

BACKGROUND: EVOLUTION FROM IRIS TO IRIS+

SUMMARY

Based on feedback from over 600 stakeholders in the last year and thousands more over the last 10 years, the GIIN is evolving IRIS to IRIS+ which will go beyond a metrics catalog. IRIS+ will launch in May 2019 and provide a metrics-based system that leading impact investors can use to generate material insights on impact results. The IRIS+ system will include core metrics sets investors need to describe performance by investment theme or for specific objectives like those outlined in the SDGs. These metrics sets are based on research and evidence and align with generally agreed upon impact dimensions outlined through the Impact Management Project. Additionally, implementation guidance will be offered in IRIS+ to support the use of core metrics throughout the investment management process. The following note provides more detail on the IRIS+ offering and development process.

Background and Purpose

Impact measurement & management is a hallmark of impact investing. The GIIN's vision – as articulated in the [Roadmap for the future of Impact Investing](#) – is a future when social and environmental factors are integrated into investment decisions simply by default, as the 'normal' way of doing things. While the vision relates to financial markets broadly, impact investing has a central role to play in its realization, setting and raising the standards for investment practice and generating the tools and data that allow investors to evaluate impact and channel capital to the most effective solutions. This vision could not be realized without a coherent and consistent practice of high-quality impact measurement and management (IMM) as the norm for all organizations seeking to understand and improve their effects on people and planet.

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The Evolution of IRIS to IRIS+

From its inception, the objective of the IRIS initiative was to provide a catalog of standardized metrics that investors can use to measure the impact of investments within their portfolios. Over the course of ten years and three major upgrades, the catalog has evolved from its initial list of metrics drawn from a variety of standards and reporting frameworks to today's far more standardized, comprehensive, and nuanced catalogue. Currently, the majority of impact investors use IRIS metrics¹. IRIS has 200 registered users and 15,000 subscribers around the world.

Findings from the 2017 [State of Impact Measurement and Management Practice](#) report, as well as feedback gathered from +600 stakeholders throughout 2018 and early 2019 has informed the evolution of IRIS to IRIS+.

Stakeholders have identified 3 priority pain points for IRIS+ to address:

- **Lack of implementation guidance:** While there is broad agreement on conventions, values, principles, there are *no instructions on how to implement them*
- **Lack of core metrics and comparable data:** To get to benchmarkable data, *investors require core, standardized metrics to track, compare, and drive results* (that can be used with any convention or framework)

¹ 62% according to the 2017 IMM survey conducted by the GIIN with answers from 169 investors

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- **Continued confusion and fragmentation:** 150+ tools, resources, and methods claiming to support impact analysis and management making it *hard to navigate and know what constitutes best practice vs. what is noise*

To answer to these pressing needs, the GIIN is evolving IRIS, from the catalogue of metrics most widely used by impact investors, to IRIS+, a comprehensive, metrics-based system that enables impact data comparisons across an impact investment portfolio, in order to drive better investment results. The development of IRIS+ is being informed by +600 stakeholders around the world, including three working groups of +300 participants.

Key features of the IRIS + system

- *Taxonomy of impact investment themes & definitions*, based on generally accepted impact categories and strategic goals
- *Evidence-backed and best practices-based core metric sets* to drive credibility and comparability, and ultimately better results
- *Curated resources and how-to guidance* to help users improve their IMM practice (e.g., how to use IRIS+ to measure and manage progress towards the SDGs)
- *Alignment with major frameworks and conventions*, including the SDGs, the five dimensions of impact, and +50 other metrics frameworks, standards, and platforms

IRIS+ will launch in May 2019. Over the course of the next three years, the IRIS+ system will expand to include an ever-more comprehensive and unified offering, increasing the number of impact themes, core metrics sets, and resources available.

The IRIS+ system is a critical component of the enabling infrastructure needed to scale up the impact investing industry. A unified and easy-to-navigate standard to define, measure, manage and report social and environmental impact enabling data comparisons that drive results provides the transparency and credibility needed for investors.

Want to learn more? Visit iris.thegiin.org or contact Leticia Emme at lemme@thegiin.org with questions, comments, and suggestions.