicate the amount they spent, but not necessarily the impact they created.

"For a company to pursue anything other than profit would be 'pure and unadulterated socialism"

- Milton Friedman, 1970

"When you have the opportunity and the ability to do good and you do nothing, that's evil."

- Yvon Chouinard, 2015

The birth of brand giving for impact

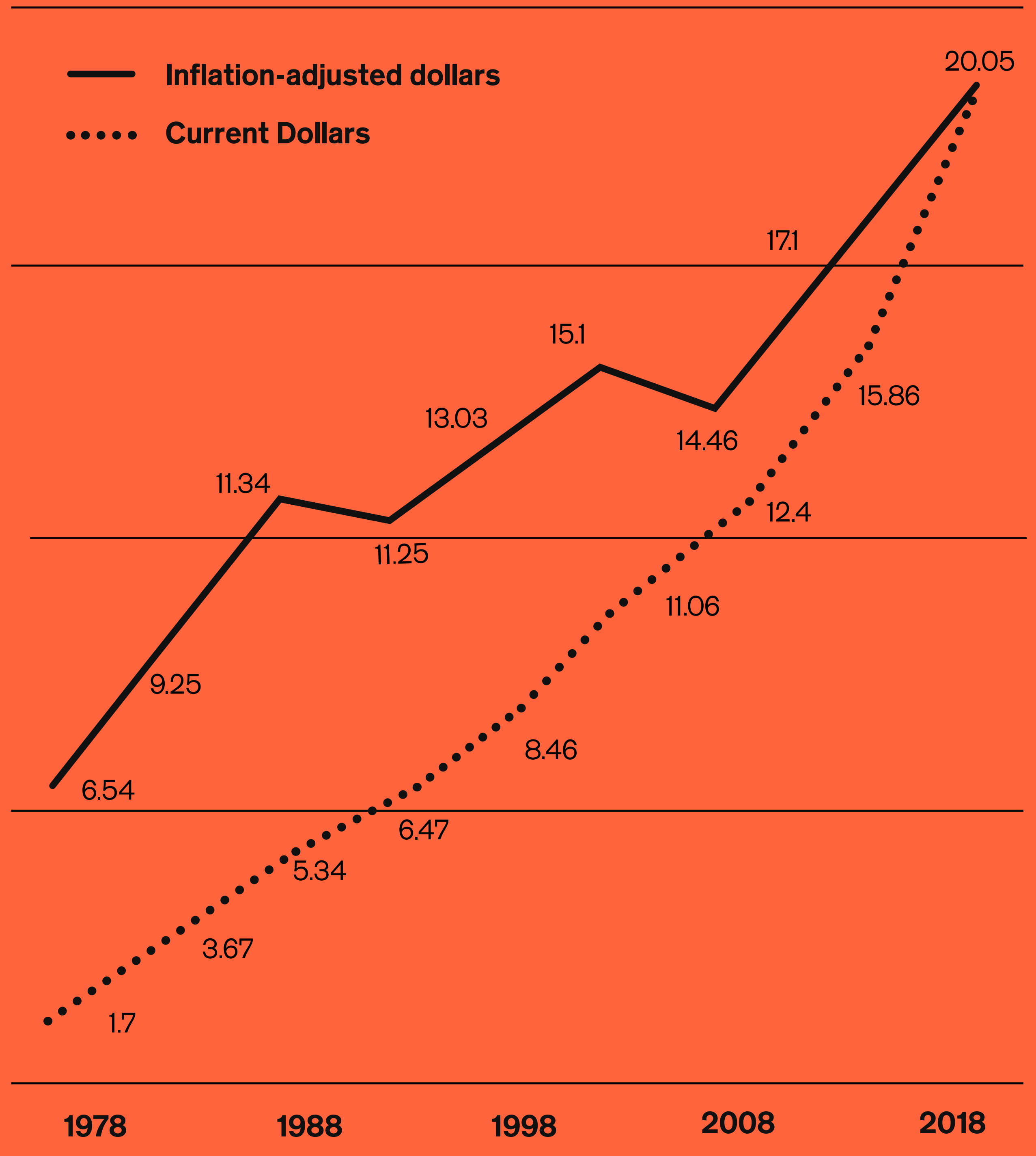
As long as Adam Smith's amoral "invisible hand" has animated markets, capitalists with a conscience have felt some obligation to offset its cruelty through acts of corporate kindness. This article[2] speaks to the evolution of corporate philanthropy as an element of competitive strategy, tracing the shift of company giving from the generosity of industrialists to the centre of corporate strategies over the past century. At the same time, overall corporate philanthropic giving has outpaced inflation globally.

In the age of purpose, corporate philanthropy has moved from boardrooms to billboards. Brands needing to demonstrate their commitment to a cause dust off corporate contributions as proof points. And as brands seek to take purposeful actions, their impact is often first felt as giving, in the form of direct donations to organisation(s) addressing issues and supporting communities to whom they themselves do not have direct links.

Giving for impact begins in earnest when giving becomes an element of a brand's communication strategy. Patagonia's 2002 founding of the 1% for the Planet fund is an excellent example of this, others include the wave of contributions to support black-owned businesses and anti-racist organisations in the wake of the Black Lives Matter movement.

Many brands that seek to make impact through giving have to do the hard work of convincing internal stakeholders that 'non-working' dollars contributed to causes are money well-spent. This argument is easy to make when giving for impact aligns to core elements of a business. Philanthropy has the power to be transformative - but it risks remaining a 'pet project' if not materially focussed towards strategic issues. Furthermore, amplifying this strategic giving with brand communications and contributions may help brands deepen connections with their core audience. Oriented in this way, giving for impact begins to create both social and business value.

Philanthropic Giving by Corporations in the United States, 1978-2018 ($bn)



Source: Indiana University Lily Family School of Philanthropy, 2019

Brands successfully giving for impact

Giving for impact aligned to consumers

From the maker of iconic denim associated with iconoclasts comes the Levi Strauss Foundation, which states as its mission "outfitting movements and leaders fighting for a more just world". To-date the foundation has contributed over $369 million across 20 countries. Despite the increasingly polarised environment in its native United States, the foundation continues to support progressive political causes such as defending democracy, HIV/Aids research and reproductive healthcare as they align to the progressive views of Levi's young, coastal consumers.

Giving for impact aligned to employees

India's 5th largest company boasts a founder who is the top philanthropist of the 20th century with donations totalling $102.4 billion. What began as company efforts to build needed infrastructure for employees are now acknowledged as significant contributions to Indian society. The Tata Trusts support an assortment of causes such as health, nutrition, education, water and sanitation, livelihoods, social justice and inclusion, skilling, migration and urbanisation, environment, digital literacy, sports, arts, craft and culture, and disaster management, to name a few.

Giving for impact aligned to operations

Patagonia was built from the ground up for sustainable operations, but its founder Yvon Chouinard wanted to do more to support environmental causes. Which is why in 2002, he co-founded 1% for the Planet and Patagonia became the first business to commit 1% of annual sales to the environment. Today, the 1% for the Planet network consists of over 3,000 businesses and individuals that contribute to environmental nonprofits in over 90 countries, directing over $250 million to these grassroots organizations working toward a better world. Notably, since founding 1% for the planet, Patagonia has progressed to further impact phases and is now a champion for impact measurement with its recent governance overhaul to make earth its only shareholder.

Giving for impact aligned to product

This Danish family-owned toymaker supporting childhood development is one of the unsung heroes of the Covid-19 pandemic as the single largest private sector contributor to UNICEF's Covid response for children with a $70 million donation. The foundation shares its aim to "inspire and develop the builders of tomorrow" with the LEGO Group and is dedicated to building a future where learning through play empowers children to become creative, engaged, lifelong learners.

Criticisms of giving for impact

In a time of heightened scrutiny towards ‘greenwashing’, external perceptions of giving can prove problematic:

Is it hypocrisy?

Anti-purpose pundits are quick to criticise brand giving, asking if it masks more nefarious political contributions or non-action on issues behind company doors. Take for example, recent corporate hypocrisy brought to light by journalists during the heightened backlash against brands supporting the LGBTQIA+ community and Pride.

Organisations donating publicly to causes and privately contributing at cross-purposes risk reputation damage if their full giving profile is released.

Is it tokenistic?

Many altruistic brands focus on communicating their investment as an amount donated, rather than the social or environmental impact that their donation will achieve. This is often criticised as tokenistic, even if its intent is rarely so. This happens when brands aren’t close enough to the development work itself or they haven’t fully thought through their Impact Model (more details on page 17). While a laudable and important first step, brand giving often stops at inputs and so doesn’t go far enough to fully account for brand impact.

Criticisms of giving for impact

Is it transparent?

