COMMON APPROACH
TO IMPACT MEASUREMENT

The Common Framework

Aggregating diverse impact data

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Exposure draft

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Feedback on the Version 1.0 Exposure draft can be submitted via this form until June 30, 2026.

The Common Framework will evolve as it is used. Please visit the Common Framework main page to ensure you are referring to the current version.

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PART 1: Executive summary

What is the Common Framework?

The Common Framework provides a transparent, replicable, and verifiable process for making sense of diverse, bottom-up impact metrics. It is a methodology designed to reconcile the tension between the need for context-specific impact measurement and the need for comparability across different organizations and portfolios.

The tension lies between highly standardized metrics, which often fail to capture the diversity of real-world impact interventions, and flexible, context-relevant metrics, which are difficult to synthesize for portfolio-level decision-making. The Common Framework addresses this challenge by providing a structured methodology for aggregating heterogeneous data in a way that is decision-useful while remaining grounded in the reality of the underlying information.

Building on the application of financial reporting principles to impact information, the Common Framework reflects a principles-based approach similar to modern accounting standards. It recognizes that comparability does not require identical inputs, but rather consistent interpretation and clear disclosure of methodological choices.

The Common Framework fills a crucial gap in the impact measurement value chain by bridging bottom-up metrics and portfolio-level analysis. It is intended for use after data collection but before report preparation, enabling the transformation of diverse metrics into coherent, decision-useful insights. It complements existing methodologies and standards, such as the Impact Reporting Norms, IRIS+, the Sustainable Development Goals Impact Standards, and the Social Value International Principles.

More on this can be found in Part 2: Why a Common Framework?

Who is the Common Framework for?

The Common Framework and this guide are designed for impact practitioners who need to synthesize and interpret diverse impact data. This guide assumes basic familiarity with impact measurement and management (IMM) concepts, and is intended for practitioners responsible for portfolio-level aggregation.

It is particularly relevant for:

- **Impact investors** who aggregate and compare impact metrics from the companies in which they have made investments.
- **Grantmakers** who aggregate metrics from charities and nonprofits to whom they have made grants.
- **Network coordinators** who aggregate data across member organizations with varied missions.
- **Fund-of-funds managers, asset owners, and limited partners,** who combine results reported by multiple intermediary funds into an overarching view.

Whether you are working with ten organizations or hundreds, the same methodology applies. We have tested the Common Framework on portfolios of various sizes—from a small cohort of six (6) organizations with 110 metrics to large portfolios with more than 50 portfolio companies and 800+ metrics—and found that its value grows as the diversity and number of metrics increase.

If you would like to test the Common Framework in your organization, please contact Common Approach. Currently, Common Approach is offering direct consulting support to a small number of organizations to use the Common Framework. With the publication of this guide, we will begin to create resources for consultants and capacity builders to support their clients in using the Common Framework. In time, Common Approach will have self-serve resources for impact investors, grantmakers, networks and others.

Overview of the Common Framework guiding principles

The Common Framework is based on financial reporting principles. Its methodology prioritizes the fundamental characteristics of relevance and faithful representation. Enhancing characteristics of comparability and verifiability are key concepts within the Framework.

The core methodology of the Common Framework rests on three key pillars: construct-based equivalence, bounded flexibility, and documentation and verifiability. These principles ensure that aggregated impact insights are relevant, credible, and faithfully represented. By adhering to qualitative characteristics such as relevance, faithful representation, verifiability, and comparability, the Common Framework provides the necessary structure to create a cohesive, reliable narrative of impact performance.

More on this can be found in Part 3: Guiding principles.

Overview of the six steps of the Common Framework

The Common Framework follows six steps. Part 4: Practical Guidance details each step, combining conceptual guidance with practical instructions and examples. The six steps are:

Step 1: Group metrics by theme.
Organize metrics under shared themes that reflect your impact priorities (e.g. fund strategy pillars, IRIS+ impact categories and themes, SDG targets). This creates a conceptual structure for working with diverse bottom-up metrics and enables construct-based aggregation.

Step 2: Harmonize units.
Convert and transform diverse measures into a small set of common units (e.g., people, dollars, hours, emissions). This ensures that otherwise incomparable metrics can be aggregated.

Step 3: Develop headline indicators.
Craft high-level indicators that summarize impact across a portfolio or a theme. Headline indicators group metrics that address the same construct and have been harmonized to the same units. They summarize the portfolio or themes' impact performance.

Step 4: Aggregate and validate portfolio-level results.
Roll up harmonized metrics into portfolio-level results for each headline indicator. Validate the aggregation by checking inclusion and exclusion integrity, internal consistency, time alignment, reasonableness, and traceability back to source data.

Step 5: Consolidate your aggregation policies.
Consolidate and document the principles, assumptions, justifications, boundaries, unit policies, and decision rules that governed aggregation. This step formalizes your methodology into a transparent, reviewable, and living set of aggregation policies that will evolve over time but must be applied consistently within each reporting cycle.

Step 6: Communicate results
Use tables and visuals (pivot tables, bar charts, Sankey diagrams, time-series charts, etc.) to communicate findings, reveal patterns, and support learning and decision-making for different audiences.

In Part 4: Practical Guidance, you will find a step-by-step walkthrough of the Common Framework process. Each step section includes:

- **Conceptual guidance:** An overview of what the step involves and why it matters.
- **Practical instructions**: A how-to guide for implementing the step.
- **Tips and pitfalls:** Insights from real-world applications to help you succeed and avoid common mistakes.
- **Illustrative examples:** Anonymized cases demonstrating the step in practice:
    - Example A: A regional network focused on local food systems (using a custom thematic framework)
    - Example B: A multi-sector fund manager aligning with GIIN's IRIS+ impact categories
    - Example C: A fund-of-funds using a hybrid framework aligned with SDGs and IRIS+.

All these examples come from initiatives that took a bottom-up approach: letting social purpose organizations define and report the metrics that mattered to them, then using the Common Framework to interpret the diverse data. The lesson across cases is that credible aggregation can be achieved without demanding uniform metrics, **as long as information is relevant, clearly documented, and faithfully represents what it purports to represent**.

By applying this practical guidance, you will have a complete methodological framework that you can apply in your own context.

Additional tools and resources

Common Approach is developing tools and resources to support users of the Common Framework. As they become available, you will be able to find them in the Resources section of our website: Resources/Common Framework/Support documents.

Part 2: Why a Common Framework

What is the Common Framework

The Common Framework provides a transparent, replicable, and verifiable process for making sense of diverse, bottom-up impact metrics. Building on the application of financial reporting principles to impact information, it translates these concepts into a structured methodology for aggregating data in a way that is decision-useful while remaining grounded in the reality of the underlying information.

Rather than prescribing what organizations should measure, it offers a structured way to organize, convert, combine, and communicate metrics that arise from different contexts, sectors, and methodological traditions. Its purpose is to enable credible portfolio-level insights while preserving the specificity and integrity of organization-defined metrics.

In practice, this means the Common Framework addresses a fundamental challenge in the field: how to synthesize heterogeneous data into coherent, decision-useful information when no two organizations measure impact in exactly the same way. By applying a consistent aggregation logic, it becomes possible to understand how individual metrics contribute to broader outcomes—whether at the level of a portfolio, a sector, or a thematic area—without requiring uniformity at the source.

To address this, the Common Framework emphasizes:

- **Transparency**: all classification choices, assumptions, unit conversions, boundaries, and exclusions are explicitly documented. This ensures that results can be clearly understood, interpreted, and scrutinized, and that users can see how conclusions were reached.
- **Replicability**: impact aggregation is not an exact science; two analysts may aggregate to slightly different totals. The Common Framework narrows the range of discretionary choices by defining a shared sequence of steps and requiring documentation of rationales. This allows for broadly consistent results and ensures that any differences are explainable, reviewable, and open to challenge so that comparability and transparency are maintained.
- **Verifiability**: every aggregated result can be traced back to its originating metric, its unit conversion, and the rationale for its inclusion or exclusion. This ensures that analytical decisions are transparent and can be reviewed or tested by others.

The Common Framework, when combined with the Common Impact Data Standard,[1] provides a window into data lineage and data provenance.[2] This contributes to transparency, verifiability, and increased trust in how impact data is constructed, transformed, and aggregated.

The Common Framework **does not attempt to standardize metrics across organizations**. Instead, it provides a clear and documented way to combine metrics that differ. These methods draw on traditions that routinely work with *non-identical* data—financial accounting, qualitative research, and evaluation science—all of which rely on documented assumptions, clear logic, and structured interpretation to ensure that synthesized findings are credible and comparable.

By setting out how diverse metrics are classified, transformed, and combined, the Common Framework bridges the gap between bottom-up measurement and portfolio-level insight. The result is a process that stakeholders can understand, interrogate, and trust—one that makes aggregation possible without undermining the contextual relevance of bottom-up data. It also enables comparability when standardized headline indicators such as IRIS+ metrics are used as.

What problems a Common Framework helps to solve

In order to be accurate and useful, impact measurement needs to achieve two objectives: high relevance to its specific context and comparability across different contexts. Context-specificity is needed to meaningfully incorporate stakeholder perspectives and ensure measurement is well-aligned with an organization's strategy. Comparability across contexts is needed to support benchmarking and investment decision-making—particularly for funders and portfolio managers.

These two objectives can appear to be contradictory. Context-specific measures seem to defy comparability. **The Common Framework reconciles those two objectives by creating comparability from context-specific, bottom-up metrics.** It is a method that allows portfolio

[1] See "A note on use with other Common Approach's stdecision-makingandards" for more about the Cdecision-makingommon Impact Data Standard.

[2] Data lineage describes the life cycle of data, including its creation and movement across systems ("traces of movement"), while data provenance records the origin, sources, entities, systems, and processes that influenced the data; provides a historical record of its birth and evolution. (Patel et al; 2020).| Patel, Sachin & Rahevar, Mrugendrasinh & Parmar, Martin. (2020). Data Provenance and Data Lineage in the Cloud: A Survey. International Journal of Advanced Science and Technology. 29. 4883-4900.

managers to aggregate diverse, bottom-up metrics into comparable, decision-useful portfolio-level metrics.

In doing so, it harnesses the benefits of context-relevance and strict standardization, while overcoming the limitations of each.

The benefits and limitations of strict standardization

Investors, funders, and institutions often seek highly standardized impact metrics, methodologies, and frameworks to enable aggregation, benchmarking, and oversight at scale. Standardized methodologies can lend credibility to complex calculations (e.g., lifecycle carbon emissions or wellbeing outcomes) and simplify due diligence by signalling to decision makers which numbers they can trust.

Much of the progress in impact measurement over the past three decades has come from the development of standardized metrics, methods and taxonomies. For example, the Global Impact Investors Network (GIIN) has developed the leading set of well-defined metrics and impact taxonomies through IRIS+, and initiatives such as the Carbon Disclosure Project have advanced standardized environmental reporting.

However, highly standardized metrics and methodologies have their limitations. They struggle to capture the diversity of real-world interventions. When metrics fail to reflect how change actually occurs across contexts, they lose meaning and usefulness for decision-making at the organizational level. When organizations are required to adapt their data to fit predefined frameworks, it increases their reporting burden.

