Impact Score Methodology

No secrets. No black box.

Learn more about how our Impact Scores & Research are built.

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The building blocks of our
Impact Score

1,500
Companies

77
Industries

500,000
Community Ratings

22,000
Analyses

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Development Goals

40 Environmental &
Social Impact Topics

500
Certified Analysts

40,000
Community Members

impaakt
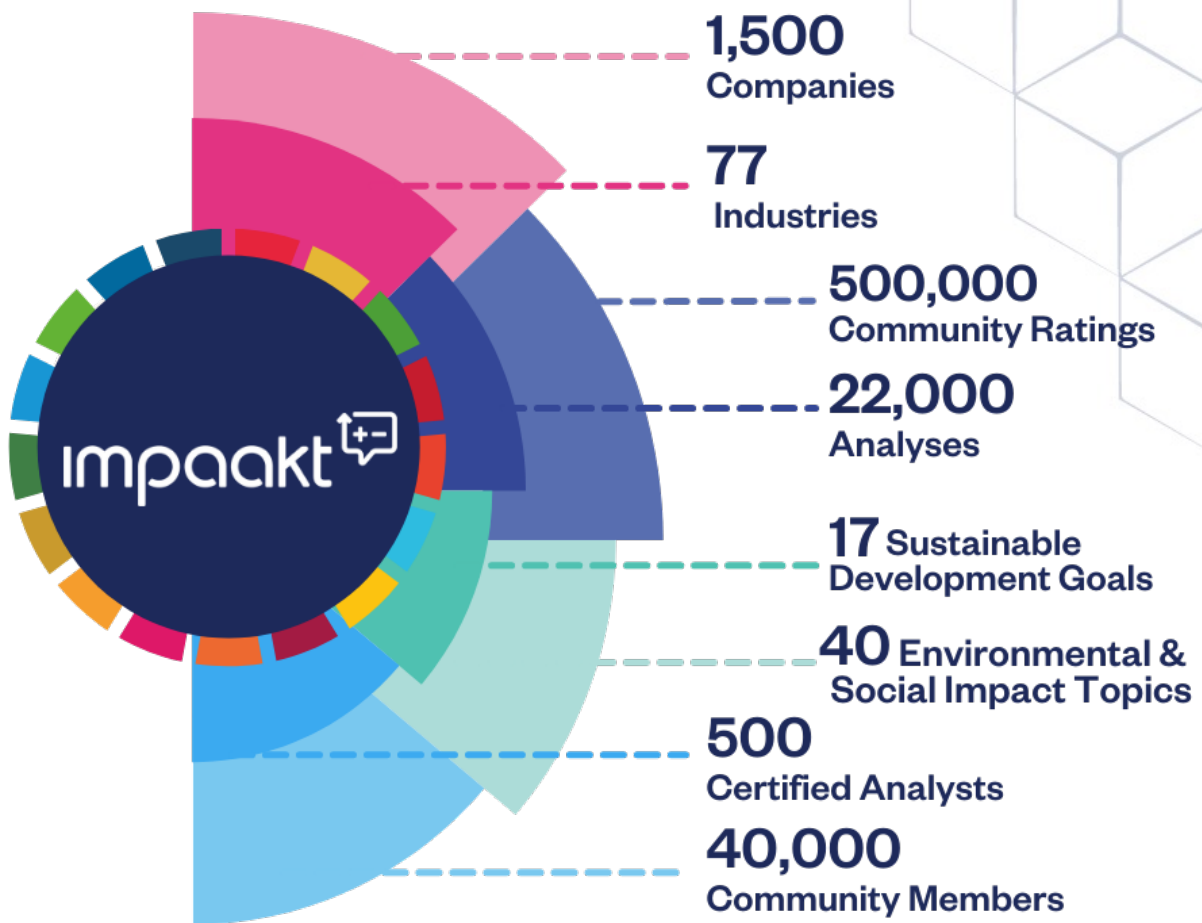
Section 1.

Contributors to the platform.

Our Contributors

The production of impact analyses and impact ratings are done by two different communities who differ in terms of role, size and selection process.