Consumers are sceptical of brand impact commitments that lack detail or transparency of how the desired impact will be achieved. Giving for impact should follow accounting principles, which include materiality, completeness, and even sincerity (GAAP Principles). In practice, this may mean a set of wider disclosures about the brand's progress on issues and/or bringing in outside auditors so as not to be seen as 'marking one's own homework'. As brands seek to demonstrate the authenticity and scale of their brand impact, third-party certifications can play an important role in aligning organisations to prioritise purpose, and add credibility to external communications. Which brings us to the next phase of brand impact...

Source: Greenpeace

Certifying for Impact

PART THREE

In the second phase of brand impact, brands begin to systematically document their purposeful actions to earn ‘badges’ they can display to consumers - but these badges can come with risks.

CERTIFIED cradle to cradle PRODUCTS PROGRAM

Vegan

U.S. GREEN BUILDING COUNCIL COMMUNITY

albert sustainable production certification

Certified B Corporation

Sustainable Apparel Coalition

RAINFOREST ALLIANCE PEOPLE & NATURE

SOIL ASSOCIATION ORGANIC STANDARD

RED TRACTOR CERTIFIED STANDARDS

FAIRTRADE

BREEAM CODE FOR A SUSTAINABLE BUILT ENVIRONMENT

Gold Standard for the Global Goals

FSC www.fsc.org 100% From well-managed forests FSC® C000000

SAI SOCIAL ACCOUNTABILITY INTERNATIONAL SA 8000

AD NET ZERO ALL FOR NONE

Global Recycled Standard

EU Ecolabel

The rise of the B Corp brand

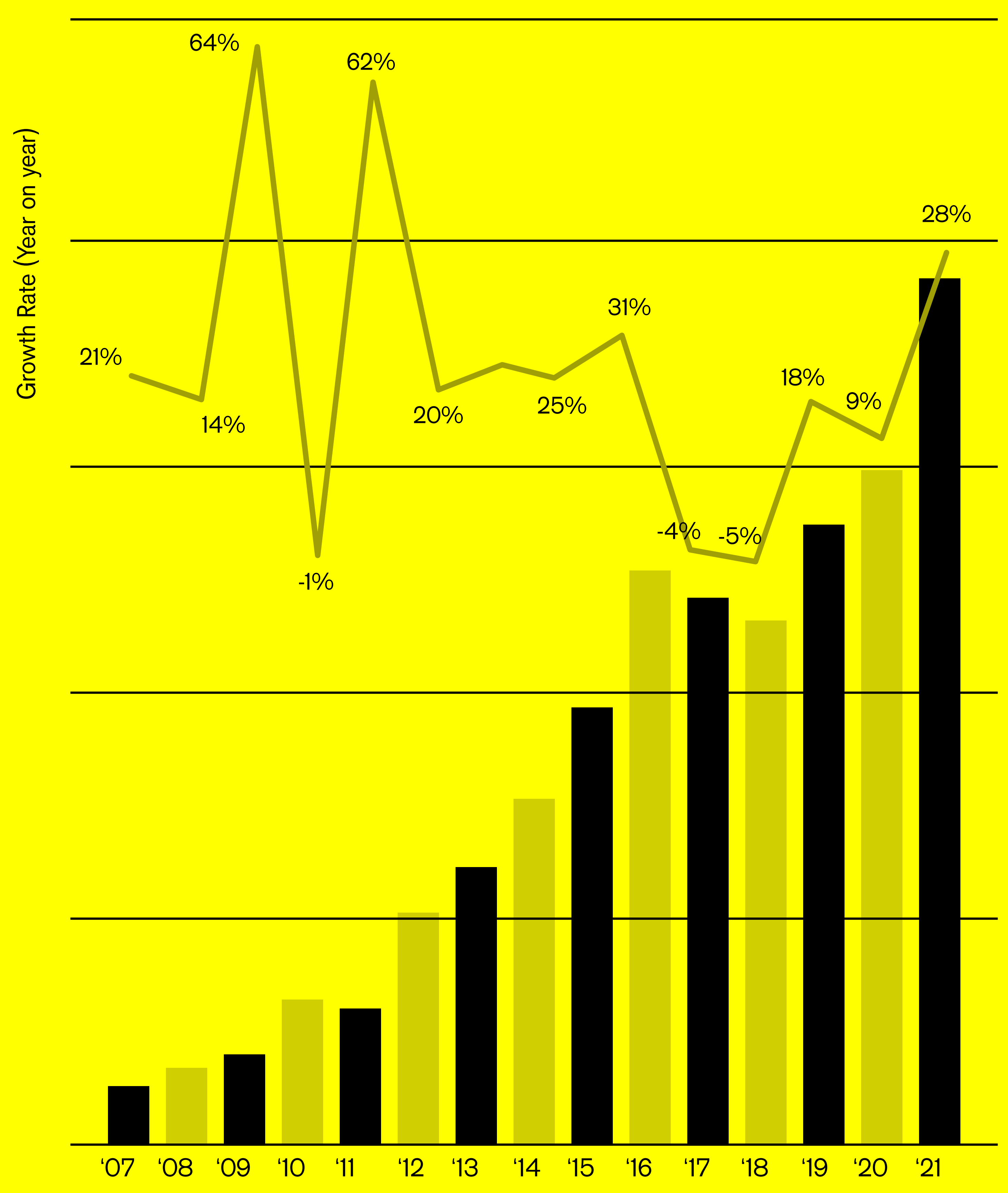
Brands that are successfully giving for impact raise the bar for themselves as they move to the next phase. As they begin to see the results of the donations and partnerships they've built, and impact becomes more central to their brand and operations, they understandably seek credible means to communicate their progress to the outside world. Beyond campaigns that do this, sustainability certifications are a clear and consumer-recognised way to communicate this progress. As brands begin to gather badges and consider application to holistic certification schemes, they enter the second phase; certifying for impact.

Alongside the pull from business for more sustainability certifications, a parallel boom has occurred in the certification business itself. The Guardian reported[3] that there were 455 eco-labels in 2014. Since that time, much consolidation and importantly validation has occurred, as handful of best-in-class certifications have risen to the top (see next page).

These badges like B Corp status, sustainability labels and other certifications have acted as the 'tide that rises all ships' in certain categories, increasing impact and the penetration of sustainable products overall. 63% of consumers[4] prefer to purchase from purpose-driven brands, and therefore may look for these certifications associations at the point of purchase. Ongoing studies[5] show that products marketed as sustainable benefit from a price premium and grow at a faster rate.

Badges that certify impact are often intended to differentiate a brand vs. its peers. But as more and more brands obtain them, marketing and sustainability practitioners have a right to wonder if the size of the collective dilutes its clout.

New B Corp Memberships



Impact certification bodies*

Global		B Corp	Any business can apply for certification, impacts on environment, communities, customers, suppliers, employees, and shareholders are scored.
		Cradle to Cradle Certified	Assesses the safety, circularity and responsibility of materials and products across five categories of sustainability performance.
		SBTi	The Science-Based Targets initiative defines and promotes best practice in science-based target setting for reducing greenhouse gas emissions.
		Climate Neutral	This standard can be earned by companies which accurately measure, offset and reduce their carbon emissions.
		SA8000	Industry-agnostic, auditable standard that encourages organisations to develop, maintain, and apply socially acceptable practices in the workplace.
		The Vegan Trademark	Internationally recognised vegan product certification, established in 1990 by The Vegan Society and used across many consumer goods.
		Marine Stewardship Council	Charity which evaluates sustainable fishing practices and impacts of fisheries on wild populations and ecosystems and offers “blue tick” certification.
Regional		Ecolabel (EU)	Multi-criteria labelling scheme within the European Union which considers environmental impacts of products along their full lifecycle.
		Soil Association (UK)	The UK’s leading organic certifier across food, farming, forestry, beauty & wellbeing, fashion & textiles and catering.
		USDA Organic (US)	Label certifying organic farming practices within the United States, as defined and enforced by the US Department of Agriculture.
		Energy Star (US)	US-government-backed label for energy efficiency offering ratings systems for electric products and recommended energy-saving practices.
Industry Specific	FMCG	Fairtrade	Certification of higher prices, decent working conditions, local sustainability, and fair terms for farmers and workers at the source of products.
		Rainforest Alliance	Certification requires 90% of product ingredients to be sourced from operations that protect farmers, forests, wildlife, and local communities.
		Forest Stewardship Council	Sets and certifies world-leading forest management standards around deforestation, endangered species, and restricting the use of pesticides.
	Retail	Sustainable Apparel Coalition	The apparel, footwear, and textile industry’s leading alliance for sustainable production, which develops the High Index suite of value chain tools.
		OEKO - TEK	Textile and leather goods certifications for products which are organic, tested for harmful chemicals and made under responsible conditions.
		Cruelty Free International	This organisation behind the Leaping Bunny icon certifies cosmetics, personal care and household products that are free from animal testing.
		Global Recycled Standard	Voluntary product standard for tracking and verifying the content of recycled materials in a final product containing at least 20% recycled materials.
	Communications	Albert	Online tools for media productions to quickly measure their environmental impact and gain recognition for putting green practices in place.
		Ad Net Zero	Best practices for advertising and marketing services industry to understand actions that can help to achieve net zero emissions from advertising.
	Infrastructure	LEED	Leadership in Energy and Environmental Design is a green building certification program which considers health, efficiency, and sustainability.
		BREEAM	Building Research Establishment Environmental Assessment Method used to masterplan sustainable projects, infrastructure and buildings.