The benefits and limitations of total context-relevance

When investors use the metrics that their portfolio companies have defined and chosen for themselves, several benefits follow. Data relevance improves because metrics are grounded in lived realities. Decision-making becomes more effective because information is closely tied to operations and strategy. Reporting burden decreases[3], because organizations can draw on the data and metrics they already collect, rather than being required to adopt externally imposed metrics or reporting templates.

[3] Ormiston, Jarrod (2022) Why Social Enterprises Resist or Collectively Improve Impact assessment: The Role of Prior Organizational Experience and "Impact Lok-In". *Business & Society* Volume 62, Issue 5.

However, this necessary flexibility introduces a structural challenge. When dozens or hundreds of organizations each define and report different metrics, the resulting information becomes difficult to synthesize. For investors and aggregators, this fragmentation makes it challenging to interpret performance across a portfolio, identify patterns, or generate coherent insights.

Why we need a balanced approach

Across the global impact measurement and management field, a growing consensus affirms that the most meaningful and trustworthy insights emerge when measurement begins with those closest to the work, namely social purpose organizations (SPOs)[4] and ideally, the communities they serve. This principle is well established in evaluation science, where researchers emphasize that credible evidence reflects stakeholder realities and is embedded in context[5] [6]. It is also central to participatory development theory[7], which emphasizes that people hold the best knowledge of their circumstances and should contribute to defining indicators of progress.

Contemporary impact measurement standards reinforce the same direction.

- Social Value International's Principles of Social Value[8] require that what is measured and valued should reflect stakeholders' views of material outcomes.
- The Organization for Economic Co-operation and Development's Development Assistance Committee (OECD DAC) Evaluation Criteria[9] define relevance as alignment with stakeholder needs and priorities.

[4] In this guide, the term social purpose organization (SPO) is used consistently to refer to the organizations generating and reporting impact data. In investment contexts, SPOs may also be referred to as "investees" or "portfolio companies".

[5] Weiss, Carol H. (1998). Evaluation: methods for studying programs and policies. United Kingdom, Prentice Hall.

[6] Patton, Michael Quinn (1978). Utilization-Focused Evaluation. United Kingdom, SAGE Publications.

[7] Chambers, R. (1994). Participatory rural appraisal (PRA): Analysis of experience. World development, 22(9), 1253-1268.

[8] Social Value International's Principles of Social Value Principle 1: Involve stakeholders.

[9] OECD Development Assistance Committee (2021) Applying Evaluation Criteria Thoughtfully. The DAC criteria define *relevance* as "*the extent to which an intervention's objectives and design respond to beneficiaries' needs and priorities*".

- The United Nations Development Programme's Sustainable Development Goals (UNDP SDG) Impact Standards[10] emphasize the importance of engaging affected stakeholders in identifying significant impacts and deciding what information is decision-useful.
- Impact Performance Reporting Norms[11] call for methodological transparency and require that impact claims faithfully represent the experiences of people and communities.

At the same time, this emphasis on context introduces challenges for aggregation. Funders and portfolio managers often receive dozens or hundreds of diverse metrics from the organizations they support, making it difficult to synthesize information at the portfolio level.

How the Common Framework resolves this in practice

The Common Framework addresses this challenge by providing a method for portfolio-level aggregation that can accommodate the diversity of bottom-up metrics. It enables portfolio managers to connect context-relevant, bottom-up metrics to more highly standardized frameworks, such as the IRIS+ Catalog of Metrics, while also supporting structured and transparent reporting in line with the Impact Reporting Norms. In this way, it allows report preparers to benefit from both context-relevance and structured, transparent communication—the best of both worlds.

The Common Framework does not prescribe or alter how SPOs measure their impact. SPOs continue to define, track, and report the metrics that are most relevant to their context, strategy, and stakeholders.

The role of the Common Framework begins once this data has been collected and shared. Funders and portfolio managers receive bottom-up metrics from SPOs and apply the Framework to organize, convert, and combine this data into coherent, portfolio-level insights.

This creates a clear separation of roles: SPOs generate context-relevant data, and investors aggregate and interpret it.

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[10] UNDP SDG Impact Standards, Enterprises (2021) "The Enterprise implements a formal approach to involve Stakeholders on issues that impact them,including by (i) supporting Stakeholder involvement with adequate budget and resources (including training and local leadership), (ii) identifying opportunities for participation in decisions that might affect them, and (iii) transparently keeping Stakeholders informed of actions, progress and lessons."

[11] Impact Performance Reporting Norms, V1 (2024) "Evidence that the content presented is a faithful representation of the experiences and views of the stakeholders experiencing the impact."

What accounting history teaches us about the need for flexible standards[12]

This tension between the need for context-sensitive information and the need for system-wide comparability is not unique to impact measurement. Modern accounting itself emerged from precisely this challenge. In the early 20th century, as firms expanded across regions and industries, investors struggled to compare financial information that was highly contextual, locally defined, and methodologically inconsistent[13]. Initial attempts to create highly standardized accounting methods for each industry failed, so the accounting profession turned to flexible standards. The antidote to that context-specific diversity is not hyper-prescriptive rules, but rather principles-based standards capable of accommodating diverse business models while enabling comparability and investor trust.

This evolution—from ad hoc bookkeeping to Generally Accepted Accounting Principles (GAAP), and later to the International Financial Reporting Standards (IFRS)—teaches three important lessons for impact measurement:

1. **Uniformity in metrics is neither possible nor desirable.** Early attempts to force accounting uniformity failed because industries, asset classes, and business models differed too widely. The solution was not to simplify each concept (e.g. revenue) into a single calculation, but to create norms of consistency and disclosure.
2. **Flexible standards scale; rigid standards break.**
   IFRS was intentionally designed to provide *directional guidance*, not exhaustive rules. They acknowledge that discretion and professional judgment are necessary—and that transparency about those judgments is what enables trust.
3. **Comparability does not require identical inputs; it requires consistent interpretation.**
   Investors do not need every company to measure assets in the same way; they need to understand *the choices made, why,* and *how to compare these choices across firms*. The same

[12] The core ideas in this section were first published in Ruff, K. (2013). 9. The Role of Intermediaries in Social Accounting: Insights from Effective Transparency Systems. In Mook L. (Ed) Accounting for Social Value. University of Toronto Press. Available at: https://utppublishing.com/doi/book/10.3138/9781442611467

[13] Lee GA. The Concept of Profit in British Accounting, 1760–1900. Business History Review. 1975;49(1):6-36.

applies to impact. Comparability arises not from prescribing all portfolio companies to use uniform metrics, but from applying clear, principled aggregation logic.

Impact measurement is now where financial accounting was decades ago: grappling with diverse, context-specific information, and seeking coherence without undermining local relevance.

Compatibility with other standards

The Common Framework does not replace existing impact measurement and management standards or methodologies. It fills a gap in the impact measurement and reporting value chain that bridges bottom-up metrics and portfolio-level analysis.

It does not replace existing standards or methodologies; rather, it complements them by enabling their outputs to be synthesized into coherent, decision-useful insights.

Use the Common Framework *after* collecting data but *before* preparing reports. Common Framework assumes that portfolio managers have already made decisions about their impact thesis and their impact goals. They have also already completed their due diligence and made their investment decisions. The Common Framework provides a structured way to aggregate a collection of bottom-up metrics, so that you have the data you need to make better use of these other standards.

As such, **the Common Framework works alongside other standards**. Some of the impact measurement and management standards that are complementary include:

- Impact Reporting Norms: Use the Common Framework to help you create a report that meets these norms. The Common Framework means that no matter what your input data, you can produce any of the example reports in Appendix E[14]. The Common Framework is especially well-suited to Options 2 and 3.
- SDG Impact Standards: Use the Common Framework as part of the data collection step to make sense of bottom-up metrics.

[14] Impact Frontiers. "Impact Performance Reporting Norms: For Investors in Private Markets, Version 1." April 2024. See Appendix E, "Reporting Options and Examples." the

- SVI Principles: The Common Framework assumes these principles have informed how data was collected. Learn more about how SVI Principles & Common Approach standards work together.
- Operating Principles for Impact Management: The Common Framework extends this logic by enabling aggregation across investments, making it possible to monitor performance at the portfolio level over time.
- IRIS+: The Common Framework allows portfolio managers to aggregate IRIS+ metrics with bespoke indicators from your portfolio organizations. At the aggregation level, portfolio managers can choose to aggregate to IRIS+ metrics to enable comparison across portfolios. Learn more about how GIIN's IRIS+ and Common Approach are compatible.
- Five Dimensions of Impact: The Common Framework makes these dimensions operational at the aggregation level, enabling data to be grouped and analyzed across dimensions such as "what" and "how much".

A note on use with other Common Approach standards

The Common Framework can be implemented on its own, but it is strengthened by pairing it with complementary approaches from the Common Approach ecosystem:

- **Common Foundations:** A set of five essential practices for impact measurement and management, ensuring that measurement efforts are useful, stakeholder-informed, and integrated into decision-making. The Common Foundations emphasize practices such as involving stakeholders and using data for learning, which align well with the philosophy of the Common Framework. Adopting the Common Foundations helps create the organizational culture and processes needed for meaningful bottom-up measurement.
- **Common Impact Data Standard:** A data architecture for impact metrics that facilitates easier sharing and aggregation of data. If organizations report their data in a format aligned with this standard, it significantly streamlines Steps 1 and 2 of the Common Framework. The Data Standard carries the necessary metadata (such as the linkage of metrics to themes and definitions) so that less manual recording is needed and consistency is improved.

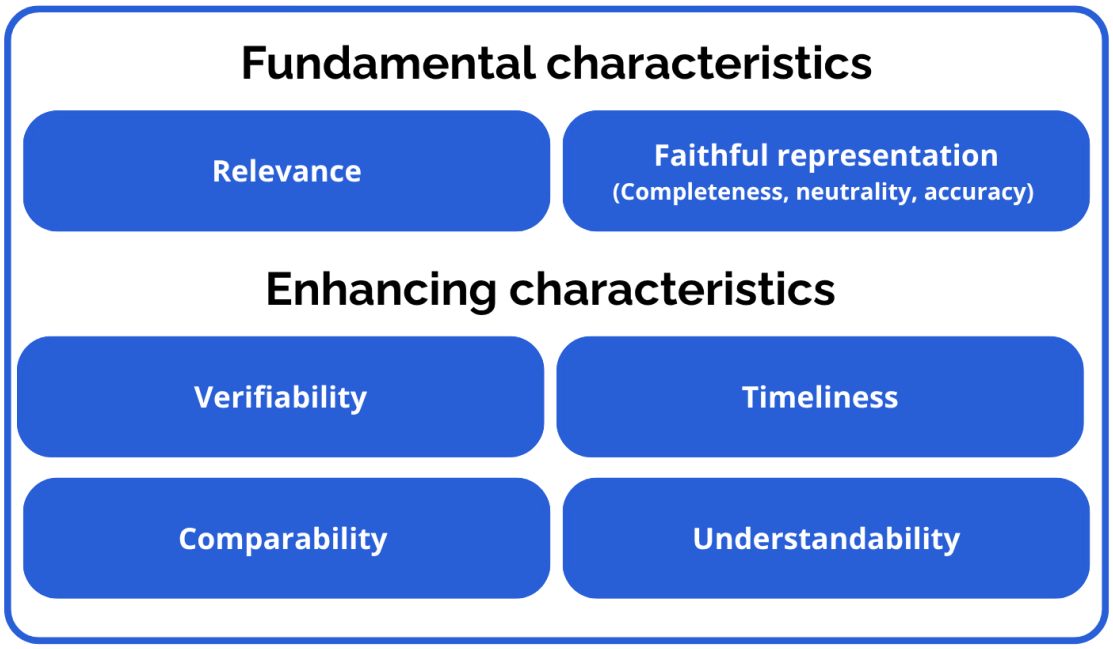
Together, these three standards create a coherent impact measurement ecosystem: essential impact measurement practices (Common Foundations), interoperability (Common Impact Data Standard) and aggregation methodology (Common Framework).