1.1 Impact Analysts

These contributors are in charge of collecting, verifying and cleaning the data, then writing a short summary ("Impact Analysis") for each of the impact topics related to a given company (see "Section 3. Impact analysis")

Only Certified Impact Analysts are authorized to operate on the platform. The Certification program is open to any candidate and comprises a theoretical training focused on impact analysis skills, a theoretical exam, and practical assignments. Successful candidates must first get a score of 70% at the theoretical exam before they can move to the practical assignments. Only the candidates who are able to successfully complete their three practical assignments with very top grades receive their certification.

As of January 2022, more than 100,000 people from more than 100 countries all over the world have registered to the Certification program, out of which 490 have obtained their certification as Impact Analysts. Our very selective training process (with a success rate of 0.53%) ensures only the best Analysts can write "Impact Analyses".

1.2. Impact Raters

Impact Raters are in charge of reading and rating the Impact Analyses published by the Impact Analysts. Based on all the information that has been collected and summarised, Impact Raters will assess whether the impact of the company as described in the Impact Analysis is positive or negative, and how small/large are the breadth, depth and persistence of each of these impacts (see "Section 5. Impact rating").

A training and Certification program has been introduced specifically for Impact Raters in June 2021. Unlike the Certified Impact Analyst program, this training is specifically focused on the rating exercise itself. As of January 2022, 38,000 people are registered on the platform to perform impact ratings.

Section 2.

Topic Allocation & Taxonomies.

Topic Allocation & Taxonomies

The impact research produced by Impaakt is based on a building block called "Impact Analysis". Each Impact Analysis covers one specific impact topic for a given company (for example, GHG emissions for Nestlé). As a general rule, there are between 10 to 20 impact topics related to each company on the platform, depending on its sector and core business activity (which we understand as its main purpose).

The list of impact topics to cover for each company is mainly based on the SASB taxonomy and is complemented with additional topics that are not covered by SASB, in particular topics related to the positive impacts of companies' core businesses.

Some of these topics are universal, i.e. the same topic is covered for every single company on the platform. This includes for example "GHG Emissions", "Job Creation" and "Taxes". Some other topics are industry-specific and only apply to one or several of the 77 industries identified by SASB. For example, the topic "Access to Food" only applies to companies active in the food industry, and does not apply to car makers or pharmaceutical companies.

This topic allocation makes sure that all important topics are covered for each company, while at the same time ensuring consistency of the analyses and scores within the same industry. Indeed, all companies belonging to the same SASB industry will have the same topics covered, allowing for robust comparison.

We have carefully researched and selected the topics we deem relevant for each industry through a thorough topic mapping project.

Appendix 1 shows the details of the topics matrix used by Impaakt as of January 2022.

Section 3.

Impact
Analysis.

Impact Analysis

3.1 Process

Once a topic has been identified for a specific industry or company, it is made available on the Topic Selector for Certified Impact Analysts to reserve it. The topic comes with a short description and a list of keywords that aim at better scoping the issue and making sure all Analysts cover the topic in a uniform way.

In most cases, the topic also comes with a "Model Analysis", i.e. a high-quality analysis that has already been written on the same topic for another company.
This avoids that every Impact Analyst re-invents the wheel and brings more consistency and comparability across the database. Finally, the topic is usually linked to one or several "How-to-guides", that are regularly published to share specific standards about how each topic should be approached. These guidelines include rules about minimum materiality threshold, source recommendations and recommended angles to correctly and thoroughly cover the topic.

Once a topic is reserved on the Topic Selector, Impact Analysts have 15 days to perform their research. This starts with identifying the sources (reports, studies, scientific articles, etc.) required to document the impact of the company. The Impact Analysts then write a short summary of maximum 2000 signs (i.e. the "Impact Analysis") that contains all the verified quantitative and qualitative information needed to accurately assess the value and the scale of the impact.

3.2 Sources

The Impact Analysts have to document their work using any public data available (open data approach). Only trustworthy sources coming from verified and reputable organisations are accepted. This can include data published by the companies themselves as well as academic reports, governmental sources, scientific studies and other articles published by established institutions.

Section 4.