* list not exhaustive

Navigating a complex landscape

Brands in the Certifying for Impact phase must become comfortable with a higher level of data and analytics around impact metrics. Certification bodies require rigorous documentation of sustainable and ethical practices, conduct audits, and force companies to move from impactful actions to a positively impactful value chain. This drives business as a force for good. But brands should proceed with caution before they apply to every certification under the sun. Without validation, standardisation and consumer education, third party certifications are little more than pieces of product flair.

Danone's ex-CEO: A cautionary tale of certifying for impact

Source: Dairy Reporter

"I've defined myself as a business activist. I'm an activist of business being part of the solution, being the fundamental solution[6], the solution."

- Emmanuel Faber, former Danone CEO

Was he too ambitious?

Before his elevation to the Chief Executive role, Faber drove Danone's business' altruistic efforts by creating danone.communities, the company's first social investment arm. In 2014 he became CEO, incorporating the new financial sustainability metrics in company reports and partnering with Emmanuel Macron on associations between purposeful enterprise and government institutions. He set an ambitious target of being the first major corporation to be fully certified as a B-corp. And in 2020 he secured 99% shareholder approval for changing Danone's legal status to an "Entreprise à Mission[7]," establishing this new category for purposeful businesses within French law.

Did he link to brand performance?

Despite these efforts, Danone's revenue growth over the period was rocky. Faber failed to link the business's purposeful certifications to its financial performance in the near term, and investors took notice. Certifying for Impact is made possible in moments of business transformation, but company leaders must prove its value to shareholders by using certifications to create and capture value that investors see in the bottom line.

Did he do more harm than good?

In 2021 at the urging of activist investors, Faber was ousted as CEO. His firing sent shockwaves through the sustainability community and plunged the business world "into a confusion of emotions over the ethics of capitalism" (Le Monde). Even Unilever's recent announcement[8] to pare back on purposeful brands rings reminiscent of this purposeful pullout, albeit a less drastic one.

As the Danone case study illustrates, certifying for impact can move brands and even companies towards a wider positive impact - but without linkage to financial performance its level of shareholder support can be razor-thin. Adopting an approach that accounts for impact financially can help brands and businesses address this issue head-on.

Certifying for impact still needs...

Validation

As the membership of B Corp balloons, criticisms[8] have emerged of whether the organisation's points-based certification is still fit for purpose. B-lab evaluates company submissions behind closed doors, companies self-report submissions, and are not required to disclose their results. Indeed in early 2024 B-Corp launched a public consultation on its certification standards.

"A line needs to be drawn somewhere to protect the reputation of the certification scheme"

-B Corp member, quoted in the Financial Times[8b]

Standardisation

Sustainability professionals, let alone the average consumer, struggle to understand the veracity of various certification schemes and to evaluate across schemes, sectors and regions. Is USDA Organic the same as EU Ecolabel? What counts as 'recycled content' around the world? This proliferation without standardisation has led to logo soup.

The EU[9] is currently in the process of evaluating a standardised sustainability labelling scheme for consumer products which uses a single value-chain based methodology called Product Environmental Footprint (PEF). While critics claim the approach is too carbon-focussed, its attempt to unify the various certifications across fields of sustainability into a single labelling scheme is much-needed.

Education

While as many as 60% of consumers[10] claim they'd be willing to pay more for sustainable packaging, the amount of consumers who actually understand the sustainability labels on said packaging is significantly fewer. Kantar[11] admits that only 8% of consumers frequently choose carbon neutral products, with 24% citing 'lack of understanding' as a key barrier.
A recent academic study exploring how consumers prioritise multiple labels was aptly named "Welcome to the Jungle[12]." Further to validation and standardisation of certification schemes, building consumer understanding of sustainability and its various claims and certifications is key for 'Certifying for Impact' to actually carry weight.

Accounting for Impact

PART FOUR

In the third phase of brand impact, brands understand and model the financial value of their impact, communicate it to stakeholders and shareholders, and calculate its efficiency in order to make the case for future investment.

“Profit isn’t a purpose, it’s a result. To have purpose means the things we do are of real value to others.”

- Simon Sinek

Accounting for Impact

Brand purpose measured properly

Our current moment of prolific purpose hopefully marks the start of a wider era where businesses and brands rise to the challenge of transforming capitalism as a force for good.

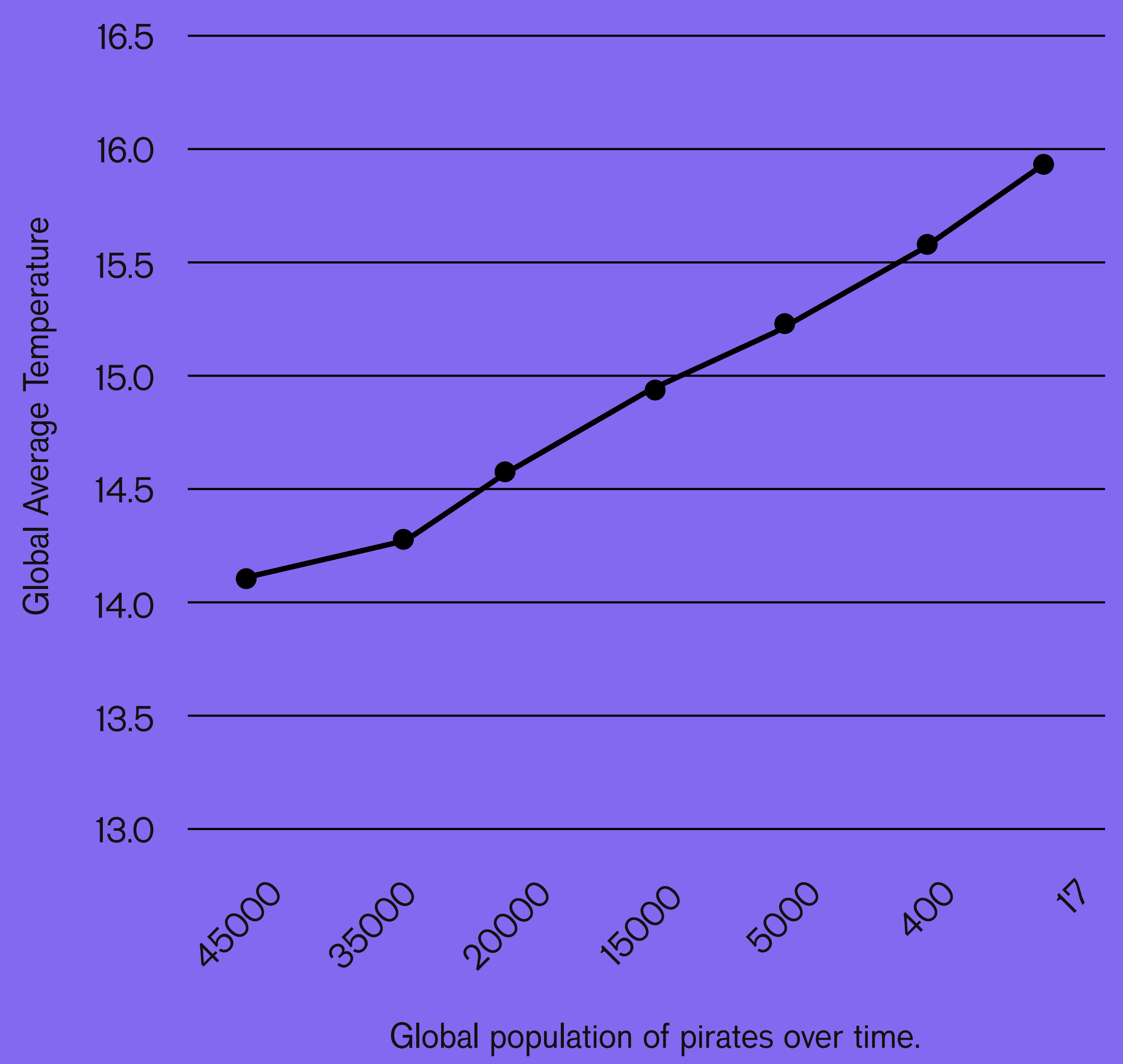
As brands evolve through the phases of impact, measures of marketing effectiveness need to evolve with them. In order to do purpose properly, we must hold brands to account for the impact they claim to have created.