Part 3: Guiding principles

Applying financial reporting principles to impact aggregation

In compliance with the Impact Reporting Norms, the Common Framework explicitly draws on the Conceptual Framework for Financial Reporting[15] and its qualitative characteristics of useful information. The Common Framework methodology asserts that the most fundamental characteristics of good impact reporting are **relevance** and **faithful representation**. **Verifiability**, **timeliness**, **understandability** and **comparability** are characteristics that further enhance the quality of an impact report.

Qualitative Characteristics of Useful Information



- **Relevance**: The Common Framework prioritizes information that is relevant to the contexts in which SPOs are operating, so that it is genuinely useful for decision-making. It does not seek to aggregate all available data, but rather to structure and synthesize

[15] https://www.ifrs.org/issued-standards/list-of-standards/conceptual-framework/

information in a way that allows users to understand impact performance at different levels—across an entire portfolio, within a sector or theme or around a specific impact question. Without a structured aggregation approach, data remains too fragmented and contextualized, making it difficult to assess how individual metrics contribute to broader outcomes or to inform strategic decisions.

- **Faithful representation**: The methodology ensures that aggregated insights remain grounded in the reality of the underlying data. Rather than imposing standardized metrics, it works with data as it is reported by portfolio companies, preserving context while making transformations explicit. Assumptions, conversions, and exclusions are clearly documented so that the resulting outputs accurately reflect what is known—and what is not—without distortion.

Of the enhancing characteristics, the two that the Common Framework strengthens are comparability and verifiability. These are key concepts found within the methodology of the Framework.

- **Comparability:** Like in the conceptual frameworks of financial accounting standards, comparisons of a single portfolio from year to year are achieved through the consistent application of methods over time. Comparisons across portfolios are achieved by mapping bottom-up metrics to existing taxonomies.
- **Verifiability:** The Common Framework methodology is designed so that a third party can understand and replicate the aggregation process. Specific practices, including traceable mappings, documented decisions, and reproducible calculations, to facilitate verifiability.

The core philosophy behind the Common Framework

The Common Framework rests on three methodological pillars drawn from evaluation science, accounting, and data governance: **construct-based equivalence**[16], **bounded flexibility**[17] and **documentation and verifiability**.

[16] This term was coined by Common Approach in 2019, in "Creating Flexible Standards: Construct-based equivalence and bounded flexibility."
[17] This term was coined by Kate Ruff and Sara Olsen in 2016 in, "The Next Frontier in Social Impact Measurement Isn't Measurement at All."

Construct-based equivalence

Construct-based equivalence[18] treats an SPO's metrics as similar enough to aggregate if they measure the same concept. This is different from measurement-based equivalence, which treats things as the same only if they are measured in the same way.

The Common Framework aggregates metrics that reflect the same underlying construct, even if the metrics are not identical. For example, under construct-based equivalence, 'meals provided,' 'households receiving food vouchers,' and 'community garden participants' all aggregate to the summary measure of 'people with increased access to food.' On the other hand, measurement-based equivalence, which only aggregates concepts that are measured using the same methodology, would treat all of them as unrelated.

Construct-based equivalence is common in qualitative research and financial accounting, although it is not named as such. It is also reflected in existing impact practices. Many frameworks[19] group diverse metrics under shared constructs or themes, allowing different types of evidence—quantitative and qualitative—to contribute to a common understanding of outcomes.

Bounded flexibility

Bounded flexibility[20] refers to choices within limits.

The Common Framework's flexible approach does not mean anything goes. A systematic and transparent set of rules defines what can be included, excluded, converted, or aggregated. These rules, which mirror those found in financial accounting policies[21] ensure consistency across time, analysts, and portfolios.

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[18] This term was coined by Common Approach in 2019, in "Creating Flexible Standards: Construct-based equivalence and bounded flexibility."

[19] Impact Frontiers' five dimensions of impact treat diverse indicators as expressions of shared conceptual dimensions, IRIS+ groups different metrics under common impact themes and categories; and evaluation approaches such as Outcome Harvesting and Contribution Analysis assemble varied qualitative and quantitative data as evidence for specific outcome constructs defined in a theory of change or outcome statement.

[20] This term was coined by Kate Ruff and Sara Olsen in 2016 in, "The Next Frontier in Social Impact Measurement Isn't Measurement at All."

[21] Financial accounting policies such as "IFRS's principles-based architecture", 2016 IFRS Foundation.

Documentation and verifiability

Every methodological decision—theme assignment, unit conversion, assumption, exclusion, confidence level—must be documented. Documentation enables: external review, replication, longitudinal consistency, investor trust and comparability across portfolios, themes or other levels of analysis.

It is the backbone of credible impact reporting.

A note on evolution: Standards are communities, not documents

Common Approach views standards as living documents, always evolving with the community of organizations using it. Over time, Common Approach will work with users to determine which judgments and processes should be codified into an increasingly detailed standard. The methodology presented here is a first release that will be revised as practice evolves. It presents a scaffolding to guide a process. Impact professionals are invited to use their professional judgment to apply the standard to their context.

Part 4: Practical guidance

Step 1: Group metrics by theme

The first step is to decide what your framework is fundamentally about by defining its key themes. Themes are the impact areas the portfolio is focused on. For portfolio companies, your themes will be your highest-level outcomes or externally-defined impact categories or goals (e.g., IRIS+, SDGs).

Themes are the organizing backbone of your analysis, helping connect diverse metrics from many organizations to the larger story you want to tell. By grouping metrics into thematic categories, you begin to see patterns—such as multiple organizations contributing to similar outcomes, or different metrics describing the same broad concept. Without themes, a portfolio's data remains a disjointed list of metrics, each tied only to the originating organization.

In evaluation science, this mirrors the first step in coding qualitative data—sorting information into conceptual categories[22] [23]. In global impact standards, it is similar to the classification steps built into IRIS+, the Impact Frontiers' five dimensions of impact, and the materiality assessment processes described in UNDP SDG Impact Standards and GRI Standards. Across these traditions, meaningful grouping always precedes meaningful synthesis.

1.1. Identify your themes and subthemes

The Common Framework assumes that your organization already has an impact strategy and that you already know your organization's most significant positive and negative outcomes. These are your themes. Building your framework around your organization's most significant outcomes is consistent with the Materiality principle of GRI 1[24]: reporting on topics that reflect the organization's most significant impacts.

For increased comparability, you can also use externally defined themes. These might be UN SDGs, OECD Wellbeing Framework, or IRIS+ Impact Categories, Impact Themes and Strategic Goals. Externally-defined themes tend to be very broad. If you use externally-defined themes, your organization's most significant outcomes might become sub-themes within them. You can

[22] Miles, Matthew B., and Huberman, A. Michael. Qualitative Data Analysis: An Expanded Sourcebook. India, SAGE Publications, 1994.
[23] Glaser, Barney G., and Strauss, Anselm L.. The discovery of grounded theory: strategies for qualitative research. Chicago, Aldine Publishing Company, 1967.
[24] As found in GRI 1: Foundation 2021.

also use a combination of internal outcomes with external frameworks layered on for reporting and comparability (for example, internal strategy subthemes mapped to SDG goals or IRIS+ Strategic Goals or Outcomes as Themes).

- **Internally defined**: Drawn from your impact pathway (e.g. theory of change).
- **Externally defined**: Set by external frameworks (e.g. regulatory standards, the UN SDGs, or the GIIN IRIS+ Thematic Taxonomy and Outcomes).

If a theme is very broad or contains distinct facets, consider defining subthemes. Subthemes help cluster diverse metrics into more specific categories under the umbrella of a main theme. It may take some trial and error to identify the right set of subthemes (see step 4 or 5). Frameworks can become overloaded with subthemes. Use subthemes only when they add clarity and value.

How many themes?

- Based on our experience at Common Approach, a framework works best with roughly 5–8 themes. This range is detailed enough to capture meaningful differences while still allowing for aggregation.
- Frameworks with very few themes (e.g., 2–4) should introduce subthemes to avoid oversimplifying important differences.
- Frameworks with more than 8 themes tend to become overly fragmented and harder to interpret. Consolidate by making some subthemes of higher-level concepts.

Examples

- **Example A:** Food systems network using custom themes
    - A regional network of for-profit and not-for-profit organizations who collaborate to strengthen food security, community resilience, circularity, the local economy, and food innovation. Each of these thematic areas has subthemes. For example, within the theme of food security, the network strives for easier access to food, more affordable food, greater knowledge about nutrition and increased community participation in local food systems.
        - **Themes:** Food Security, Community Resilience, Strengthening Local Economy, Circular Economy, and Innovation
        - **Subthemes (for theme "Food Security"):** Food Access, Food Affordability, Nutrition Education, Community Participation

- **Example B:** Multi-sector fund using IRIS+
    - An impact fund manager managing a multi-sector fund chose to align with IRIS+ Impact Themes. From the 15 themes available, they focused on five that matched their mandate.
        - **Impact Category (IRIS+):** Agriculture, Education, Energy, Health, and Employment.
        - **Subthemes (for theme "Employment"):** Jobs Created, Jobs Retained, Quality of Jobs, Entrepreneurial Support

- **Example C:** Fund-of-funds using a mix of internal outcomes and external themes
    - A fund-of-funds manager based their framework on bespoke themes based on the fund-of-fund impact strategy, and then connected those to both the SDGs and IRIS+ impact categories to meet external reporting requirements.This hybrid approach achieved both relevance for management's impact strategy and comparability for external reporting.
        - **Themes:** Climate Resilience, Inclusive Economic Participation, Sustainable Resource Stewardship and Quality of Life.
        - **Subthemes (for theme "Climate Resilience"):** Clean Energy Access, Emissions Reduction, Adaptation Infrastructure, Circular Economy Practices

Practical Tips

Create theme fields in your data system

➔ Adding the following fields in your software, database, or spreadsheet creates the spaces you need to record theme information consistently and enables verifiable mapping of metrics to themes. Create fields such as:

A table for themes:

- Theme: the theme name
- Theme description: a short definition of each theme; including inclusion criteria.
- Subtheme (if using): the subtheme name
- Subtheme description: a short definition of each subtheme; including inclusion criteria.

A table for metrics:

- Metric name
- Themes or subthemes that it is linked to (see Step 1.2)
- Exclusion reason: to note why a given metric is excluded from aggregation, if excluded

➔ Providing clear definitions for each theme and subtheme is important, especially if multiple analysts or stakeholders will be assigning metrics to themes. Short descriptions help ensure everyone interprets the themes consistently and links data accurately.

➔ At this stage, you can also flag certain metrics for exclusion from the aggregation if they do not align with any of your defined themes or subthemes. If a metric cannot be credibly linked to any theme, document the exclusion and the rationale clearly. This avoids forcing a metric into a theme where it doesn't truly fit, which could distort the aggregation later on.