Reviewing & Validation Process.

Reviewing &
Validation Process

Once Impact Analysts have completed their Impact Analysis, they submit it for review to the Reviewing team.

No Impact Analysis can be published on the platform before prior approval from the Reviewing team.

Reviewers ensure that each Impact Analysis published on the platform matches all the quality standards, comply with the guidelines available for this topic, and are globally unbiased, rigorous and accurate. Reviewers also make sure that all the sources used are trustworthy and reputable.

If the Impact Analysis reaches the required quality level, it is approved and immediately published on the platform. If it is not good enough, then the Analysis can be either rejected or sent back to the Impact Analyst with a list of required improvements.

The Impact Analysts have up to three attempts to make it right and get published. If they fail doing so, then the topic is brought back to the Topic Selector for another Impact Analyst to pick it up.
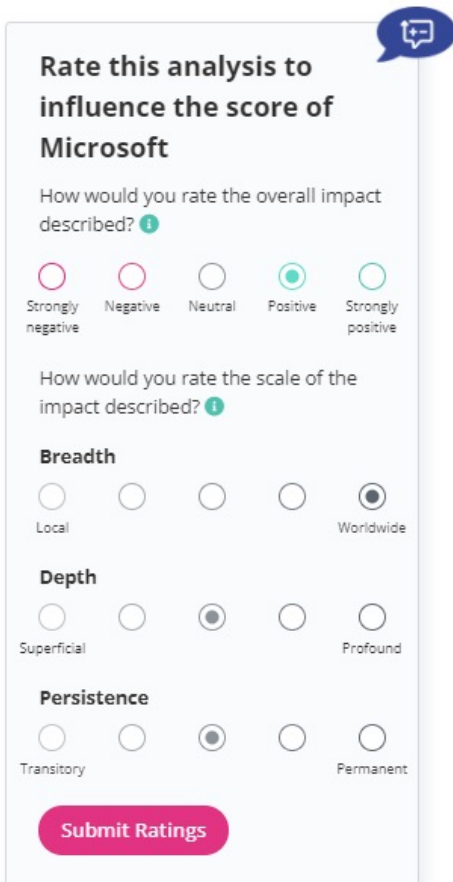
Impact Analysts get paid for each of their Impact Analysis validated and published on the platform.

Section 5.

Impact Rating.

Impact Rating

Rate this analysis to influence the score of Microsoft

How would you rate the overall impact described? ⓘ

○ Strongly negative   ○ Negative   ○ Neutral   ● Positive   ○ Strongly positive

How would you rate the scale of the impact described? ⓘ

Breadth

○ Local   ○   ○   ○   ● Worldwide

Depth

○ Superficial   ○   ●   ○   ○ Profound

Persistence

○ Transitory   ○   ●   ○   ○ Permanent

Submit Ratings

Once an Impact Analysis is published, it is available to all the Impact Raters to read and rate. This is done through a rating box that is shown on the left.

All Impact Raters have to answer a first question on the value of the impact (how positive/negative the impact of the company is for the topic documented in this Impact Analysis).

Then, Impact Raters must assess the scale of the impact based on three dimensions:
• Breadth of the impact
• Depth of the impact
• Persistence of the impact

For the mechanisms of Collective Intelligence to work properly, it is essential that Impact Raters assess the impact without being influenced by the community. This is why they can't see the average rating of the community.
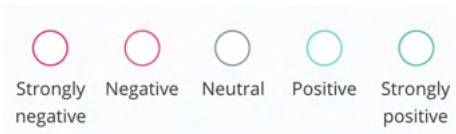
Section 6.

Scoring Methodology.

Scoring Methodology

6.1 Direct Scores

The platform's building blocks (most granular units) are *"impact analyses"*, which collect members' ratings about the impact a given company has on a given topic.

Impact *Value* votes are converted into numbers as follows:

Strongly Negative	-5
Negative	-2.5
Neutral	0
Positive	+2.5
Strongly Positive	+5

Impact *Scale* votes are converted into numbers as follows:

Breadth
Local — Woldwide

Depth
Superficial — Profound

Persistence
Transitory — Permanent

Initially rated at its sub dimensions level - *Depth*, *Breadth*, and *Persistence* - Scale is blended as the product of these 3 components, therefore on a [1;125] range.

