

LESSON: About the SDG Impact Standards



SDG Impact Standards

At a Glance

This document contains brief one-page summaries of each set of SDG Impact Standards.



As of this writing, the standards are still undergoing the final rounds of feedback and modification.

For the most up-to-date information, visit

<https://sdgimpact.undp.org/practice-standards.html>

The SDG Impact Standards are organized around four interconnected themes – each of which play an important role in fully integrating sustainability and contributing positively to the SDGs into organizational systems and decision-making



STRATEGY

Embedding sustainability and contributing positively to the SDGs in purpose and strategy is important because it drives attention, focus and resources to what matters most and where the organization can have the most significant impact on important outcomes – including by reducing negative ones. It recognizes that organizations' prospects for future prosperity increasingly depend on the health of the planet and the wellbeing of humanity. Operating responsibly and sustainably and contributing to the SDGs is not an add on to what business gets done – it's how all business gets done.

MANAGEMENT APPROACH

Integrating responsible business practices and impact management into organizational systems and decision making is about setting the right conditions to maximize chances of achieving the organizational goals of contributing positively to the SDGs and increasing the probability of success over time. It helps organizations generate options and make more informed choices between those options to optimize their contribution towards sustainable development and the SDGs.

TRANSPARENCY

Being transparent is an important element of being accountable to Stakeholders – all interested parties including those affected or potentially affected in future by the organization's decisions and activities. It also helps Stakeholders make more informed decisions, for instance about whether they want to work with or for the organization, invest in or lend to the organization, or buy or use the organization's products and services. To be effective, transparency needs to be useful and accessible to all Stakeholders.

GOVERNANCE

Governance is an essential element of embedding responsible business and impact management practices into organizational decision-making. The organization's informal and formal governance mechanisms define expectations of behavior, how decisions are made and how the organization holds itself and others accountable for their decisions and actions in accordance with its values, principles, and policies.



Enterprise Standards

STRATEGY

- Commit to operating responsibly and sustainably, contributing positively to the SDGs and optimizing impact
- Understand what's important to Stakeholders and achievement of the SDGs, and where the Enterprise is making impacts to determine where material impact can be made in the future
- Embed impact into purpose and strategy
- Set impact goals in line with now integrated purpose and strategy
- Adjust strategy and impact goals as needed to optimize impact

MANAGEMENT APPROACH

- Align organizational culture, structure, capabilities, systems, and incentives with purpose and strategy
- Develop methodology, processes, and systems to effectively measure impacts, and integrate into business decision-making
- Assess, compare and monitor material impacts over time, with external benchmarks and between stakeholder groups and subgroups, generate options for increasing impact and make choices between options
- Embed continuous improvement, updating impact management practices as needed

TRANSPARENCY

- Disclose how responsible business practices, sustainability and contributing positively to the SDGs are integrated into decision-making and report on performance

GOVERNANCE

- Integrate responsible business and impact management practices into governance framework
- Ensure governing body leads by example



Bond Standards

STRATEGY

- Embed responsible business practices in organization-wide approach and define scope of impact strategy (which the SDG Bond Program relates to)
- Within the impact strategy scope, understand what's important to Stakeholders and achievement of the SDGs and where impacts are currently being made to determine where material impact can be made in the future
- Develop impact strategy, incorporating operating responsibly and sustainably, contributing positively to the SDGs, and optimizing impact into the approach
- Establish SDG Bond Program and set impact goals in line with impact strategy
- Adjust impact strategy and goals as needed to optimize impact

MANAGEMENT APPROACH

- Align culture, structure, capabilities, systems, and incentives with impact strategy
- Develop methodology, processes, and systems to effectively measure impacts, and integrate into decision-making
- Assess, compare and monitor material impacts over time, with external benchmarks and between stakeholder groups and subgroups, generate options for increasing impact and make choices between options
- Embed continuous improvement, updating impact management practices as needed

TRANSPARENCY

- Disclose how contributing positively to sustainable development and the SDGs is integrated into impact strategy and SDG Bond Program, and report on performance

GOVERNANCE

- Integrate oversight of the Issuer's responsible business practices and the impact strategy, SDG Bond Program, and related impact management practices into governance framework
- Ensure governing body leads by example



Private Equity Standards

STRATEGY

- Embed contributing positively to sustainable development and the SDGs into Fund purpose and investment strategy
- Develop impact thesis
- Set portfolio level impact goals
- Adjust impact thesis, investment strategy and portfolio level impact goals as needed to optimize impact

MANAGEMENT APPROACH

- Align mechanisms and processes with Fund purpose to deliver on strategy, including impact thesis and portfolio level impact goals
- Develop methodology, processes, and systems to effectively measure, monitor and manage impact, and integrate into decision-making
- Pre-screen, select, and structure investments in line with purpose, investment strategy, impact thesis and portfolio level impact goals
- Monitor and manage the impact performance of each investment and for the Fund overall, acting to optimize and sustain impact, including after exit
- Embed continuous improvement, updating investment and impact management practices as needed, and share lessons with investees and partners

TRANSPARENCY

- Disclose how contributing positively to sustainable development and the SDGs is integrated into the Fund purpose, impact thesis and investment strategy, and report on performance

GOVERNANCE

- Integrate oversight of the Fund's responsible business practices, investment strategy, impact thesis, portfolio wide impact goals and related impact management practices into governance framework
- Ensure governing body leads by example



For more information:

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