1.2. Link bottom-up metrics to your themes

Once the thematic structure is in place, the next step is to link each metric to one or more themes.

When you do this work, you are going to be using two techniques that are well established in qualitative research: The first is **axial coding**[25] which starts with the themes identified in step 1.1 and applies them to the metrics that were reported to you[26]. The second is **grounded theory coding,** where you will learn from the metrics reported to you which areas of your portfolio are having the biggest impact, and revise your themes to reflect those topics.

Some metrics should rightly be assigned to more than one theme. This is when the metric signals performance toward more than one theme. For example, the metric *Number of people trained to grow their own food* measures progress towards increased skills and improved food security.

[25] Axial coding is a qualitative research technique that involves relating data together in order to reveal codes, categories, and subcategories ground within participants' voices within one's collected data. In other words, axial coding is one way to construct linkages between data. (Simmons, N. (2017). Axial coding. In The sage encyclopedia of communication research methods (Vol. 4, pp. 80-82). SAGE Publications, Inc, https://doi.org/10.4135/9781483381411.n33)

[26] Miles, Matthew B., and Huberman, A. Michael. Qualitative Data Analysis: An Expanded Sourcebook. India, SAGE Publications, 1994.

1.2.1. When you receive metrics without a link to a theme

The first time you create a framework, you will be working with uncategorized metrics. You will need to assign each metric to its own theme.

- **Define inclusion criteria:** For each theme or subtheme, establish and write down the rules or criteria you will use to decide which theme a metric belongs to. This creates consistency in how you apply the themes. You will likely need to refine and revise these criteria as you move through the metrics. That is normal. However, refined criteria can render earlier assignments incorrect. Once completed, go back over each metric to ensure the criteria have been applied consistently.
- **Consider recording confidence levels in each assignment:** This could be a simple rating (e.g. high, medium, or low confidence) indicating how certain you are of the fit. Doing so is optional. The advantage is that it allows you to filter your impact performance conservatively (including only high-confidence) or more completely (including low confidence).
- **Consider a second analyst:** As in rigorous qualitative research, having another analyst independently map the metrics to themes and comparing results can improve reliability. Cohen's Kappa can be used to assess the reliability of qualitative assessments. Two coders with an inter-coder reliability score of 0.6 or higher are considered to have substantial agreement. Anything over 0.8 is considered almost perfect[27]. Discuss and resolve all differences. If the inclusion criteria are refined during the discussion process, be sure to revisit your earlier assignments to ensure each is consistent with the new criteria.

Caution*:* Not every metric will fit neatly. If a metric doesn't clearly align with any theme, leave it unassigned (and marked for likely exclusion later) rather than forcing a tenuous link. It's better to exclude or flag an outlier metric than to wedge it into a theme where it doesn't belong.

Practical Tips

- ➔ Ensure every theme has at least a few linked metrics. Avoid 'empty' themes with no data.
- ➔ When introducing additional analysts, begin by talking through each metric out loud together. Jointly decide which themes should be associated with each. After 10-15 metrics, work through the next set of 10-15 metrics independently. Compare and discuss results. Repeat until all analysts are reaching the same assignment decisions. Once this shared

[27] Landis, J. Richard, and Gary G. Koch. "The measurement of observer agreement for categorical data." *biometrics* (1977): 159-174.

understanding is established, the analysts can independently move through the complete data set.

1.2.2. When you receive metrics linked to themes

After your first year, once your themes and subthemes have been tested and revised using your portfolio companies' metrics, it is recommended that you communicate these themes to the SPOs receiving investment for the first time and give them the opportunity (not the requirement) to match their metrics with your themes. This can be facilitated in any spreadsheet or form, but works best with tools aligned with the Common Impact Data Standard.

Your role is to review and sense-check the themes to which your portfolio companies have linked their metrics.

- Do the assigned themes make sense given each metric's intent? Avoid overriding an SPO's own theme linkage without good reason. If the SPO suggested a particular mapping, respect their perspective unless there is a clear justification to change it.
- Are any metrics left unlinked that should be connected to at least one theme?
- Do some metrics belong in multiple themes, and if so, is this valid or duplication?

Document any corrections or reassignments you make, along with the rationale. You may also note your confidence level in certain linkages if some are tentative.

How Common Impact Data Standard supports Common Framework: The Common Impact Data Standard reduces manual effort and errors by standardizing how these relationships are represented. When you and your portfolio companies both use tools that are aligned with the Common Impact Data Standard, your SPOs will be able to report using an Impact Data Capsule. Using this system, you maintain control over quality, consistency, and exclusions, but you aren't rebuilding the structure that already exists in the data. Outcomes, metrics[28](indicators) and indicator reports arrive with their theme references already encoded as linked entities in the impact data capsule. You don't have to recreate linkages by hand; the data 'knows' which themes each outcome/metric contributes to.

[28] Common Approach uses the term "metric" throughout this document to refer to the specific activity-level measurements. Within the Common Impact Data Standard, the term "indicator" is used instead.

Step 2: Harmonize units

Social purpose organizations report data in many different units—households, dollars, hours, meals, percentages, kilograms, greenhouse gas equivalents, etc. This diversity reflects the real work and contexts of each organization, but it limits portfolio-wide comparison and aggregation. Harmonizing the diversity of units into a smaller set of units facilitates aggregation.

Unit harmonization is not about achieving perfect precision. The goal is to arrive at values that are useful for making decisions, faithful to the underlying phenomenon, and produced through reasonable, transparent methods. Information can be accurate and decision-useful without being perfectly precise in all respects. Harmonization relies on three approaches:

- **Direct equivalence**: no conversion needed — e.g. students to people
- **Fixed-value conversions**: universal, factual relationships—e.g., miles to kilometres
- **Proxy-value transformations**: reasonable estimates used when no direct relationships exist—e.g., households to people using average household size, or trees planted into carbon sequestered using a CO_2 factor

What is a common unit?

A common unit is the harmonized unit that you convert or transform diverse metrics into for comparability and aggregation. You should select a concise list of common units that reflect your themes and the main types of impact you want to summarize. Typical common units include:

- People (individuals, patients, students, users; households converted to individuals)
- Organizations (enterprises, suppliers, storefronts, schools)
- Currency (revenues, savings, discounts, investment)
- Time (hours, days, years)
- Weight ((kg/lb of food or waste)
- Volume (m^3 of water saved)
- Energy (kWh/MWh generated or saved)
- Emissions (tCO_2e avoided or reduced)
- Engagements (applications, inquiries, attendances, sessions)

You can include other units if needed (for example, services delivered or tests administered), as long as they clearly serve your framework and will be used across multiple metrics.

Do not overwrite the original data. Instead, create new columns, leaving an audit trail.

How Common Impact Data Standard supports Common Framework: The Common Impact Data Standard can help simplify unit harmonization. The Common Impact Data Standard works with codelists that specify units. Using codelists will make Step 2 significantly easier and more reliable for Common Framework users.

Practical Tips:

➔ Add these columns to your metric table:

- **Common unit:** the target unit you are converting or transforming into
- **Common unit value:** the value after conversion/transformation into the common unit.
- **Harmonization type:** a note on whether this was a direct equivalence, a standard conversion, or a proxy-based transformation.
- **Harmonization formula:** the conversion factor or formula used (e.g. '×0.45' for pounds to kilograms, or '×2.5 people/household' for households to individuals).
- **Notes and source:** any assumptions, data sources, or context for the conversion (e.g. citing a source for the average household size or emissions factor).
- **Exclusion flag & rationale:** An indication if the metric could not be converted/transformed and was excluded, along with the reason (e.g. no proxy available for this metric)

Example of completed unit harmonization

Shaded cells are values provided by portfolio companies. Unshaded cells are the work the analyst will do to harmonize the units.

Indicator / Metric	Unit of measure	Unit description	Value	Common unit	Transformation type	Harmonizing formula	Harmonized value	Notes & Source / Exclusion
Clients receiving primary healthcare services	Count	People	1,480	People	Direct equivalence	—	1,480	Reported as unique individuals
Admin time saved (minutes/subscriber)	Count	Minutes	70	Years	Proxy-value transformation	(minutes× subscribers × 52) / 117,000	6,907	1 FTE year = 1,950 hours = 117,000 minutes; subscribers

Indicator / Metric	Unit of measure	Unit description	Value	Common unit	Transformation type	Harmonizing formula	Harmonized value	Notes & Source / Exclusion
								from admin records
Students receiving mental-health counselling	Count	Students	620	People	Direct equivalence	Students ≡ individuals	620	One count per student
Home-care hours delivered	Time	Hours	9,100	Days	Fixed-value conversion	Hours ÷ 24	379.2	Standard time conversion
Home-care service days	Time	Days	379.2	People	Fixed-value conversion	Days ÷ 0.5 days/ person	758	Average service dosage (Assumes avg. client receives ½ day of care)
Clinical volunteer hours	Time	Hours	4,800	Years	Fixed-value conversion	hours ÷ 1,950	2.46	1 FTE year = 1,950 hours

2.1. Define the set of common units for your framework

Based on the metrics you collected and the themes you're analyzing, decide on the small set of common units you will use. Common units should:

- reflect the types of impact you want to summarize
- cover most of the data you received
- allow for aggregation across multiple SPOs
- preserve meaning when summed or compared

2.2. Apply conversions and transformations

Once you have established your set of common units, the next step is to convert each organization's reported metrics into those harmonized units. In this process, you will translate diverse units into a form that supports analysis and comparability—while preserving the original numbers and maintaining a transparent record of your assumptions and estimations.

Unit harmonization proceeds in three ways: direct equivalence, value-factor conversions, and proxy-based transformations.

2.2.1. Use direct equivalence whenever possible

Some metrics already align naturally with your common units and require no conversion.

- 'Number of students' → count of people
- 'Patient served' → count of people
- 'Revenue generated' → $CAD

Take reported values as-is whenever possible; this avoids unnecessary assumptions.

2.2.2. Apply standard unit conversions (fixed-value factors)

When the relationship between units is universal, use credible conversion factors from authoritative sources (scientific constants, national datasets, consistent organizational policies, statistical agencies, and industry benchmarks).

Examples:

- 1 pound = 0.4536 kilograms
- Convert local currency amounts into a single currency (e.g. USD → CAD) using an appropriate exchange rate
- 1,000 kWh = 1 MWh

These conversions carry minimal uncertainty because they reflect true physical or financial equivalences. Document each factor and apply the same factor consistently across all organizations.

2.2.3. Use proxy-values when there is no fixed conversion factor

When no direct equivalence or fixed-value factor exists, use a proxy value or estimation. The use of proxy values to harmonize units is well-established and widely used in many fields of research.

Quality-adjusted life year[29] and CO2-equivalent[30] are two familiar examples. Proxy-values rely on reasonable averages or assumptions. They are considered sufficiently reliable and rigorous when paired with conservative estimates, well-documented sources, a clear rationale, and sample calculations.

Examples include:

- Households → people (using average household size from regional source)
- Trees planted → estimated tCO_2e sequestered (using published estimates)
- Minutes saved per user → FTE years of time saved (using assumptions about subscriber counts and annual working hours)

Good practice for proxies:

- Prefer local data sources (national statistics, regional utilities, demographic data) over global generic values
- Use conservative estimates when ranges are available
- Round conservatively to avoid overstating impact
- Record the source of each proxy-value and any assumptions used

Using assumptions and estimates is a normal and necessary part of harmonizing diverse impact data. Information can remain useful and reliable even when it relies on reasonable assumptions, provided those assumptions are clearly described and explained. This is consistent with the principles of relevance, faithful representation, and verifiability: information can remain useful when based on estimation, provided assumptions are clearly described and consistently applied.