Please note that to make the scale easier to read, we have applied a factor of 8 so that we use a [8;1000] range instead (min. rating translates into a "8" scale, max. into a "1000" scale).

Score computation is explained on the following page.

Score Computation

Score computation starts at this base level, aggregating individual ratings.

Namely, *"impact analysis Value"* and *"impact analysis Scale"* scores are calculated as averages of each rater's Value and Scale votes, weighted by their *"rating experience"* - gained through previous ratings - and *"obsolescence factor"*, linked to the time of rating (the older the less weight).

Let's take a simplified example in the table below, with only 5 users having assessed the impact of an Impact Analysis:

	Age of the rating compared to the last rating (in days)	f(t)	User's Standard Knowledge Ratio for this Impact Analysis at the time of the rating	Weight	Value Score submitted by the user (i.e. How positive/ negative)	Scale Score submitted by the user (i.e. How large/ small)
USER 1	0	1.00	6	6.00	+2.5	16
USER 2	10	0.98	6	5.88	+5	1000
USER 3	100	0.83	4	3.32	-2.5	32
USER 4	365	0.50	2	1.00	-2.5	512
USER 5	500	0.39	1	0.39	0	256

The Value Score for this Impact Analysis is 2.03 as calculated by below formula:

$$\text{INS} = \frac{6.00 \times 2.5 + 5.88 \times 5 - 3.32 \times 2.5 - 1.00 \times 2.5 - 0.39 \times 0}{6.00 + 5.88 + 3.32 + 1.00 + 0.39} = 2.03$$

The Scale Score for this Impact Analysis is 404 as calculated by below formula:

$$\text{SS} = \frac{6.00 \times 16 + 5.88 \times 1000 + 3.32 \times 32 + 1.00 \times 512 + 0.39 \times 256}{6.00 + 5.88 + 3.32 + 1.00 + 0.39} = 404$$

Score calculation then continues up at aggregated level (SDG, SASB topic, ILG theme, impact category and company), aggregated *Value* being the weighted average of each impact analysis Value by each Scale and aggregated *Scale* being the average of impact analysis scales. For an analysis to be taken into account in an aggregated score, it must have been rated by a minimal number of raters, totalizing a minimal experience.

Besides, a number of quality controls and fraud detection mechanisms come into play, as detailed in section 7.

Score Computation

6.2 Peer-based Scores

In order to widen coverage, a system of *"Peer-Based"* scores complements the direct ones.

Peer-Based scores derive from the direct scores obtained by analyses on the same topic for similar companies, clustered in "Peer Groups".

Peer Groups gather companies that share both:

1. The same industry.
2. The same *"Core Business Impact"* - an attribute attached to each company based on its main activity and purpose (for example: "Feed the world" or "Educate") - meaning their activity is very comparable

Peer-Based scores are calculated at the most granular level, which is the "Topic" as follows:

- The Topic *Value* is the simple average of the Values obtained by all companies in the same peer-group for analyses on the same topic.

- The Topic *Scale* is calculated likewise as a peer average, additionally taking into account the company's market capitalization with regards to its peers and a "direct scores best-fit" mathematical correction.

As an analysis on a given topic and a given company is documented and published, its direct score replaces the Peer-Based score in all upwards scores computations.

Quality control & detection of suspicious rating.

Quality control & detection of suspicious rating

A series of controls have been put in place to ensure the full quality of the ratings and scores published on the platform.

7.1 User authentication

Only registered individuals are allowed to perform ratings on the platform. They are accountable for the quality of their votes, that can be tracked down to their author.

7.2 Robot detection

With each user login, her/his human identity is checked via a robot detection algorithm. This ensures programmed automats are kept out.

7.3 Minimum number of ratings

We have set the minimum of ratings per company at 200 to get meaningful scores.

7.4 Outliers removal

Outlying votes, namely out of the average vote of other votes +/- twice their standard deviation is excluded from scores calculation at all levels. This ensures a good quality of our statistics, while valuing the diversity of opinions that makes up collective intelligence.

