

## Social Lens Primer on the Social Stock Exchange

### Impact Reporting on the SSE

SEBI constituted a working committee on the SSE in 2019. As per the report of the committee, the committee acknowledged that Social impact from a beneficiary’s perspective is inherently difficult to measure because it cannot be readily expressed in monetary terms. The committee reviewed international frameworks in order to create standardisation in measurement.

After taking stock of the frameworks, the committee concluded that it will take a few more years to evolve a standardised framework that could apply to all enterprises that seek to raise funds through SSE. In the meanwhile, the working committee has suggested some **minimum reporting standards** that can be applicable in the immediate future of 4 to 7 years till a more detailed framework is created.

Strategic Intent and Goal		Social Impact Scorecard	
<b>What</b> - The social problem to be addressed	To describe the vision of the Social Enterprise (The vision is a concrete and ideal business goal that is being aimed for)	<b>Reach</b> - Extent of target segment served	Outreach metrics: <ul style="list-style-type: none"> <li>• Proportion of target segment who have been reached in the reporting period</li> <li>• Proportion of target segment who accepted the solution</li> <li>• Cumulative reach (members of the target segment served since inception)</li> </ul>
<b>Who</b> - The target segment to be served	On dimensions of Income, Geography or thematic issues	<b>Depth</b> - Intensity of impact on median individual	The depth of impact on the median individual. Social Enterprise can use surveys with a minimum sample size of 1% of the recipients, or at least 200 respondents
<b>How</b> - The approach to solving this problem	To define the approach and the nature of the expected result and elucidate how the approach solves the problem	<b>Inclusion</b> - Along dimensions of Income, Social Equity and Diversity	How the enterprises approach intends to improve Inclusion for its recipients, along one or more of the following themes: <ul style="list-style-type: none"> <li>Theme 1: Net increase in Income levels</li> <li>Theme 2: Diversity - Improved sense of belonging and empowered participation in decision-making</li> <li>Theme 3: Social Equity - Improved access to opportunity, networks, resources</li> </ul>

Over time, the reporting requirements might incorporate more rigour in a graded and deliberate manner.

NPOs on the SSE may be required to submit an annual impact report that will be audited by a Social Auditor. "Social Auditor" means an individual registered with the Institute of Chartered Accountants of India (ICAI) or such other agency as SEBI may specify, who has qualified for and holds a valid certificate from the National Institute of Securities Market.

ICAI released a draft preface to the social audit standards (SAS). The SAS framework outlines a standard audit report, a monitoring framework (focusing on inclusiveness, relevance, effectiveness and efficiency, convergence, and sustainability), and a detailed list of possible impact indicators through 16 different reporting standards.

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