In practice, this means that proxy-value conversions are acceptable—even with some uncertainty—so long as they are reasonable, neutral, conservative, and fully documented.

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[29] The quality adjusted life year (QALY) is an internationally recognised standard metric that integrates quantity of life and quality of life (QOL) into a single index (Sheraya De Silva, Alisa M Higgins, Clinimetrics: The quality adjusted life year, Journal of Physiotherapy, Volume 69, Issue 1, 2023, Pages 58-59, ISSN 1836-9553, https://doi.org/10.1016/j.jphys.2022.06.008.

[30] CO2 equivalent (CO2e) is a standard unit that measures the total climate impact of different greenhouse gases (GHGs) by comparing them to carbon dioxide (CO2) based on their Global Warming Potential (GWP), allowing for a single number to quantify emissions from various gases like methane and nitrous oxide. Read more

2.2.4. Convert rates and ratios to counted numbers

Rates and ratios—such as percentages, indices, or intensity measures—can be very useful within a single organization, but they are difficult to aggregate across a diverse portfolio. A ratio has no inherent scale: a 10% improvement may represent 20 people in one organization and 20,000 in another.

It is sometimes possible to reconstruct the underlying numerator and denominator from other data. If possible, do so. Encourage your SPOs to report the numerator and denominator alongside each ratio or rate.

Without the underlying counts, these figures cannot be meaningfully combined or compared. If the underlying counts are unavailable, the ratio should be treated as contextual information rather than harmonized into a common unit.

How Common Impact Data Standard supports Common Framework: Part of the goal of the Common Impact Data Standard is to collect more detailed data without adding burden to the reporting organizations. Ratios and rates are a great example. To aggregate and compare impact at a portfolio level, it is essential to know the underlying numerator and denominator, not just the resulting ratio or percentage. In practice, the reporting agency knows both the numerator and the denominator, yet often reports the percentage. This leads to a loss of information and limits what can be done downstream with the data.

Common Approach is working toward a vision where organizations using aligned software or data utilities report the numerator, denominator and calculated percentage with no additional effort. At present, this capability sits at a higher tier of alignment than what has been widely adopted by the market. However, it represents a clear direction of travel, and the Common Impact Data Standard is intentionally designed to support this progression over time.

2.3. Exclude metrics

Not every reported metric can—or should—be aggregated. Some metrics cannot be credibly converted into a common unit; others risk double-counting; still others are immaterial or conceptually misaligned with your themes. Excluding such metrics is not a failure of the method—it is an essential quality-control practice that protects the integrity of your results.

2.3.1. Exclude metrics that cannot be defensibly harmonized

Some metrics cannot be expressed in any of your common units without introducing speculation or making assumptions that cannot be justified. If a metric cannot be mapped to a common unit through a direct equivalence, a fixed-value factor, or a reasonable proxy-value, it should not be part of the quantitative aggregation.

Some examples:

- 'Community events hosted' cannot be converted to a people-count without assumptions about attendance—if that data isn't available, it should be excluded from the quantitative roll-up
- Narrative or qualitative metrics (e.g., 'improved confidence,' 'strengthened governance practices', 'policy changes influenced') that should remain qualitative evidence rather than being forced into numeric form.

Metrics that cannot be harmonized can still be reported narratively or showcased qualitatively as part of the portfolio's broader contribution, but they should not be converted or counted numerically.

All exclusions must be documented, with a clear explanation (e.g., 'non-quantifiable,' 'no defensible proxy,' 'unit not convertible').

2.3.2. Prevent double-counting by identifying overlaps early

Double counting can occur when an organization uses metrics that describe the same underlying phenomenon but are measured with different units. If both are converted to the same unit and aggregated, the portfolio's total impact becomes inflated.

Examples include:

- An organization reports 'households served' and 'individuals served' from the same program
- An organization reports tCO_2e avoided and MWh of renewable energy generated, both referring to the same emission reduction outcome. This becomes double-counting if the renewable energy is converted into carbon emissions avoided.

For fund-of-funds, a specific additional risk arises:

Underlying funds often report their own portfolio-level totals (e.g., 'total jobs created across all SPOs') as well as the individual-level data from each SPO they invest in. If a fund-of-funds aggregates both levels of reporting, the same impact may be counted twice—once when rolling up the underlying SPOs, and again when summing the intermediary fund's portfolio-wide totals.

To prevent this, choose a single reporting layer (e.g., aggregate investee-level numbers and exclude the intermediary fund's portfolio totals).

2.3.3. Exclude metrics that are not material to the portfolio's intended outcomes

Materiality determines which metrics meaningfully contribute to the portfolio-level results. A metric is material only if its inclusion—or exclusion—would influence how someone understands the portfolio's performance.

This approach follows the logic used in globally recognized standards:

- IFRS defines information as material when its omission or misstatement could "reasonably be expected to influence decisions."
- The Impact Reporting Norms suggest that preparers focus on the "most significant impacts" and to document exclusions that help avoid overstatement.

In practice, materiality matters in two ways:

- **Alignment with the portfolio's outcome objectives:** If a metric does not contribute to the themes or intended outcomes defined in Step 1, it should not be included in the roll-up. For example, a biodiversity metric in a food-security portfolio may be valuable locally but not material for portfolio-level aggregation. Such metrics can be captured narratively without being counted quantitatively.
- **Scale and decision-usefulness:** Some metrics are quantitatively negligible once converted. Including very small or marginal values can clutter analyses or mask meaningful results. Excluding immaterial data—*when transparently disclosed*—improves clarity and aligns with the principle that reported information should support decision-making.

Why exclusions matter

Across all types of exclusions (non-convertible metrics, overlapping metrics, and immaterial metrics), the rationale is the same: to ensure the final aggregated results faithfully reflect the outcomes that matter, without distortion or inflation.

Step 3: Develop headline indicators

Headline indicators are a succinct set of metrics that capture material impact across the portfolio. They translate diverse, bottom-up metrics into clear outcome constructs that can be communicated at a high level, while remaining grounded in underlying evidence. Headline indicators form the foundation for portfolio reporting, enabling transparency, comparability, and alignment with global impact reporting frameworks.

Headline indicators are the high-level summaries of groups of bottom-up metrics. Think of headline indicators like newspaper headlines. A headline gives readers the key message at a glance—clear, specific, and immediately understandable. The full article is still available for those who want details, but the headline is what draws attention and frames the story.

Headline indicators are designed to remain stable over time, as long as the composition of the portfolio and the nature of underlying activities remain relatively constant. This stability supports comparability across reporting periods and allows changes in results to reflect real performance, rather than shifts in methodology.

Headline indicators may need to be revised as new data becomes available, portfolio composition evolves, or underlying organizations refine their metrics. These updates should be made deliberately and transparently, with changes documented to preserve continuity and interpretability over time.

A well-constructed headline indicator must be:

- Meaningful: rooted in a legitimate outcome construct
- Quantifiable: based on harmonized units
- Material: aligned with key portfolio outcomes
- Traceable: directly linked to underlying metrics and supported by documented evidence
- Communicable: understandable to a sophisticated, but non-technical audience

Headline indicators should strike the right balance: clear enough to be quickly understood, while remaining specific and complete enough to faithfully reflect the underlying construct.

Practical Tips:

➔ The following fields in your dataset are useful for storing the required information. Create a headline indicator table with the following fields.

- **Headline indicator name:** Concise and specific descriptor of the portfolio-level metric (e.g., People with improved access to nutritious food, Jobs created or supported, Greenhouse gas emissions avoided).
- **Headline indicator description**: A narrative explanation of what is being counted, including scope, relevant boundaries, and any exclusions.
- **External alignment reference (optional):** To enhance comparability, choose headline indicators from external references such as the GIIN IRIS+ core metric sets, HIPSO indicators, GRI Standards, SDG indicators or targets, or the Harmonized Framework for Impact Reporting (ICMA). .

➔ In your indicator table, add:

- A column that links to the Headline Indicator table so that you can associate your metrics with headline indicators.
- Explicit exclusion fields, which will allow you to trace all excluded metrics and maintain transparency in how results are constructed.

3.1. Draft headline indicators from themes and units

Headline indicators do not simply emerge from summing numbers—they are crafted constructs grounded in meaning. Examine all bottom-up metrics grouped under the theme and common units. Draft metrics that reflect the theme and unit.

Good headline indicator names are understandable without additional context. They should specify *what* changed; avoid generic language ('people impacted,' 'lives touched'), and, when relevant, *who* experienced the change. (Note: this is also part of aligning with the Impact Reporting Norms.)

Examples:

- People with improved access to nutritious food
- Jobs created or sustained
- tCO_2e of greenhouse gas emissions avoided

- Hours of community programming delivered

The name is the 'headline' that frames the story—clear, precise, and structured so it can be readily understood by users.

Illustrative examples:

Theme	Common unit	Metrics	Theme or subtheme	Headline Indicator
Food security	People	• Meals delivered • Households receiving food vouchers • Community garden participants	Food access	People with improved access to nutritious food
Circular economy	Pounds	• Food collected • Waste repurposed • Compost created	Waste diversion	Weight of material diverted from landfill
Employment	Jobs	• Full-time jobs created • Part-time jobs maintained • Entrepreneurs supported with financing	Jobs created or maintained	Jobs created or supported (including new entrepreneurship)
Climate	tCO_2e	• Reusable containers used • Renewable energy generated	Emissions avoided	tCO_2e of greenhouse gas emissions avoided

3.2. Refine headline indicators

Once drafted, headline indicators should be reviewed and refined to ensure they faithfully reflect the underlying data, align with the portfolio's impact pathway, and operate at an appropriate level of granularity.

3.2.1. Faithful Representation

Review each headline indicator alongside its underlying metrics to confirm that each reasonably and faithfully represents the evidence. This involves:

- Confirming that each metric contributes to the same underlying construct.
- Removing metrics that describe adjacent but distinct concepts (e.g., food literacy vs. food access).
- Avoid aggregating metrics that reflect incompatible outcome types.

3.2.2. Alignment with impact pathway

Link each headline indicator to the portfolio's impact pathway to ensure it reflects real mechanisms of change rather than surface-level numerical similarity. This helps prevent aggregating metrics that relate to different parts of the impact chain.

For clarity, confirm whether the metric expresses:

- Activities (e.g., training hours)
- Outputs (e.g., people trained)
- Short-term outcomes (e.g., skill acquisition)
- Intermediate outcomes (e.g., job access)
- Long-term outcomes (e.g., income stability)

Example

Food Security:

- Metrics: meals delivered, food vouchers, Community-Supported Agriculture (CSA) participation
- These reflect access-oriented outputs, not nutritional outcomes
- Valid headline indicator: *People with improved access to nutritious food*
- Impact pathway link: increased access → improved dietary intake → improved health

- Exclude metrics like 'nutrition workshop delivered' (construct mismatch)

3.2.3. Granularity

Refine headline indicators so they are neither overly broad nor unnecessarily fragmented:

- Avoid constructs that collapse too many different phenomena into a single number. For example, 'people impacted' is too broad. Specify either who was impacted or what changed for them.
- Avoid splitting metrics into overly narrow categories that obscure interpretability
- Aim for a synthesis level that remains both analytically defensible and decision-useful—aligned not only with IFRS S1's focus on decision-useful information, but more appropriately with GRI's definition of material topics as those representing an organization's most significant impacts on the economy, environment, and people, including impacts on their human rights, and therefore the effects experienced by stakeholders.