7.5 Detection and removal of suspicious rating patterns

Raters whose behavior significantly deviates from normality (excessive rating speed, single sided opinion, repeated outlying votes, focus on a given company or industry) are detected by an AI algorithm and triggers a series of warnings ending up in these votes being erased and their author banned from the platform.

Section 8.

Outputs.

This data is finally made available on the platform with various levels of detail.

Anyone is able to view published impact analyses and calculated company scores. This goes with Impaakt's mission to inform the world about how well companies are doing towards UN SDG achievements.

Clients have access to a much deeper insight on the data, including the granular detail of each company's impact by SDG and other relevant classifications (SASB themes, ILG, etc.) and a number of comparative views with peers. A portfolio level of aggregation is also offered.

You can find examples on the following slides.

Fig. 1: example of companies' scores in a client's view
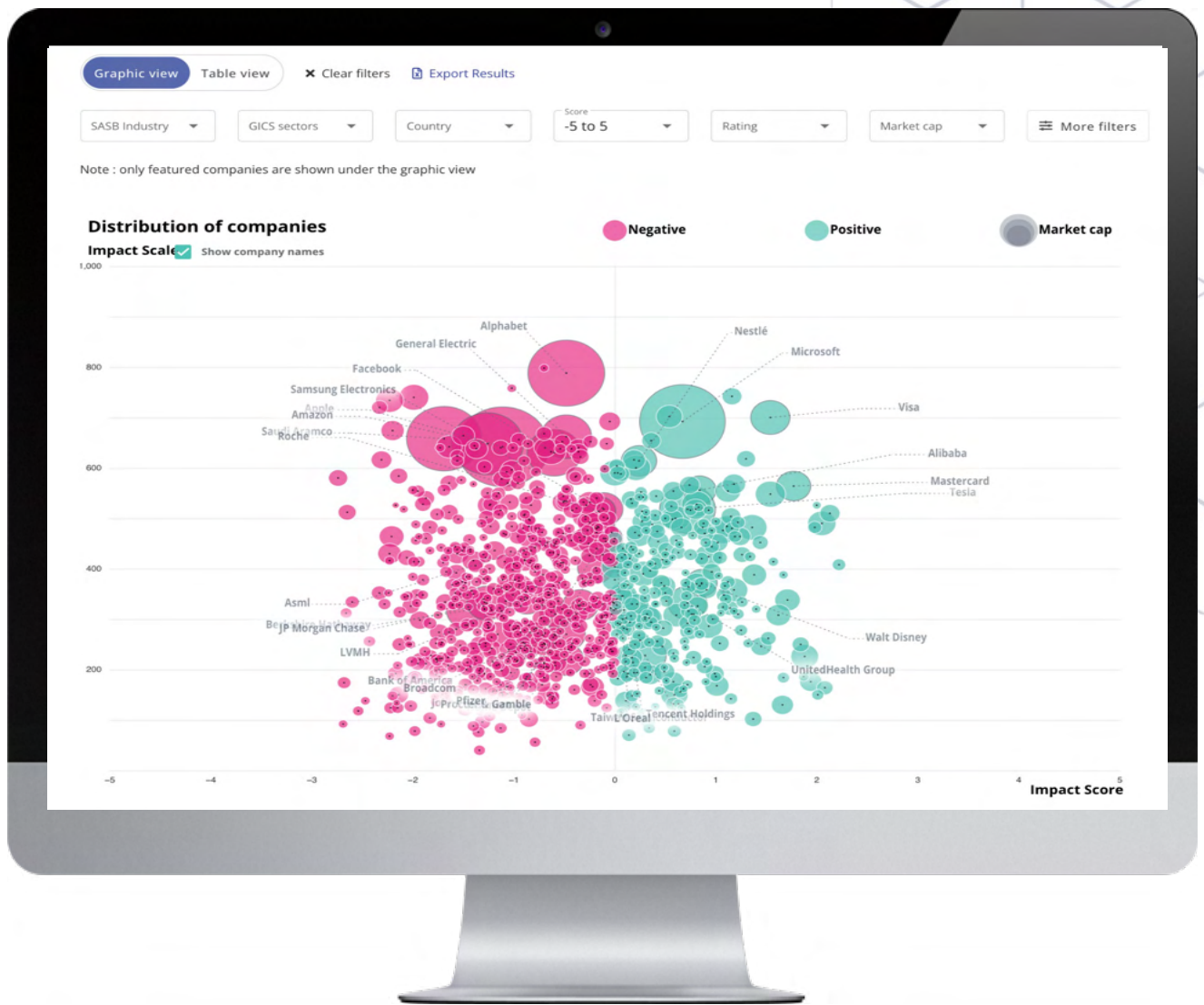
Fig. 2: example of a
company's page in a
client's view

