



Impact Investment Questions

An excerpt from

Wealth with a Why

Part 2: The Purposeful Investment Landscape

Presented by Stephanie & Stuart Mills and Partners

*"We offer you our story of how we reignited our love of land and sea
when we asked ourselves, 'Can we do better with our money?'
This question spearheaded our deep dive into the world of sustainable finance."*

The Small Print

The views represented here are those of Stuart and Stephanie Mills.
The guide resonates with their practice, but they recognise that
your needs may differ and that there will be other resources
available to you, specific to your interests, location, or needs. It
aims to help you identify the types of services and financial vehicles
to seek in order to meet your financial needs and values whilst
serving the planet.

Impact Investment Questions

ASK YOURSELF:

- **Beyond just avoiding harm, what kind of positive impact am I actively seeking to create?** Do you want to directly fund projects with clear additionality? Support enterprises with a strong enterprise impact? Or contribute to broader systemic change?
- **How important is it for me to see clear and measurable outcomes from my impact investments (impact reporting)?** What kind of metrics would give me confidence that my money is making a real difference?
- **How much of my overall portfolio am I prepared to allocate to impact investments?** Think about the scale of change you want to contribute to and how this fits with your broader financial goals.
- **How much time and effort am I willing to put into researching and understanding the impact credentials of potential investments?** Being an informed investor helps to avoid greenwashing.

ASK THE ORGANISATIONS YOU INVEST IN:

Direct investments will provide you with publicly available information, but you can use these questions to query further when speaking directly to the entrepreneur or platform:

- **What is your organisation's core mission, and how does it directly address the social or environmental issue(s) I care about?** Ask for specifics and avoid vague statements.
- **What are your intended social and/or environmental outcomes?** What are your key performance indicators (KPIs) for impact?
- **How do you measure and report on your social and environmental impact (impact reporting)?** Ask for examples of past reports and how they demonstrate tangible results. What methodologies do you use? Are these reports independently verified?

- **What is your approach to ensuring additionality?** How does my investment contribute to an impact that wouldn't have happened otherwise?
- **What is your organisation's governance structure, and how are ethical considerations embedded in your decision-making processes?**
- **Can you explain your business model and how it aligns with your impact goals?** Is the pursuit of profit intrinsically linked to positive impact (enterprise impact)?
- **What are the potential risks, both financial and impact-related, associated with my investment?** Understand the full picture.
- **How do you ensure transparency and accountability in your operations and impact measurement?**
- **What kind of investor engagement do you encourage?** Will I receive regular updates on your progress and impact?
- **If you are claiming to align with certain sustainability frameworks (e.g., UN Sustainable Development Goals), can you demonstrate how your work contributes to these?**

ASK YOUR WEALTH MANAGER/FINANCIAL ADVISER:

- **What is your experience and expertise in impact investing?** Do you have specific training or qualifications in this area?
- **Please explain the difference between impact investing and other forms of responsible investing, like ESG integration or sustainable investing.**
- **What specific impact investment opportunities do you offer that align with my values and impact goals?** Don't just accept generic 'green' or 'social' funds.
- **How do you assess the social and environmental impact of the impact investments you recommend?** Do you rely on your own analysis or third-party research? How do you avoid greenwashing?
- **Can you explain how additionality is considered when selecting impact investments?**
- **What impact reporting will I receive on my impact investments?** How frequently and in what format? Can you help me understand the data?
- **What due diligence do you perform on the impact credentials of the organisations or funds you recommend?**

- **What is your understanding of intentionality in impact investing, and how do you ensure the investments you recommend are genuinely aiming for specific positive outcomes?**
- **Are you familiar with different impact measurement frameworks and standards?**
- **What are the fees associated with your impact investment offerings compared to traditional investments? Are they transparent and justifiable?**
- **Can you provide examples of successful impact investments you have recommended to other clients and the impact they have achieved?**
- **What is your firm's overall commitment to sustainable and impact investing?**
- **Are you a signatory to any relevant initiatives like the UN PRI?**

By asking these questions across the board, you'll be well-equipped to make truly purposeful impact investments that align with your values and contribute to a more sustainable and thriving future. Don't hesitate to push for clear answers and evidence – your money has the power to make a real difference!



Don't go it alone!

Use investor clubs, with members' shared experience and expertise, to help navigate due diligence. They are also potentially more efficient use of time, beneficial for entrepreneurs, who don't have to face individual questioning from many different interested potential investors.