➔ **Practical Tip:** Common Approach's empirical observation as of today suggests that, for large portfolios, headline indicators are well-balanced when each represents ~5–10% of the total number of underlying metrics. In smaller portfolios, each headline indicator should have 3-5 metrics.

3.2.4. Apply boundaries for each headline indicator

Define and apply explicit boundaries within each headline indicator. Metrics falling outside these boundaries should be excluded.

This is where the Common Framework's core commitment to bounded flexibility becomes operational. Bounded flexibility means that organizations retain the discretion necessary to interpret diverse bottom-up data, but those choices must be bounded by clear rules, documented rationales, and consistent application.

Boundaries may include:

- Time periods: reported data will have different periods. Some will be monthly, quarterly. Some will be annual with a December year-end. Some may be annual with a March year-end. Determine a policy for what will be included.
- Population definitions (if relevant)
- Geographic boundaries (if relevant)

- Type of result counted (outputs vs. outcomes)
- Level of evidence accepted (self-reported vs. externally validated)

Aggregation should reflect the actual phenomena measured—not inferred or reconstructed beyond what the data supports.

3.2.5. Document exclusions

Many exclusions have already been flagged (non-convertible, overlapping, immaterial). Assess and document which exclusions affect the meaning of the headline indicator.

For example:

- 'Jobs created or supported' may include full-time and part-time jobs but exclude seasonal roles, internships lasting fewer than 4 weeks, or volunteer hours.
- 'People with improved access to nutritious food' may exclude awareness campaign participants if they do not meet the threshold for 'access' or those receiving only one-time emergency food support.

These decisions matter because exclusions influence faithful representation. Documenting exclusions ensures users interpret the metrics appropriately and prevents unintended claims.

3.3. Maintain an audit trail

For each headline indicator, maintain a simple, structured documentation that includes:

- the final aggregated value
- every harmonized metric feeding into it (with values)
- exclusions and their justification
- adjustments (e.g., overlap deductions)
- the common unit
- transformation formulas and proxy sources
- date of calculation and version

This ensures that an independent reviewer can trace results back to their underlying data and understand how they were constructed, enabling the aggregation to be reviewed and validated..

Audit trails do not need to be published, but they must exist.

Examples

A: Headline indicator: People with increased access to nutritious food

- After conversions, the data from member organizations included: 8,000 individuals from meal programs, 3,200 people via voucher programs (some reported as 800 households, converted to people), and 500 people through community gardens and CSAs.
- Aggregation method: Converted all to individuals; summed across organizations. These metrics were summed to 11,700 people.
- Double count flag: Before finalizing, the network ensured none of these were double-counting the same individuals (they cross-referenced program participant lists where possible).
- Exclusion: 'Community events hosted' are excluded as they do not directly measure access. Without attendance data, this could not be translated into people served
- Adjustment: Used 2.6 people per household (conservative conversion from census data).
- The result, 11,700, was compared with the previous year (around 10,000) and was attributed to the expansion of the meal program. Documentation was prepared showing each organization's contribution to the total of 11,700.

B: Headline indicator: Clients served by health services (aligned with IRIS+ PI4060: Client Individuals: Total)

- They aggregated data from five SPOs in the health sector.
- Metrics aggregated: '20,000 patients treated', '5,000 individuals received telemedicine consultations', '3,000 people attended health workshops'
- However, they noticed a possible overlap: one investee ran both a clinic and workshops, and the same individuals might be counted in both. They used the investee's reports to estimate unique counts, adjusting the total down by a small overlap factor (they assumed 10% of the workshop attendees were also clinic patients).
- The resulting aggregate was 27,000 unique individuals served with some form of health service. They deliberately took the lower bound (if the true overlap was less, their figure would be a slight underestimate, which they were comfortable with). They documented this by noting how each investee's numbers contributed and the overlap assumption used.

3.4. Align with external standards

Your headline indicators can and should be unique to your organization *if* there is no standard metric that meets the above criteria (step 3.2). However, you should use standard metrics when they can be used while also meeting the above criteria. When used appropriately, external alignment improves clarity, comparability, and recognizability for stakeholders who rely on global taxonomies. Alignment must never override the internal logic of your framework; it is a contextual reference, not a prescriptive requirement.

3.4.1. Identify potentially relevant external equivalents

Scan major impact taxonomies for conceptual overlaps with your metric. Useful sources could include:

- IRIS+ Catalog of Metrics and Core Metric Sets
- UN SDG indicators
- Global Reporting Initiative (GRI)
- Harmonized Indicators for Private Sector Operations (HIPSO)
- ESG and responsible investment frameworks (e.g., UN Principles for Responsible Investment, ESG Data Convergence Initiative, ESG Integrated Disclosure Project, Impact Disclosure Taskforce Guidance)
- Science-Based Targets

Example

For the headline 'People with improved access to nutritious food', potential overlaps include:

- IRIS+ PI4060 Client Individuals: Total
- SDG 2.1.1 SDG target: Prevalence of undernourishment

3.4.2. Determine whether the alignment is full, partial or conceptual

Do not assume that your headline indicator fits neatly into a single metric definition. Instead, assess whether the external metric is truly comparable in scope, unit, and conceptual intent. Record alignments as exact, partial, or conceptual, and avoid forcing equivalence where it does not exist.

Example

Your headline, 'People with improved access to nutritious food,' includes meal programs, food vouchers, and CSA memberships.

- **IRIS+ PI4060 (Client Individuals: Total)**
  Partial alignment.
  PI4060 is sector-agnostic and counts 'clients' receiving a product or service. It does not distinguish between types of access pathways and does not explicitly include instruments like food vouchers. Because your headline integrates several program types (meals, vouchers, CSA memberships), the overlap is conceptual but not fully definitional. Treat as partial alignment.
- **SDG 2.1.1 (Prevalence of undernourishment)**
  Conceptual alignment.
  SDG 2.1.1 is measured at the national population level and expressed as a percentage, not a count. It is designed for macro-level monitoring rather than program-level outcomes. It therefore cannot be used as a direct analogue for your headline indicator. Treat as conceptual alignment only.

This approach prevents misinterpretation—external references help clarify meaning, but they do not override the internally defined scope of your headline indicator.

3.4.3. Reference external standards

Once you have determined the relevant external equivalents (3.4.1) and the degree of alignment (3.4.2), record these references as contextual references, not prescriptive definitions. External standards should inform understanding, not reshape your headline indicator.

You might write internally or in an appendix.

Example

This headline indicator relates conceptually to IRIS+ PI4060 (Client Individuals: Total) and SDG 2.1.1 (Prevalence of undernourishment). However, neither definition fully matches our scope. PI4060 does not include all forms of food access tracked here (e.g., food vouchers), and SDG 2.1.1 is a population-level percentage rather than a program-level count. Alignment is therefore partial or conceptual, not exact.

Stating alignment this way achieves three goals:

1. Clarity: users see how the headline indicator sits within the broader landscape.
2. Neutrality: alignment is described accurately, without overstating or understating equivalence
3. Construct integrity: the headline indicator continues to reflect the real meaning and boundaries defined by your data, rather than being contorted to fit an external schema.

This ensures your headline indicators remain rooted in bottom-up, portfolio-specific meaning while still being intelligible to audiences familiar with global taxonomies.

Step 4: Aggregate results

Aggregation is where the analytical preparation of the previous steps becomes operational. It is the stage when harmonized, thematically grouped metrics are combined into portfolio-level results for each headline indicator. Although the calculations themselves are often straightforward, the credibility of the results depends on careful validation, strict adherence to defined boundaries, and a complete audit trail.

4.1. Prepare a trial aggregation

Before finalizing any headline results, conduct a trial aggregation. Similar to a trial balance[31] in financial accounting, a trial aggregation allows you to surface classification issues, faulty conversions, or misaligned time periods. In this step, look for and correct issues such as:

- anomalies in magnitude (unexpectedly large or small values)
- misclassified metrics
- incomplete or inconsistent conversions
- excluded rows reappearing in totals
- mixed units (e.g., kg vs lb, kWh vs MWh)
- metrics outside the defined reporting window

[31] Understanding Trial Balance: Definition, Purpose, and Key Requirements.

Practical tip
A simple way to run a trial aggregation is to create a pivot table grouped by theme, headline indicator and common unit.

4.1.1. Validate inclusion and exclusion integrity

Confirm that:

- excluded metrics do not appear in any aggregated totals
- overlap adjustments (e.g., shared beneficiaries) have been applied as defined
- For fund-of-funds, underlying investee data is not double-counted alongside intermediary fund totals

4.1.2. Validate Internal consistency

Check that:

- subtheme totals align with theme-level totals (unless intentionally treated separately)
- all values within an aggregate are expressed in the same common unit (e.g., no mixed kg/lb, kWh/MWh)
- all included metrics fall within the same reporting period

4.1.3. Validate external reasonableness

Assess whether the aggregated results are plausible in context by:

- comparing them to prior reporting cycles
- checking expected ranges given budget, geography, or project type
- comparing, where possible, to independent or sector-level reference data

4.1.4. Validate assumptions and boundaries

Confirm that:

- lower-bound and conservative assumptions were applied consistently
- all methodological rules defined earlier (e.g., time boundaries, exclusion logic, grouping principles) were followed
- no ad hoc adjustments were introduced without documentation

4.1.5. Peer replication check (optional)

When results are intended for public or high-stakes use, consider an independent replication of part of the aggregation:

- have a colleague reproduce selected headline indicators
- or re-run calculations using a different tool (e.g., Excel and a simple script)

Independent replication can surface subtle errors—such as missed rows or incorrect ranges—and helps ensure that knowledgeable reviewers can reach consistent conclusions using the same data and documented methods.

4.2. Finalize the aggregation

Once all validations are completed and refinements from the trial aggregation have been applied, you can proceed to finalize the portfolio-level aggregation.

Once finalized, the aggregated results represent the authoritative portfolio-level figures for the reporting period. They are now ready to be:

- documented and contextualized through aggregation policies (Step 5), and
- communicated through tables, visuals, and narrative reporting (Step 6).

4.3. Calculate derived or normalized headline indicators (when useful and methodologically justified)

Once primary headline indicators have been aggregated, some portfolio managers choose to compute secondary analytic indicators to support comparison, investment decision-making, or fund-level interpretation. These are *not* required by the Common Framework, and they should never replace the core headline indicators, but when used appropriately, they offer valuable insights—particularly for internal analysis. For external reporting, headline indicators should generally remain the primary reference point, as they provide a more direct and less interpretive view of impact.

This practice mirrors financial analysis, where analysts examine results both in absolute terms (revenue, profit) and relative terms (profit margin, revenue per employee). Normalization applies a similar logic to impact data, supporting comparability across organizations, portfolios, and time periods.