Score Compared to Peer Group Average by SASB Theme ›

Microsoft's Peer Group: Mastercard, Accenture, IBM, Adobe Systems, SAP

Categories (top to bottom):
- Access & Affordability
- Business Ethics
- Customer Privacy
- Customer Welfare
- Ecological Impacts
- Employee Engagement, Diversity & Inclusion
- Employee Health & Safety
- Energy Management
- GHG Emissions
- Human Rights & Community Relations
- Labor Practices
- Product Quality & Safety
- Waste & Hazardous Materials Management
- Water & Wastewater Management

Legend: Microsoft · Peer Group Average

Fig. 3: example of a company's scores against peers' in a client's view (here per SASB themes)

Detailed Peer Group Comparison by SDG ›

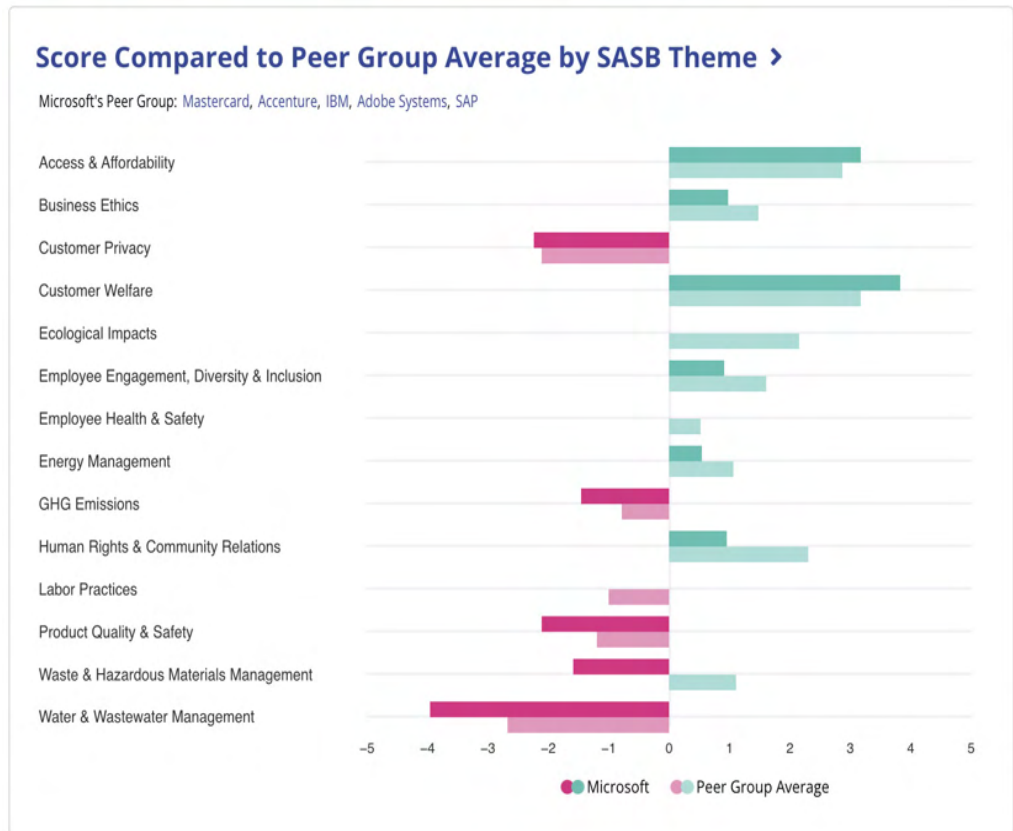| SDG	Peer Group Average		Microsoft		Mastercard	Accenture	IBM	Adobe Systems	SAP
1	+0.82	-		-	+1.43	-	-	-	+3.48
2	+1.62	-		-	+3.44	-	+3.19	-	+3.08
3	-1.06	>	-2.11		-0.15	-0.67	-3.40	-3.20	+3.17
4	+2.92	<	+3.53		+3.98	+3.26	+3.50	-	+3.22
5	+2.00	>	-1.68		+3.16	+2.66	+1.76	+3.10	+2.97
6	-2.67	>	-3.95		-2.22	-2.84	-2.65	-2.47	-1.89
7	+0.72	>	+0.55		+3.16	+0.03	+3.07	-1.62	-0.88
8	+2.45	<	+2.97		+3.16	+2.18	+0.58	+2.98	+2.82
9	+2.66	<	+3.33		+3.58	-	+3.39	+3.16	+2.50
10	+0.91	<	+1.32		+1.24	+2.64	-1.91	+2.02	+0.14
11	+1.11	-		-	+3.17	-	-	+3.51	-
12	+1.76	>	-1.58		+0.40	+2.01	+2.78	+3.08	+3.89
13	-0.44	>	-1.46		-0.45	+0.99	-3.10	-0.41	+1.77
14	+1.14	-		-	-	+3.18	+3.65	-	-
15	-	-		-	-	-	-	-	-
16	-0.34	>	-1.30		-1.40	+1.72	+0.10	-0.31	-0.88
17	+1.62	-		-	+3.00	+3.32	-	+3.38	-
Total	**+0.95**	>	**-0.03**		**+1.70**	**+1.54**	**+0.84**	**+1.10**	**+1.80**

