

Global Impact Investing Rating System (GIIRS)

1. What is the GIIRS approach?

GIIRS, or Global Impact Investing Rating System, is a rating system developed to assess the social and environmental impact of companies and investment funds. GIIRS provides an overall assessment of impact performance, similar to how rating agencies assess the financial performance of companies.

2. Who developed the GIIRS approach?

The Global Impact Investing Rating System (GIIRS) was developed by B Lab, a non-profit organisation that also certifies B Corporations (B Corps). B Lab's mission is to promote business as a force for good, and the creation of GIIRS was part of their effort to provide tools and standards that help investors measure and compare the social and environmental impact of companies and funds.

3. What types of initiatives is the GIIRS useful for?

GIIRS is particularly valuable for impact investors who seek to invest in companies and funds that generate positive social and environmental outcomes alongside financial returns. It provides a standardised way to assess and compare the impact performance of different investment opportunities. GIIRS is a versatile tool that supports a wide range of initiatives focused on generating and measuring positive social and environmental impact, enhancing transparency, and promoting responsible business practices.

4. What are the main objectives of the GIIRS?

The GIIRS method provides a rigorous and comprehensive approach to measuring and comparing the impact of investments, facilitating informed decision-making and promoting best practices in impact investing.

We can identify 3 specific objectives:

- GIIRS aims to provide a consistent and comparable framework for assessing the social and environmental impact of companies and investment funds.

- By offering a clear and rigorous rating system, GIIRS enhances transparency in how impact is measured and reported, helping investors make informed decisions.
- GIIRS helps attract more capital to impact investing by providing credible and standardised impact ratings, making it easier for investors to identify and invest in high-impact opportunities.

5. How does the GIIRS work?

The Global Impact Investing Rating System (GIIRS) method works through a structured process designed to evaluate the social and environmental impact performance of companies and investment funds. Here is an overview of how the method works:

1. **Data Collection:** Companies and funds seeking a GIIRS rating complete a detailed assessment questionnaire. This questionnaire covers various aspects of their operations, including governance, worker practices, environmental impact, community engagement, and business model impact.
2. **Assessment Categories:**
 - **Governance:** Evaluates the company's transparency, accountability, and ethical practices.
 - **Workers:** Assesses labour practices, employee benefits, and workplace conditions.
 - **Environment:** Measures the environmental impact of the company's operations, including resource use and sustainability practices.
 - **Community:** Examines the company's involvement in and impact on the local community, including job creation and community support.
 - **Customers:** For certain business models, the impact on customers is also evaluated.
3. **Scoring and Weighting:** Responses to the assessment questionnaire are scored based on a predefined scoring system. Each category has specific criteria and weightings that reflect their importance in the overall impact assessment.
4. **Validation and Verification:** To ensure the accuracy and reliability of the data provided, GIIRS conducts a validation process. This may include document reviews, site visits, and interviews with company representatives.
5. **Rating Assignment:** Based on the collected data and validated scores, GIIRS assigns a rating to the company or fund. The rating is expressed in terms of an overall impact score, which reflects the organisation's performance across all assessed categories.
6. **Reporting:** The final GIIRS rating is provided to the company or fund, along with a detailed report that outlines their performance in each category. This report highlights strengths and areas for improvement.
7. **Public Disclosure:** Companies and funds can choose to make their GIIRS ratings public, providing transparency to investors and other stakeholders about their social and environmental impact performance.

6. What skills and knowledge are useful for using the GIIRS?

Knowledge of Social and Environmental Impact: Understanding the principles of social and environmental impact, including the key areas of governance, labour practices, environmental sustainability, and community engagement.

Awareness of Impact Metrics: Familiarity with common impact metrics;

Communication Skills:

- **Report Writing:** Preparing clear and comprehensive reports that detail the findings of the GIIRS assessment.
- **Stakeholder Engagement:** Effectively communicating with internal teams, investors, and other stakeholders about the assessment process and results.

Technical Skills: Proficiency in using GIIRS assessment tools and platforms, as well as other relevant software for data management and analysis.

Ethical skills like, Integrity: Maintaining high ethical standards throughout the assessment process, ensuring transparency and honesty in reporting.

7. USEFUL LINKS AND RESOURCES

<https://www.insotec-ec.com/images/transparencia/rating-report.pdf>

<https://golab.bsq.ox.ac.uk/toolkit/wayfinder-assessment-resources/INDIGO-ARES-0064/>



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