Some approaches include:

- **Size-based normalization:** This adjusts results to account for differences in the scale of the organizations delivering impact. Examples include:
    - impact per $1M of enterprise value
    - tCO_2e avoided per $1 million in revenue
    - people served per full-time staff member
- **Investor-level share of outcome (proportionality):** To estimate the portion of outcomes attributable to the investor's capital, some investors apply an attribution factor, such as outcome × (investment outstanding ÷ enterprise value). This approach reflects financial allocation logic, but should be understood as a proportional representation—not a claim of causal attribution. This method is best used to support consistency in portfolio analysis, while clearly communicating its assumptions and limitations.[32]
- **Rate-based normalization for comparability over time**: for repeated reporting cycles, expressing impact as a rate can reveal trends and support consistent, comparable interpretation over time. Rates help distinguish genuine performance changes from simple portfolio growth. Examples:
    - emissions avoided per project per year
    - percentage improvement in learning outcomes

Regardless of method, normalization should never replace the absolute headline indicator. It is an analytical supplement. If used, keep the formulas short, explicit, and documented (e.g., 'jobs per $1M invested = total jobs ÷ investment amount'), and disclose any assumptions or boundary decisions that influence comparability.

The goal is to enrich the interpretation of the headline numbers.

[32] Impact Performance Reporting Norms: Implementation Guide: Reporting an Investor's Share of Investee Outcomes

Step 5: Document your aggregation policies

Step 5 is where you document all the decisions you have already been making (what you include, what you leave out, how you convert and combine data) into a clear, structured and reviewable methodology. This step is essential for transparency, replicability, and verifiability.

Importantly, your aggregation methodology is a *living manual* that matures over time as you aggregate new cycles of data, encounter new edge cases, refine your assumptions, and adjust your rules to reflect better information. Each reporting cycle will reveal areas where rules can be clarified, strengthened, merged, or simplified. In this sense, Step 5 plays a role similar to "impact accounting policies[33]": rules evolve, but transparency and documentation ensure comparability across time and consistency across analysts. When elements of the methodology—such as headline indicators, mappings, or assumptions—are updated, these changes should be documented so users can distinguish between real performance shifts and methodological updates.

The elements below reflect widely accepted good practices for methodological disclosure: clarity in how results are constructed, transparency in assumptions and boundaries, and traceability of the aggregation process.

5.1. Compile your methodological evidence base

Before formalizing rules, gather all methodological decisions made in Steps 1–4 into a single evidence base. At minimum, include:

- Theme and subtheme definitions
- Theme–metric linkages
- Inclusion and exclusion decisions
- All unit conversions and proxy sources
- Assumptions used in transformations
- Headline indicator definitions, boundaries, and naming conventions
- Notes on construct validity, causal alignment, and materiality

[33] Accounting Policies

This evidence base functions as the foundation for your aggregation policies. It ensures that decisions are not lost across spreadsheets, emails, or analyst memory, and that they can be reviewed, tested, and refined over time.

5.2. Document rules, assumptions and decision criteria

Once all working notes are compiled, translate them into a set of codified rules—a living aggregation policy. These rules define how data will be interpreted, converted, classified, and combined across the portfolio.

These rules are not rigid—they are stable enough to support comparability, but flexible enough to evolve as your dataset or context changes.

Think of this as assembling the audit file for your roll-up. The supporting documentation allows someone else to understand *how* decisions were made, not just the final results. It does not need to be elegant at first—clarity and completeness matter more than polish. Over time, the structure can be refined.

5.2.1. Document coding and linkage rules

Document how bottom-up metrics are assigned to themes, subthemes, headline indicators and impact pathway stages (when used).

Coding rules should specify:

- The criteria for linking metrics to themes, subthemes and headline indicators
- How to handle multidimensional metrics (e.g., when metrics legitimately linked to multiple records)
- When to prioritize SPO's own theme assignment vs. when to override
- How to record confidence levels and handle ambiguous cases
- When second reviewers or validation checks are required

These rules are essential for consistency across analysts and reporting cycles, especially when working with large or diverse portfolios.

5.2.2. Document exclusion rule

Exclusions are not exceptions—they are methodological choices. Codify the principles for excluding metrics so that anyone can understand and replicate the logic.

Include rules for:

- **Metrics with data quality concerns** (e.g., missing or inconsistent values, unclear numerators/denominators for ratios, etc.)
    - Data quality exclusions should be documented and, when appropriate, addressed with follow-up requests to the reporting organization.
- **Overlapping or duplicative metrics** (to prevent double-counting), for example:
    - Prioritize investee-level data over fund-level summaries
    - Retain outcome-level metrics and exclude activity-level duplicates
    - Combine multiple related metrics only when they represent distinct components of the same construct
- **Immaterial metrics** (those that do not influence portfolio-level interpretation)
- **Hyper-specific metrics** (metrics relevant only to a single organization, product/service, or highly unique context, with no meaningful conceptual or quantitative comparability across the portfolio)
- **Metrics outside the reporting window** (e.g. forecasted, prior reporting periods)
- **Metrics with unclear causal links** (metrics for which the relationship to the intended outcome is weak, ambiguous, or unsupported)

Exclusion criteria formalize the boundaries of what 'counts' and protect against inflated totals or misleading constructs.

5.2.3. Document your aggregation logic

This section makes your analysis replicable and verifiable. Document, in structured language:

- **Unit conversions and harmonization rules**
    - List all conversion factors
    - Cite authoritative sources (e.g., national statistics, scientific constants)
    - Document proxies, assumptions, and uncertainty ranges

- **Rules for combining harmonized data across organizations**
  Specify when:
    - A simple summation is appropriate
    - Data must be weighted or normalized
    - Disaggregation is required before roll-up

- **Boundaries applied within each headline indicator**
    - Time periods
    - population definitions (if relevant)
    - Geographic boundaries (if relevant)
    - Type of activities counted (outputs vs. outcomes)
    - Level of evidence accepted (self-reported vs. externally validated)

- **Decision criteria for resolving ambiguous cases**
    - What happens when a metric fits multiple headline indicators?
    - What happens when an SPO definition differs from the portfolio definition?
    - When should a decision be elevated to a second reviewer?

This documentation is the equivalent of an accounting policy manual[34]: a transparent record of how numbers become evidence. It ensures comparability across reporting cycles and faithful representation.

5.3. Maintain an iterative methodological log

Because aggregation evolves with each cycle, maintain a methodological log that records:

- Additions or revisions to rules and assumptions
- New proxies or data sources
- Revised definitions and boundary adjustments for themes, subthemes and headline indicators
- Notes on anomalies or outliers encountered during aggregation

When changes occur, document:

- What changed (e.g., new headline indicator, revised definition, updated proxy)

[34] https://www.investopedia.com/terms/a/accounting-manual.asp

- Why the change was made (e.g., portfolio shift, improved data quality, corrected assumption)
- When the change took effect
- Whether historical data was restated or left unchanged

Where possible, avoid frequent or unnecessary changes. Stability supports comparability; updates should be deliberate and justified. When material changes are made, clearly signal them so users can distinguish between real performance variation and methodological updates.

This iterative log shows how the methodology improves over time and ensures that refinements are transparent rather than arbitrary. It is analogous to version-controlled updates in accounting standards or scientific research protocols.

5.4. Record your internal quality assurance process

To enhance reliability and trust, document your internal quality assurance (QA) processes. QA is a record of the checks you performed to confirm that the methodology was applied consistently. It does not mean recalculating everything; it means documenting how consistency was verified.

Relevant QA checks include:

- Completeness checks (all metrics assigned to a theme and headline indicator or logged as excluded)
- Internal consistency checks (similar metrics treated similarly across SPOs)
- Conversion logic verification (spot checks on proxy use, unit conversions and documentation)
- Double-counting checks (especially in multi-layer structures)
- Construct-validity checks (peer review of headline indicator definitions and included/excluded metrics)
- Boundary checks (confirmation that only data within the reporting window is aggregated)

This QA record demonstrates that results are not only methodologically grounded, but also tested for internal consistency and accuracy.

Step 6: Visualize and communicate results

Aggregated data, by itself, is just numbers on a page. The final step is to turn those numbers into an understandable and compelling story for your audience. Data visualization and clear reporting are powerful tools to help stakeholders grasp insights from the data and apply them to decision-making. Good visualizations can reveal patterns (e.g., which themes are strongest, how contributions are distributed) and flag outliers (e.g., one theme lagging behind others) in ways that tables of numbers might not. Moreover, different audiences absorb information differently: some respond well to visuals like charts and diagrams, while others might prefer concise tables or bullet points. In this step, you present your results in a format that is accessible, accurate, and tailored to your audience's needs.

Remember, the goal of the Common Framework is not just to crunch numbers, but to learn from and act on the aggregated impact data. Visualization helps bridge the gap between analysis and insight by making the data intuitive. It also aids in transparency: a well-constructed chart can let a reader see for themselves the relative size of different contributions, the trend over time, or the flow from activities to outcomes.

6.1. Choose the visualization type that best fits the purpose

Choose charts that reinforce the core messages of the headline indicators. A few formats tend to work particularly well for portfolio-level impact:

6.1.1. Pivot Tables (tabular summaries)

Best for: quick internal analysis, identifying patterns across themes, units, or organizations.

- A pivot table allows you to see how themes and subthemes relate to common units, and which SPOs or funds contributed.

You can create pivot tables that show, for each headline indicator:

- total value by theme and subtheme
- contribution by SPO or fund
- any relevant disaggregation (e.g., geography, population group) if available

Example

The network created a pivot table listing subthemes under each main theme and showing the total people served in each subtheme, broken down by organization. This allowed them to quickly see, for instance, that under Food Security, Food Access accounted for 57% of the people served, whereas Nutrition Education accounted for 14%. It also showed which member organization contributed most to each subtheme. This granular view helped in understanding the strengths and gaps in their collective work.

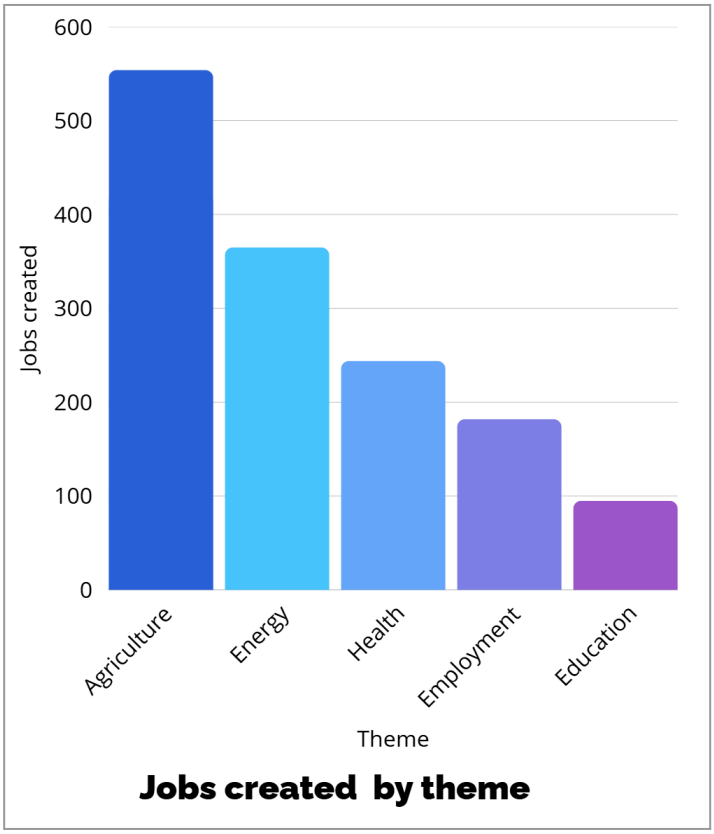
Theme	Subtheme	Org A	Org B	Org C	Total people served	% of theme security
Food security	Food access	1,500	2,300	4.200	**8,000**	**57%**
Food security	Food affordability	600	700	900	**2,800**	**20%**
Food security	Nutrition education	400	700	900	**2,000**	**14%**
Food security	Community participation	300	400	6,900	**1,200**	**9%**
Food security total		**2,800**	**4,300**	**6,900**	**14,000**	**100%**

Distribution of people served across 'Food Security' subthemes, by organization

6.1.2. Bar Charts (comparisons across categories)

Best for: comparing contributions between themes, organizations, or headline indicators.