Fig. 4: example of a company's scores against peers' in a client's view (here per SDG)

Fig. 5: example of a portfolio graphical impact breakdown in a client's view.
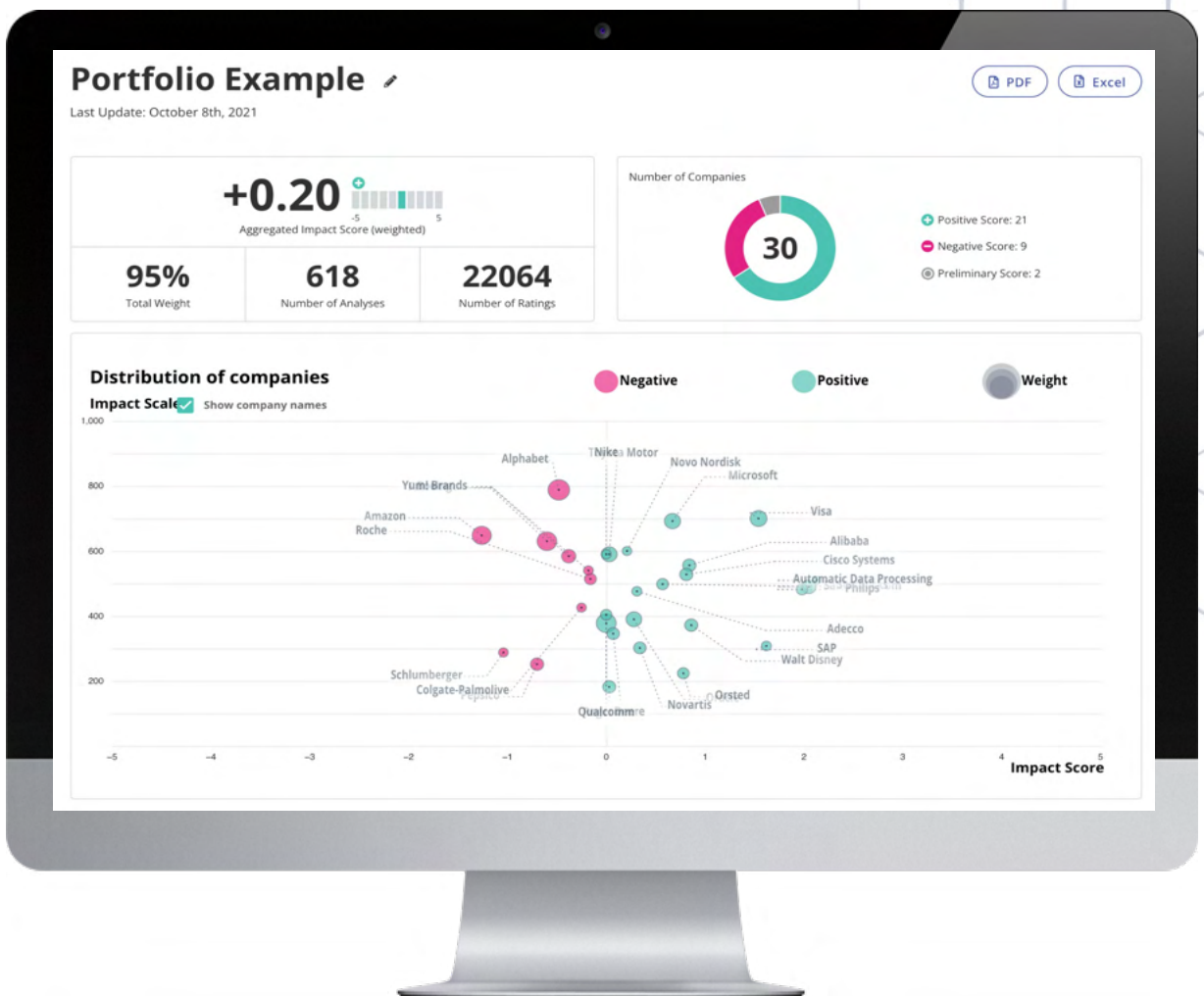
Appendix 1
Fig. 8: Impaakt Sectors/Impact Topics matrix