As the classic and tongue-in-cheek example (see left) illustrates, just because a brand's activity is correlated with an impact metric moving in a positive direction, doesn't mean the brand can accurately claim to have caused that impact. Correlation is not causation.

Marketing effectiveness evolved to incorporate scientific methods for isolating and attributing advertising's effects. Now the field can enter the era of accounting for impact by applying rigorous and statistical methods to validate the social value brand activities create, in addition to their business value.

At Revolt we are pioneering this approach, aligned with practitioners of social value from the charitable, impact investing and financial sectors. The following pages outline how we're helping brands account for impact through a simple, 3-step process.

An illustration of correlation vs. causation



Source: Forbes

Revolt impact accounting framework

↓ **Step 1**	Align	Align on your impact model
↓ **Step 2**	Analyse	a. According to accepted standards b. By asking questions to determine social value c. In accordance with Social Value principles
↓ **Step 3**	Announce	Your impact effectiveness to key audiences

Step 1: Align on clear impact model

In order to begin accounting for impact, brands must first clarify the means by which they achieve impact in the world. This framework is often referred to as a theory of change - but we prefer the less-academic label ‘Impact Model’ - to summarise how the brand creates change via investment, activities, outputs and outcomes.

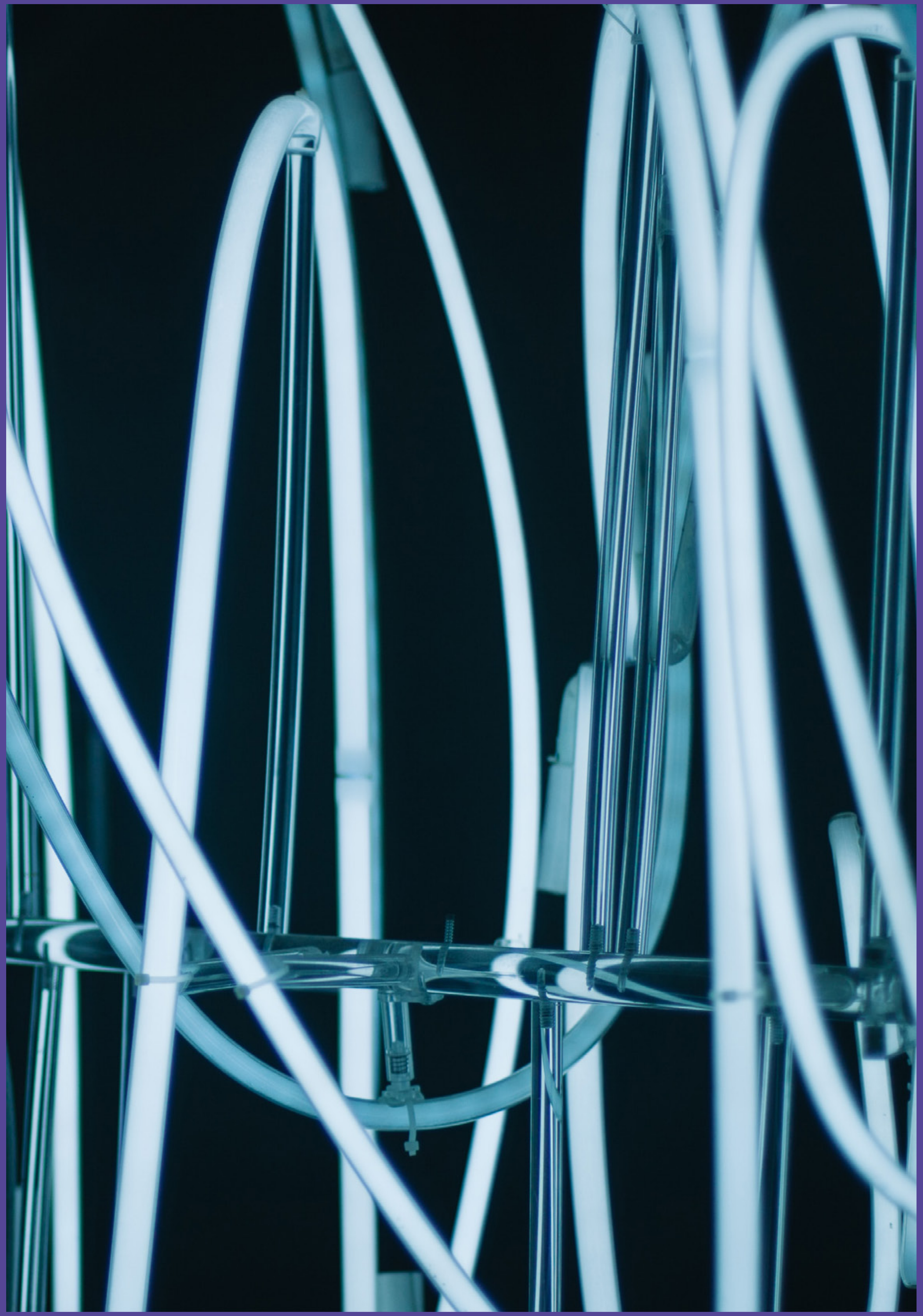
Step 1: Align on clear impact model

Every impact model must include evidence of causality which directly links the brand's outputs (i.e. the tangible products of their actives such as impressions, event attendees, or people enrolled in a program) to the social and environmental outcomes that it sought to create (ie. pets saved from homelessness, children that recover from malnutrition, or carbon removed from the atmosphere). This causal link must also be established for business outcomes through econometric or marketing mix modelling to isolate the contribution that purposeful actions made to overall brand growth. A brand's impact model is its equation for change. It is the brand's simplest expression of how it creates impact in the world through the money it spends (investment), the activities that money pays for (activities), the reach of the activities onto beneficiaries (outputs), and the direct effect or change in beneficiaries that occurred as a result (outcomes).

Investment	Activities	Outputs	Outcomes
Resources Invested	**Concrete actions**	**Tangible products of activities**	**The effects resulting from these activities**
• £ Invested • Number of people • Time committed etc.	• An impact programme • A partnership with an NGO • A behaviour change campaign.	• Number of impressions of content • Number of projects delivered • Number of participants etc.	Social: • Number of lives changed • % change environmental indicator Business: • Sales Growth

Step 2: Analyse impacts according to accepted standards

Thorough data analysis is at the heart of accounting for impact. Accountancy might seem like an academic concept - but so did adstocks in their day. By analysing impact data according to accepted principles, brands can better understand and estimate their impact effectiveness.

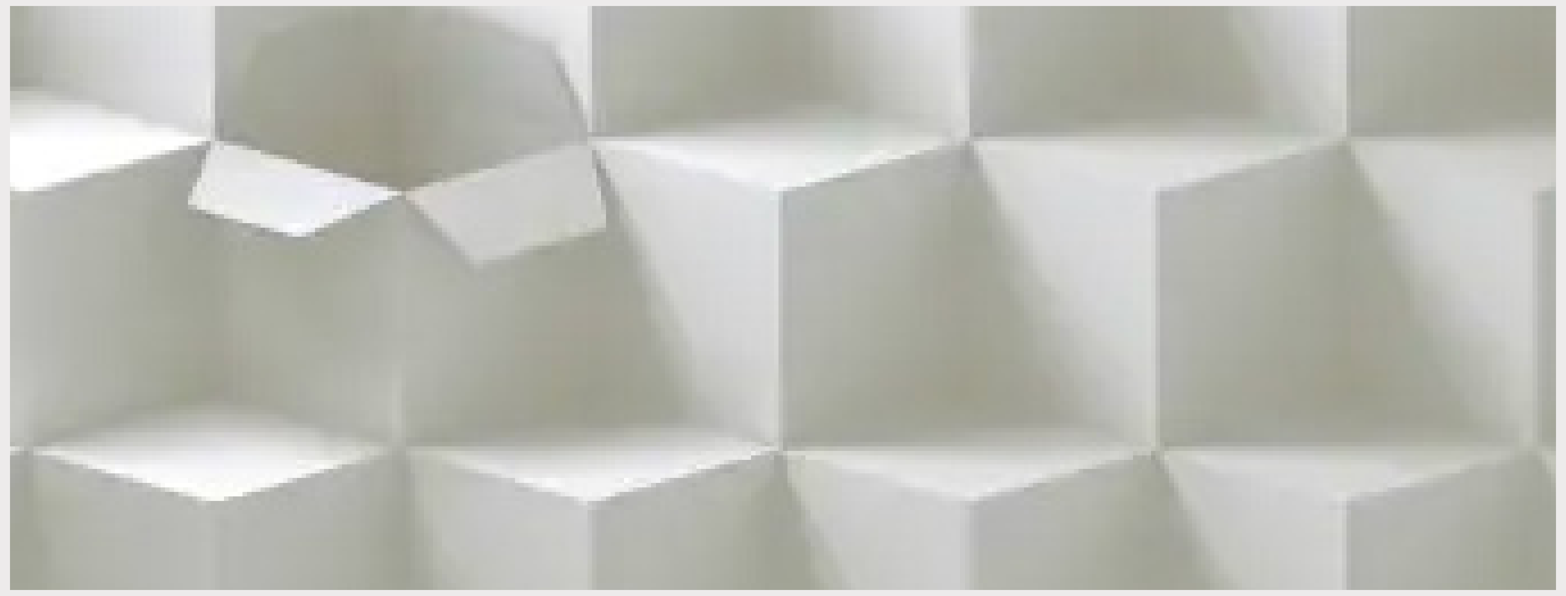


Step 2a - Analyse impacts according to accepted standards

Causation

Brands accounting for impact must evidence their role in causing the outcomes they measure. This can be done in a number of ways:

- Third party research - existing research and academic studies that mirror the program design may serve as a proxy.
- A|B tests and controlled experiments - create stronger evidence of causation and also test & learn environments for impact programs.
- Longitudinal studies - often with academic partners, can track progress in the time it often actually takes to see full results.



Standardisation

Rather than inventing - and accounting for - custom impact metrics, brands may want to consider referencing global indicators and sets of outcomes to standardise their impact. These measures, generally accepted by the sustainability community, allow for a brand's impact to be more directly mapped back to a sustainable development goal, and/or for its social value to be calculated within an accepted and already validated framework: Standardised sets of metrics include:

- The UN's SDG Global Indicators[13]
- GRI[14] & IRIS[15] Sustainability frameworks
- The Impact Genome Registry[16]

Valuation

Valuation via financial proxies is a fundamental part of the impact accounting process. It may seem uncomfortable or even unethical to purpose-driven professionals to assign a value and thereby imply a value judgement to a given social or environmental outcome. But many financial valuations of social and environmental indicators already exist (they were even coded into UK law via the Social Value Act in 2013).

Proxy values are available through partnership with organisations that specialise in Social Value. At Revolt we work with a number of Social Value partners to develop bespoke social valuations for our clients looking to account for impact.

Step 2b - Ask key questions to determine your impact's Social Value

	Environmental Impact	Economic Impact	Social Impact
VALUE CREATED	How much emissions were offset? How much has biodiversity improved? How much will yields improve?	How much value was generated? How many jobs were created? How much did participants earn?	How much is this outcome worth to individuals? Has their quality of life and/or life expectancy increased? How much has their earning potential increased?
COSTS AVOIDED	How much emissions were prevented? How much biodiversity was preserved? How much agricultural costs were saved?	How much spending was prevented? Where would this money have come from otherwise? How else could it have been spent?	Have you improved individuals' physical or mental health? How would the public and/or private sector create this outcome? How much would individuals pay otherwise for this outcome?
INTERSECTIONALITY	Have you considered the intersections of each of these impacts with the other two?		

Step 2c - Applying social value principles to brands

Brands who wish to map, measure and value their impact can take inspiration from charitable and impact investing sector approaches. Namely, calculating Social Value is an established process guided by eight principles to ensure its outputs are true, trustworthy, and able to be tested by stakeholders. The next page gives examples of brands who have successfully adopted one more of these principles in calculating and communicating their impact.

Step 2c - Applying social value principles to brands

Principle 1

Involve Stakeholders

Corona's Plastic Fishing competition goes directly to those most affected by ocean plastic pollution - fishermen.

Principle 2

Understand what changes

Pampers × Unicef are ending childhood tetanus by donating 1 vaccine for every pack sold.

Principle 3

Value things that matter

Budweiser's Energy Collective reduced energy costs and prevented 810K tonnes of Co2 emissions.

Principle 4

Only include what is material

Natura[17] releases an annual Integrated P&L, which in 2021 showed every $1 in revenue generated $1.5 in social value.

Principle 5

Do not overclaim

After 5 years of impact, ITV's Eat Them to Defeat Them[18] campaign reported a 53% positive long-term effect.

Principle 6

Be transparent

Puma's first Environmental Profit & Loss statement valued the brand's environmental impact at €145m.

Principle 7

Verify the result

The Charity Retail Association's 2022 social value report[19] demonstrates £75bn in value generated and is assured by Social Value International.

Principle 8

Be responsive

Quaker's QRECE program successfully drove impact in Mexico and Guatemala, and is now evolving for global rollout

Step 3: Announce to key audiences

In future, criticisms of purpose-washing will reach a new tenor and regulations requiring heightened levels of brand and business disclosure will roll out. Companies that have already adopted an impact reporting cycle will be on the front foot. Impact reports establish authority and provide evidence of real impact to stakeholders, evidence that would have previously stayed buried in an excel behind closed doors.

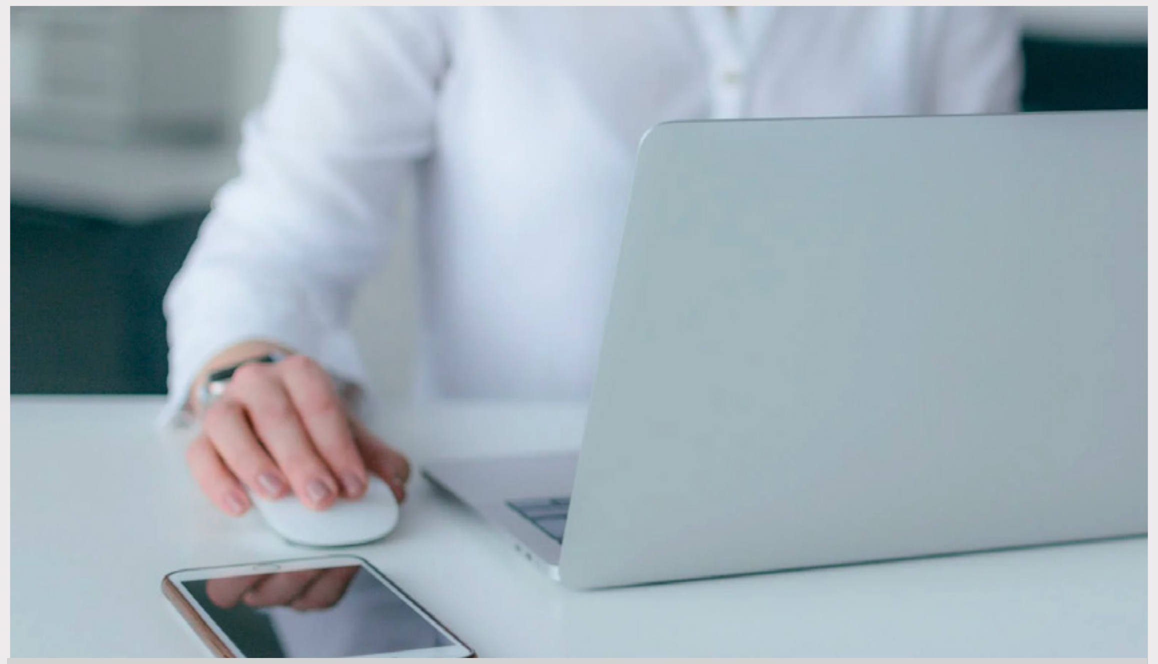
Step 3: Announce to key audiences

Impact reporting, be it internal or external, is an opportunity to transform the analysis and hard-fought facts of a brand's impact model into an engaging narrative. Here is where personal stories of beneficiaries and statements of significance from consumers and customers can help win the hearts of doubters, while the hard numbers of brand value and social value win their heads.

Brands that take the time to consider their key audiences, and announce their impact in a compelling and differentiated way, stand to reap significant rewards and in so doing make the case for further impact investment.