- Each bar represents a category (e.g., theme, subtheme, or SPO).
- Length or height shows the magnitude of the contribution.



Example

The fund manager produced a bar chart showing 'Jobs created by theme'. There were five bars (Agriculture, Education, Energy, Health, Employment), each representing the number of jobs created in that sector across the portfolio. It was immediately clear that Agriculture projects created the most jobs, followed by Energy, whereas Education projects created the fewest. This visual insight sparked a conversation about whether the investment allocation should shift or whether more could be done to boost job creation in education-related investments.

6.1.3. Sankey Diagrams (flow diagrams)

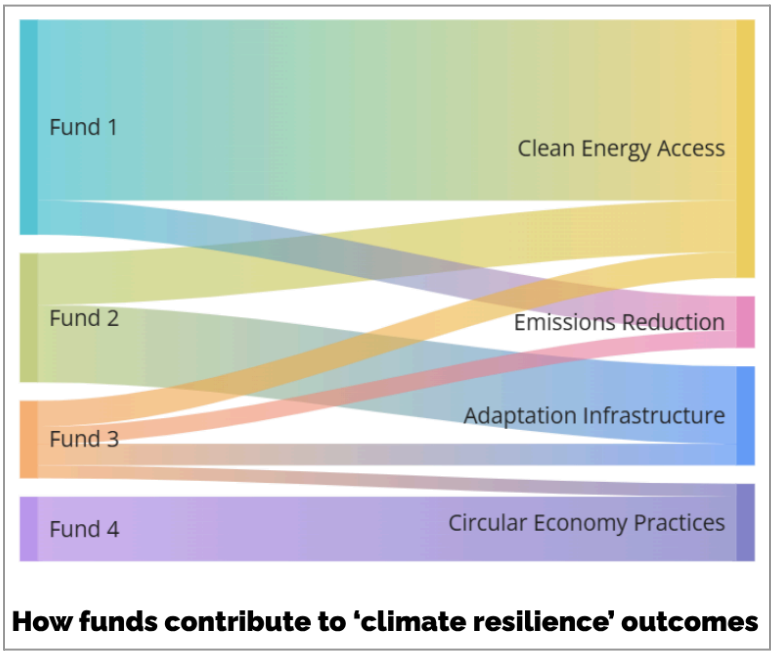
A Sankey diagram is a type of flow visualization where the width of arrows (links) is proportional to the quantity of flow, illustrating movement between stages or categories. It connects nodes (circles or rectangles) with links (arrows or bands).

Best for: showing how contributions flow from one level to another (e.g., SPO → subtheme → headline indicator; headline indicator→ Fund → SPO)

- Nodes represent categories (organizations, subthemes, headline indicators).
- Links represent contributions, with thickness proportional to value.

Example

The fund-of-funds used a Sankey diagram to depict contributions to the Climate Resilience theme. On the left were individual funds (Fund 1, Fund 2, Fund 3, Fund 4), and on the right were subthemes such as Clean Energy Access, Adaptation Infrastructure, Emissions Reduction, etc. Flows from each fund are directly connected to the subthemes they support, with the width of each flow representing the amount of tCO_2e avoided.



This made it easy to see, for example, that Fund 1 contributed most strongly to Clean Energy Access, reflecting its concentration in renewable energy projects, while Fund 3 had smaller flows distributed across multiple subthemes. By visualizing these fund-to-subtheme relationships, the Sankey diagram enabled the fund-of-funds to trace how different investment strategies contributed to climate outcomes and to assess whether specific subthemes were primarily driven by individual funds or reflected a more collective effort across the portfolio.

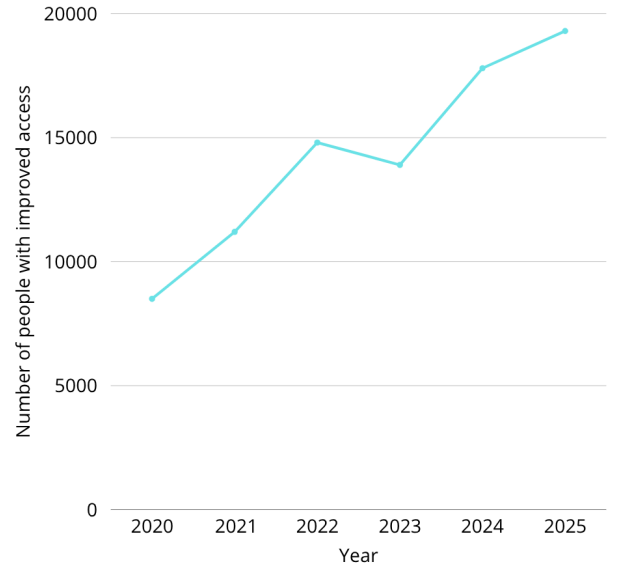
6.1.4. Time-Series Charts (trends and changes)

Best for: showing change over time in headline indicators.

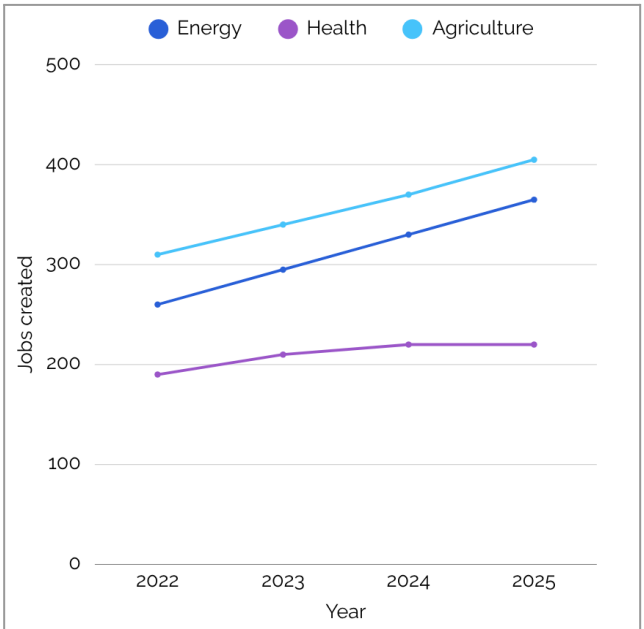
- X-axis = time (year, quarter, or month).
- Y-axis = headline indicator values.
- Allows comparison of multiple themes side-by-side.

Example

The network plotted the headline indicator, 'People with improved access to nutritious food' for the period 2020 to 2025. The line showed a steady increase from 2020 through 2022, followed by a slight decline in 2023 corresponding to the conclusion of a large, time-limited pandemic-related food relief program in 2022. From 2024 to 2025, the headline indicator resumed an upward trend, reflecting continued growth in ongoing food security initiatives across the network. A note was added to the chart to explain the temporary nature of the 2023 decline and to clarify that, when excluding the exceptional pandemic-related program, the underlying trend for ongoing initiatives was upward throughout the period.



People with improved access to nutritious food (2020–2025)



Jobs created by theme over time (2022–2025)

Example

The fund manager created a multi-line chart showing the number of jobs created in Health, Agriculture, and Energy from 2022 to 2025 to compare sector-level trends over time. The chart showed steady growth in job creation in agriculture and energy over the period, while health initially increased and then plateaued between 2024 and 2025. This pattern prompted a closer review of health-related investments to better understand the drivers of the stagnation, such as market conditions, project implementation timelines, or delays in project completion.

Regardless of the type of visual, ensure that it is accurate and not misleading. Use proper scales (don't truncate axes in a way that exaggerates differences) and label everything clearly.

6.2. Apply clear, consistent design and transparent labelling

Consistency helps the reader follow the logic across charts:

- Use the same colours for themes across all visuals.
- Label axes, units, and category names in full (avoid abbreviations).
- Title each visual with the corresponding headline indicator.
- Include brief notes for exclusions, adjustments, or caveats (e.g., Excludes short-term jobs under 6 months).

6.3. Use visualization as a final quality check

Visuals often reveal inconsistencies, unexpected spikes, or distribution imbalances that may not be obvious in a table. Treat visualization as both a communication tool and a diagnostic check. If something looks surprising, for example, an unusually large bar or a flatline where you expected change, return to the aggregated data to confirm whether the pattern reflects real results or a data or grouping error.

Before sharing visuals, use them to test whether the numbers and relationships make sense:

- Check excluded metrics: filter your charts or pivot tables to ensure that any metric flagged as 'excluded' is genuinely absent from the aggregated sums.
- Scan for improbable results: if one bar is ten times higher than the rest, or one line jumps unexpectedly from year to year, verify whether that reflects a real change or a data entry or conversion error.
- Check internal consistency: totals by subtheme should add up to theme totals, and theme totals to portfolio totals, unless you intentionally designed it otherwise and documented the reason.
- Check units and labels: ensure that units (people, dollars, tonnes of CO_2e) are correctly applied and clearly visible on every chart

Visual anomalies often reveal issues that were not obvious at the row level. If something looks surprising, always trace it back to the underlying data and your methodological notes before publishing.

6.4. Tailor communication to your audiences and document what you share

Not all stakeholders need the same depth or format of information. Once the core visuals are prepared, select and adapt the outputs to match the expectations, decision needs, and technical capacity of each audience. The goal is not to produce a single, primary visualization set, but rather to ensure that each group receives information that is interpretable, appropriately scoped, and aligned with how they use impact data.

For investment committees or boards, emphasize the intersection of capital allocation and outcomes. Pair headline indicator charts with visuals showing how investment size, sector, or geography relates to total impact. These groups typically want to understand whether capital is flowing to the themes producing the strongest outcomes, and whether portfolio adjustments are warranted. Clear bar charts or theme-level comparisons are generally most effective here.

For community networks, program staff, and SPO partners, emphasize clarity, accessibility, and distributional patterns. Visuals, such as breakdowns by subtheme, geography, or population group, help highlight how outcomes are spread across communities. Avoid excessive technical detail; the focus here is understanding contributions and learning, not methodological nuance.

For internal teams and analysts, pivot tables and diagnostic charts remain essential. These users need to see the shape of the data, validate assumptions, and review how inclusions/exclusions played out in practice. Internal visualizations should support learning, methodological refinement, and decisions about where additional data collection or guidance to SPOs is needed.

Finally, preserve the audit trail: For every visualization shared externally, keep an internal record that links the chart back to its source elements—headline indicator definition, included metrics, excluded metrics, time period, conversion factors, and the exact pivot or dataset used. This ensures transparency and traceability. If a stakeholder later asks, “Where does this number come from?”, you can point immediately to the underlying data and methodological decisions. Good visualization does not replace documentation; it sits on top of it.