Impact Topic	Consumer Goods	Extractives & Minerals Procesing	Financials	Food & Beverage	Health Care	Infrastructure	Renewable Resources & Alternative Energy	Resource Transformation	Services	Technology & Communications	Transportation
Access to (Accurate) Information									X	X	
Access to Education & Training										X	
Access to Underserved Communities			X		X					X	
Adverse Health Impacts from Products or Services	X	X		X	X			X		X	
Adverse Health Impacts on Communities		X				X		X			X
Affordability					X						
Anti-Competitive Behavior	X	X					X			X	
Bribery		X				X		X			
Clean Mobility Solutions											X
Commodity-Driven Deforestation				X							
Core Business Impact	X										
Customer Welfare			X								
Data Security & Privacy			X						X	X	
Digital Social Solutions										X	
Employee Gender Diversity	X	X	X	X	X	X	X	X	X	X	X
Employee Inclusion	X	X	X	X	X	X	X	X	X	X	X
Environmental Impacts from Food Waste				X					X		
Environmental Impacts from Material Sourcing	X							X			
Environmental Solutions		X				X		X			
Financial Excess			X								
GHG Emissions	X	X	X	X	X	X	X	X	X	X	X
Human Rights		X		X						X	
Job Creation	X	X	X	X	X	X	X	X	X	X	X
Labour Practices	X	X	X	X	X	X	X	X	X	X	X
Landscape Alteration		X				X					
Money Laundering			X					X			
Operational Waste Production	X			X				X	X		
Operational Water Consumption	X			X				X			
Overconsumption	X										
Positive Health Impacts from Products or Services				X	X					X	
Product End-of-Life Waste	X							X			
Product Quality & Safety	X			X	X			X			
Promote or Hinder Gender Equality or Inclusion through Products or Services	X									X	
Renewable Energy Solutions		X					X				
SME Empowerment	X		X								
Social Solutions									X		X
Supply Chain Empowerment	X			X				X	X		
Taxes	X	X	X	X	X	X	X	X	X	X	X
Water Pollution	X	X		X			X	X		X	X
Workforce Health & Safety	X	X		X	X	X	X	X	X		X

Beyond
ESG

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