Attract the 63% of consumers who prefer to purchase from purpose-driven brands (Accenture)[20]

Benefit from lower cost of capital, equity and debt from investors (MSCI)[21]



Attract the 50% of employees and 75% of millennials who would take a pay cut to work at a responsible company (Fast Company)

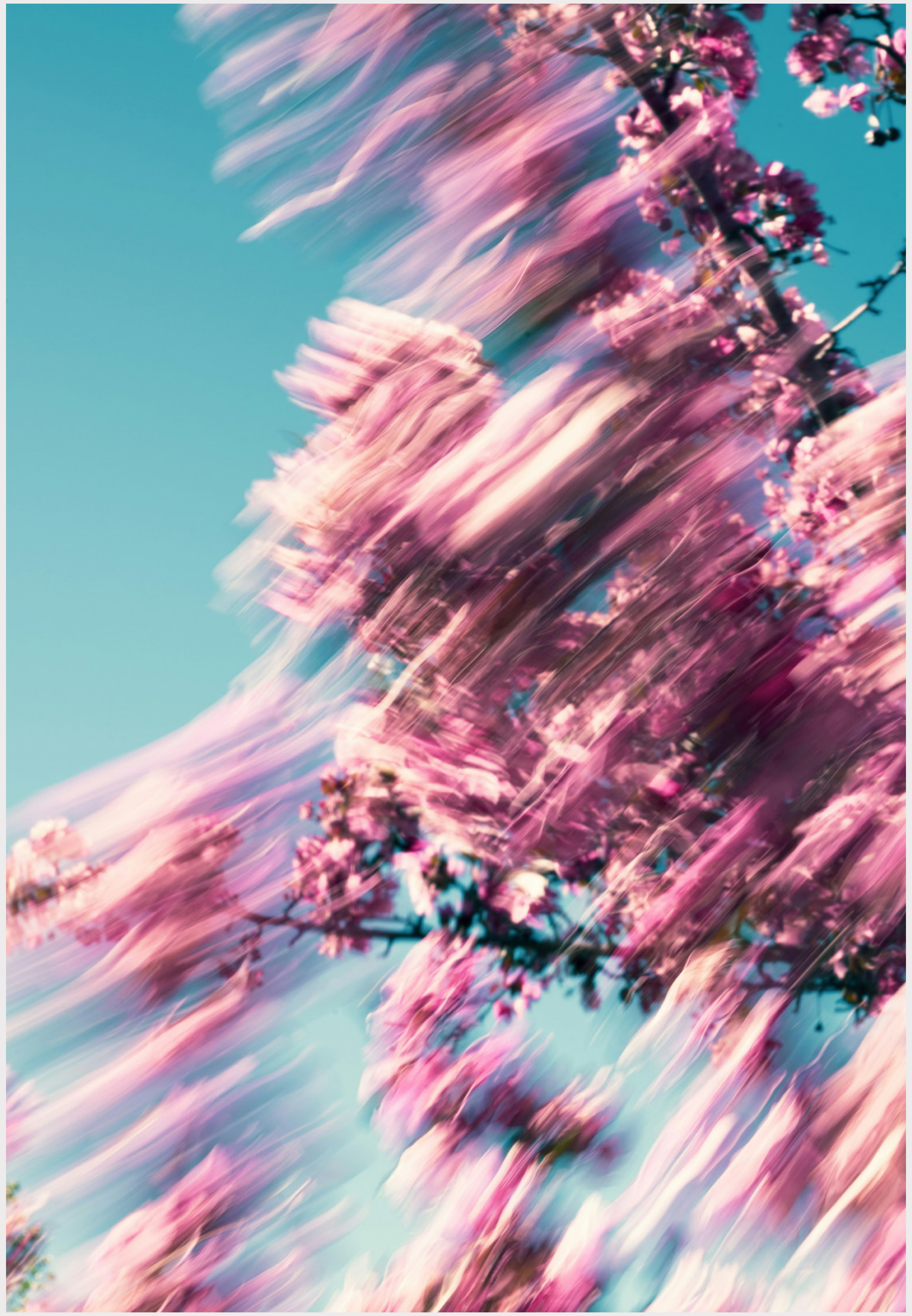
Maintain social license to operate from policymakers and protect against risk (McKinsey)

Welcome to the era of accounting for impact

Transforming capitalism to be a force for good will require innovative ways of working and thinking.

Revolt was founded in 2017 in the early days of purpose transformation. Since that time, we've seen purpose grow from the level of alternative marketing tactic to a new mantra for brands. We look upon this new era of accounting for impact with the same optimism, energy and desire for change that we had then. As the institution seen as most competent and ethical[22] the momentum for change is currently with businesses and brands. Transforming capitalism to be a force for good will require innovative ways of working and thinking. Impact Accounting is at the forefront of this change, and that's why we at Revolt are getting out ahead of it, too.

In the next decade, we expect brand impact to be measured much more effectively. Impacts will be valued and compared within teams, organisations and industry bodies such as certifications and awards. We are placed to help brands adopt an impact accounting approach now, and position themselves ahead of this wave of change.



Principles for purpose measured properly

Every brand can take steps to ensure they measure purpose properly, even if they aren't yet ready to fully account for impact. Brand impact measurement can use the same muscles as marketing measurement, just applied to social and environmental outcomes instead of brand KPIs. The aim of these principles is to ensure brands know whether they created the impact they intended and are able to demonstrate the effectiveness of their purposeful actions to stakeholders.

Start at the outcome.

Brands aiming to create meaningful social or environmental impacts need to start at the end - at the outcome they seek to create. Organise everything - from the program to the case study video and award entry - around that goal. Award categories focussed on positive impact awards now expect to see clear evidence of impacts on the world alongside impact on business and brand.

Stick impact measurement in marketing studies.

If your impact is educating about an issue or create behaviour change, sometimes all it takes to gather data of impact effectiveness is adding a simple set of questions to the pre/post studies you are already doing to evaluate ad effectiveness. It's important to do this before your brand impact launches - if you have no baseline data, it's much harder to prove impact.

Spend what's necessary, and pay for data.

If you aren't already doing pre/post studies to evaluate the effectiveness of purposeful marketing campaigns - you must start now. Statistically significant research shouldn't come at the expense of your beneficiaries, and brands that claim impact without measurement may be perceived as exploitative of the community or issue they are trying to serve, rather than in service of it. Investment in data is an investment in future impact.

Set a long-term vision.

Brands can't solve a social or environmental issue in a single year, let alone a single campaign. Those that claim to do so are looked upon with high skepticism - and those that fail to link their point-in-time impact metrics to a wider impact vision or goal often see the authenticity of their efforts questioned. Setting a long term impact vision, and contextualising results within it, demonstrates both perspective and commitment to the cause - as well as helping stakeholders understand how to evaluate your impact.

Seek the flywheel.

The 'secret sauce' of brand impact occurs when brands do well, by doing good. Brands should seek to create impact programs which directly deliver against business objectives by producing a positive social or environmental outcome. Examples of this include Tide's 'Turn to Cold'. And Microsoft's 'AdLam'. Keep pushing the business and creative strategy until you find this perfect combination.

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As with any progressive movement, we expect there will be backlash to this approach. Brands, as we have recently seen[23], may back away from impactful brand actions in pursuit of shorter-term value creation, disregarding and sadly destroying the social value they might have created for broader stakeholders.

But as demand grows for real solutions to deliver the just transition, we are confident that solutions within the system rather than outside of it will prevail. Accounting for impact demonstrates real returns on investment to people and planet and thereby renders brand impact resistant to cultural and economic shifts. We're excited to be in the company of many leading institutions who are innovating in the field. If you and your brand are keen to join us in this pursuit, we look forward to hearing from you.

Accounting for Impact thought leaders to follow:

SOCIAL VALUE INTERNATIONAL	Global Network for Social Value Practitioners
NYU STERN	Return on Sustainability Investment (ROSI™)
HARVARD UNIVERSITY	Impact-Weighted Accounts Project

Tools for Impact Accounting

PART FIVE

Brands can begin to measure purpose properly, no matter their impact phase. In the following pages you will find tools to help your brand begin to account for impact.

Impact phase self-assessment

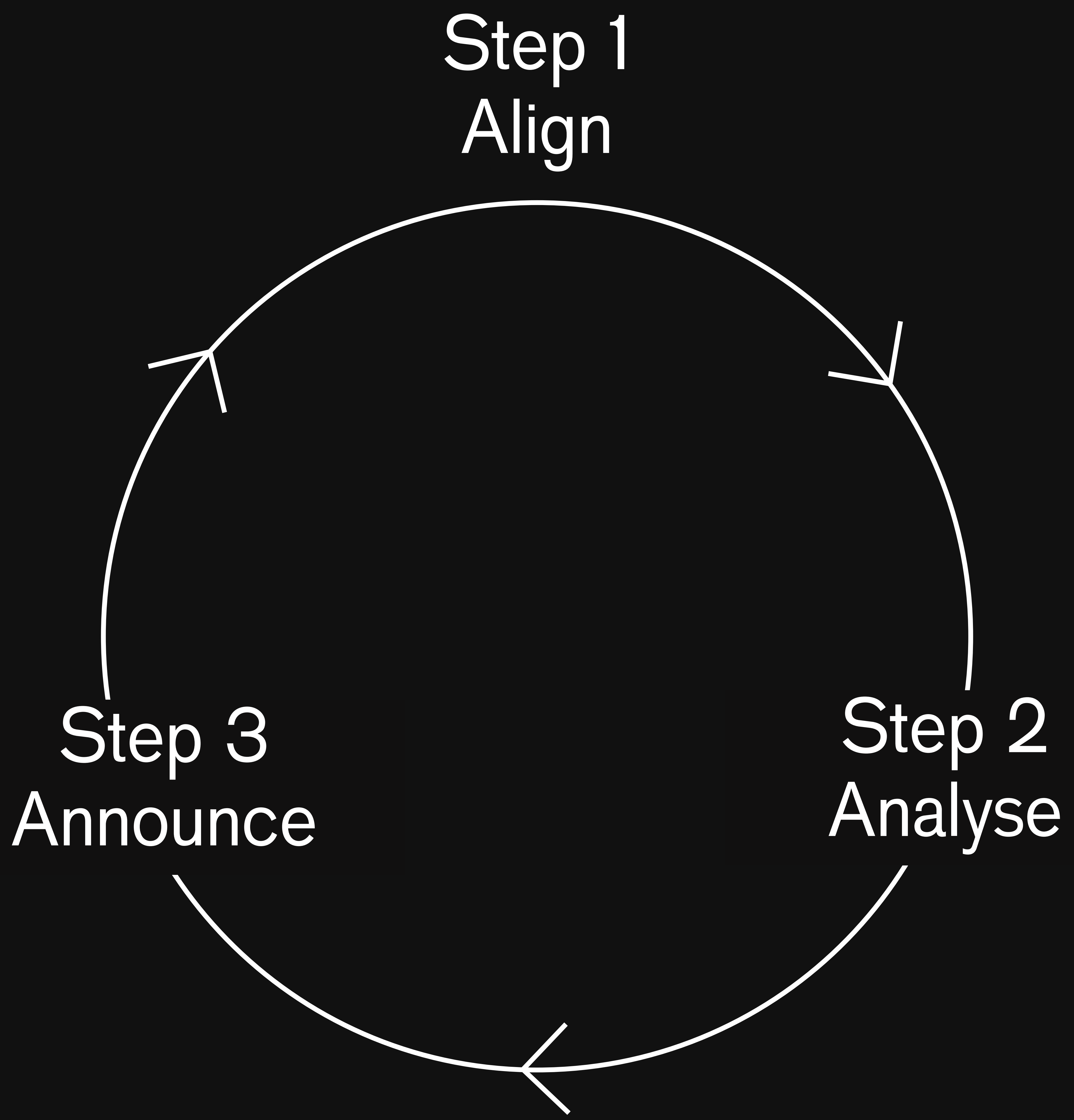
Giving for Impact	Certifying for Impact	Accounting for Impact
• Has your brand partnered with charities or NGOs in order to execute branded actions linked to your purpose? • Have you set a public impact goal? • Are you reporting on impact metrics or results?	• Are you a B Corp or considering applying? • Does your product packaging include sustainability claims and/or certifications? • Do you know how your brand measures up on sustainability indices and company rankings?	• Do you use internal scorecards/dashboards for centralised impact reporting? • Do you report impact effectiveness metrics (SROI)? • Can you identify the value that your brand has created for business and society?
↓	**How to measure purpose properly in this phase:**	↓
• Adopt an impact portal to centralise reporting • Move beyond reporting inputs to outcomes in any communications about your brand impact.	• Consider publishing the data you've submitted to certification bodies. • Calculate the social value of your brand's most impactful actions (i.e.. GHG reduction).	• Include impact effectiveness metrics in brand results when reported publicly / submitted for awards • Champion impact reporting and impact-weighted accounts within your wider organisation and industry.

Revolt accounts approach

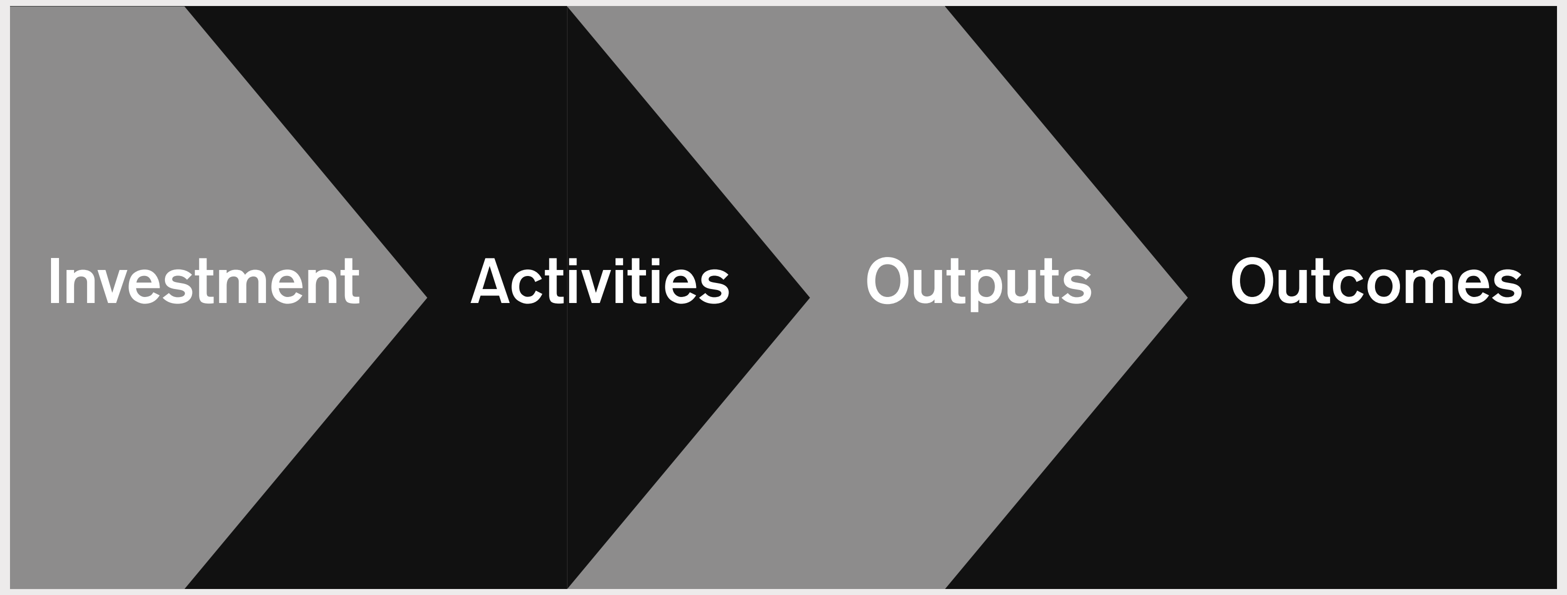
We've developed an Impact Accounting framework and built our Revolt Accounts practice in order to help more brands move from Brand Altruism through Association to systematically Accounting for Impact.

Our framework is a flywheel. The first reporting cycle fuels further interest and investment in impact. Furthermore, it is a tool to increase impact effectiveness. As brands come to better understand the role they play and the levers in their Impact Model which are most efficient, they can better design programs and deploy resources to create more value in future.

Just as the most effective advertising moves culture, in the era of purpose brands have an opportunity and responsibility to move humanity forward. We look forward to partnering with brands and marketers who share that vision, and are keen to come on the journey with us to a more accountable and impact-driven industry.



Revolt accounts approach



Impact Model Framework

$$\frac{\text{SOCIAL VALUE} + \text{BUSINESS VALUE}}{\text{BUSINESS COST}} = \text{RETURN ON IMPACT INVESTMENT (ROII)}$$

Valuation Framework

	Think	Feel	Do
Audience 1 Audience 2			

Audience Mapping Framework

Your impact model should:

- Include investment, activities, outputs and outcomes
- Isolate key drivers of change
- Drive to a single outcome
- Include empirical evidence of causation for the outcome

Key question to ask:

- What might be the benefits and challenges of aligning around a clear Impact Model for your brand?

Your impact analysis should:

- Include all relevant variables
- Gather together data along a time series
- Be housed in an impact dashboard for centralisation and data quality
- Create a value framework on social value theory
- Allow you to calculate your Return on Impact Investment (ROII)

Key question to ask:

- What assumptions, proxy values and considerations will you build into your value framework?

Announcing your impact should:

- Require you to map your audience(s)
- Be part of a wider brand communications strategy
- Attract attention and invite criticism, while demonstrating evidence of clear commitment
- Serve as a stepping stone to greater impact rather than the end of the road

Key questions to ask:

- Which audiences are you most likely to talk to about impact results?
- What would they be most interested in engaging with?

Glossary of terms

Impact	A direct result of one's actions, often taken within a wider context.
Impact Management	The practice of developing standard metrics, reporting criteria and frameworks for the systematic reporting of impact.
Impact Model	The means by which a brand creates a social or environmental impact through a causal sequence of investments, activities, inputs and outcomes. Also known as a theory of change.
Impact Accounting	The practice of systematically recording impacts and calculating their financial value through empirical measures and assumptions that reflect their positive contribution and/or cost prevention to society.
Impact Weighted Accounts	Line items on a financial statement which are added to reflect a company's positive and negative impacts on employees, customers, the environment and the broader society.
Theory of Change	A framework that explains how a given action or series of actions is expected to lead to specific change in a social or environmental indicator, drawing on a causal analysis based on available evidence.
Social Value	The estimated financial value of a social or environmental outcome, calculated based on current market values, the value of substitutes or the cost of other means of achieving that outcome.
Social Return on Investment (SROI)	Measure of the effectiveness of an impactful action, calculated by dividing its social value by the upfront investment required to a achieve the desired impact.
Counterfactual	Means of estimating social value by considering the costs to society if the outcome being measured had never occurred.
Additionality	Means of estimating social value by considering the incremental value generated by an intervention against a baseline measure.
Proxy Value	An assumption, measured in currency and applied within a social value framework to calculate the financial value of an impactful action.
Social Enterprise	A business incorporated on the basis of generating both social and economic value. Examples include Community Interest Companies (CICs) in the UK, and Public Benefit Corporations (PBCs) in parts of the US.

"Most of the things worth doing in the world had been declared impossible before they were done."

- US Supreme Court Justice Louis Brandeis

Appendix

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Page 18 [3] The Guardian, 2014
Page 18 [4] Accenture, 2018
Page 18 [5] Stern, 2022
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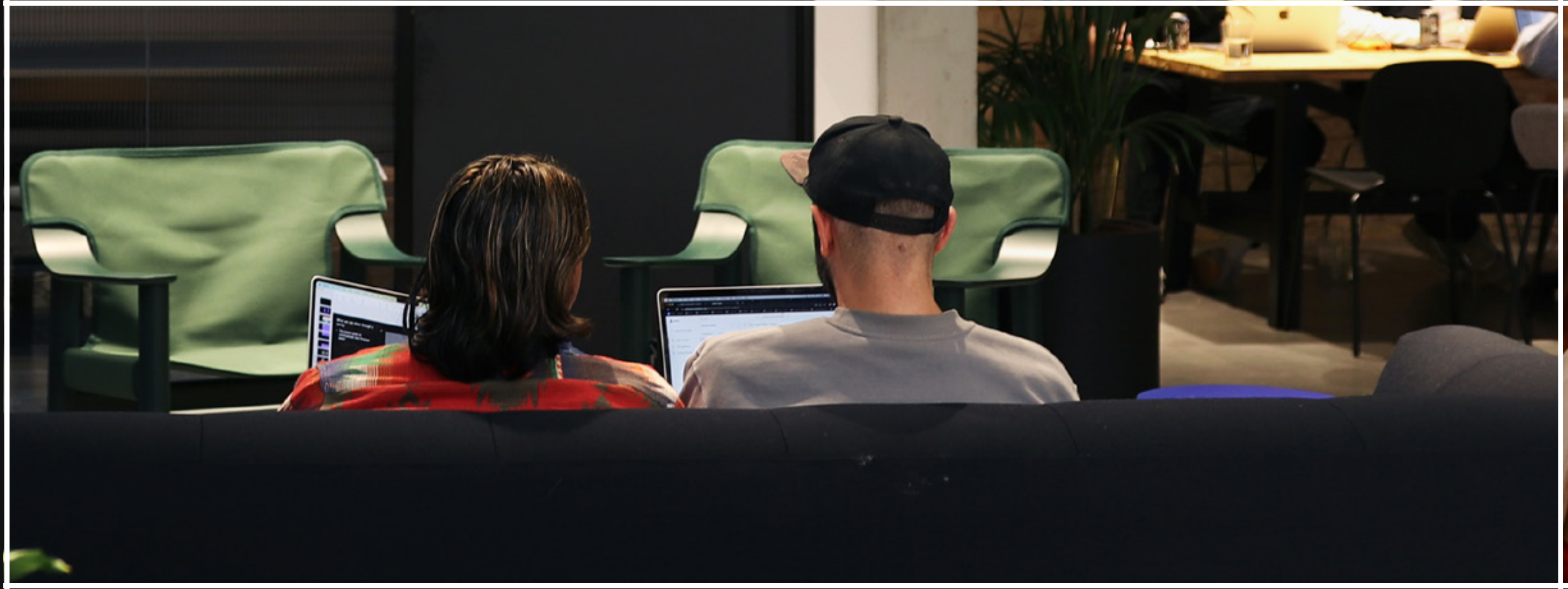
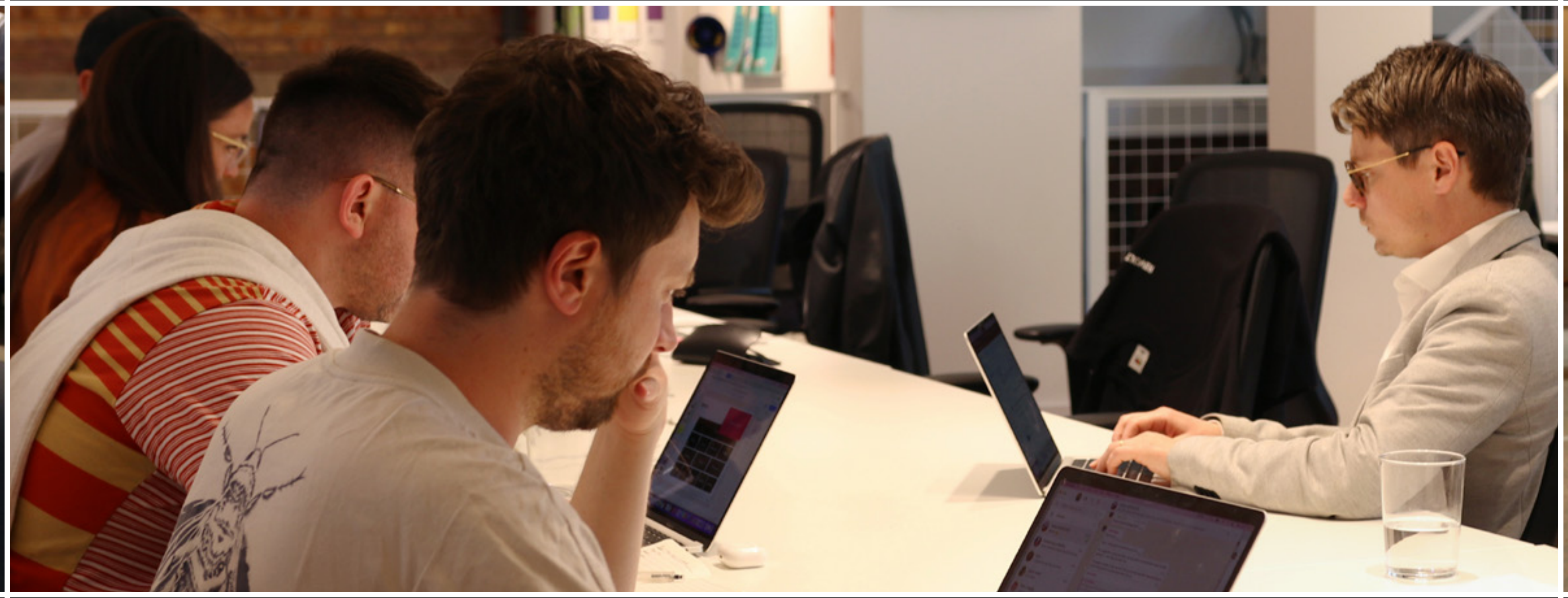
Partner with us to measure purpose properly

IMPACT AUDIT	IMPACT MODEL MAPPING	IMPACT ACCOUNTANCY
		
What? • Evaluate where your brand falls on the journey of brand impact. • Identify oppourtunities to improve existing impact measurement	**What?** • Organise your brand's purposeful activities into an impact model • Begin outcome tracking in impact portal to set up Accounting for Impact in future	**What?** • Account for impact by quantifying impact data in financial values • Evaluate effectiveness and make the case for further investment
How? • Purposeful action review • Impact measurement evaluation	**How?** • Impact Audit + • Impact Model workshop with up to 8 key stakeholders • Access & setup training for Impact Portal, data import managed by brand	**How?** • Impact Audit + Impact Model Mapping + • Analysis of impact data • Valuation of business and social impact, ROII calculation • Development of materials to announce impact results to key stakeholders
Estimated Timing • 1 week engagement with impact lead	**Estimated Timing** • 4 weeks engagement with impact team	**Estimated Timing** • 8-12 week engagement with impact team, dependent on data availability

Revolt Intelligence

The intelligence brands need on their purpose transformation journey.

Find out more
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