

# ABOUT THE SDG IMPACT STANDARDS



Updated May 2023

## Introduction

The SDG Impact Standards (the Standards) have been developed by SDG Impact – a flagship initiative of the United Nations Development Programme (UNDP) – to help investors and enterprises operate more sustainably and contribute positively to sustainable development and the United Nations Sustainable Development Goals (SDGs).

### About the SDGs

The 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (and associated targets and indicators) are the world's blueprint to achieve a better and more sustainable future for all. They address the global challenges we face including poverty, inequality, climate change, environmental degradation, and peace and justice. The SDGs were agreed upon by all 193 Member States of the United Nations and also call on the private sector to apply its creativity and innovation towards solving sustainable development challenges. The SDGs break down silos between different actors and geographies – creating space and opportunities for new ways of working towards solutions, including by working collaboratively with a broader range of partners and constituencies.

### The business case for operating sustainably and contributing positively to the SDGs

Every day, more and more enterprises and investors are looking for straightforward ways to operate more sustainably and make a positive contribution to the SDGs. Indeed, enterprises and investors increasingly recognize that sustainable development is at the very heart of long-term value creation and failing to achieve the SDGs is a constraint on economic potential and undermines system stability, future business prospects and future investment performance. Operating sustainably and contributing to the SDGs can help organizations use a common language and shared purpose to<sup>1</sup>:

- Open-up new business and investment opportunities and efficiency gains
- Future proof businesses and investment portfolios
- Manage risk more effectively
- Enhance reputation
- Attract and retain employees, consumers, B2B customers, and investors
- Strengthen stakeholder relations
- Drive innovation
- Secure social license to operate
- Keep pace with – and anticipate future – policy developments
- Help stabilize societies and markets.

But we are not yet on a sustainable path and there is a lack of clear guidance on how organizations can translate intent to action. The SDG Impact Standards aim to address this knowledge gap and move organizations from SDG alignment to SDG action – from thinking about the SDGs as an add-on to what business gets done to how all business gets done.

### About the Standards

The Standards are decision-making standards, not performance or reporting standards. They are designed to help organizations integrate operating responsibly and sustainably and contributing positively to sustainable development and the SDGs into organizational systems, investment frameworks and decision-making practices, using a common language and shared approach to do so.

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<sup>1</sup> Sources: <https://sdgcompass.org/>; [https://d306pr3pise04h.cloudfront.net/docs/news\\_events%2F9.3%2Fbetter-business-better-world.pdf](https://d306pr3pise04h.cloudfront.net/docs/news_events%2F9.3%2Fbetter-business-better-world.pdf)

The foundation of the Standards is operating sustainably and contributing positively to sustainable development and the SDGs. This cannot be achieved without demonstrating respect for human rights in line with the United Nations Guiding Principles for Business and Human Rights (UNGPs), planetary boundaries in line with science-based targets, and other responsible business practices in line with the UNGC's Ten Principles and UN Women's Empowerment Principles and is realized through effective impact management and decision making.

The Standards are organized around four interconnected themes – strategy, management approach, transparency, and governance (see Figure 1) – each of which plays an important role in fully integrating sustainability and contributing positively to the SDGs into organizational systems and decision making.

Figure 1: The SDG Impact Standards



### 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.

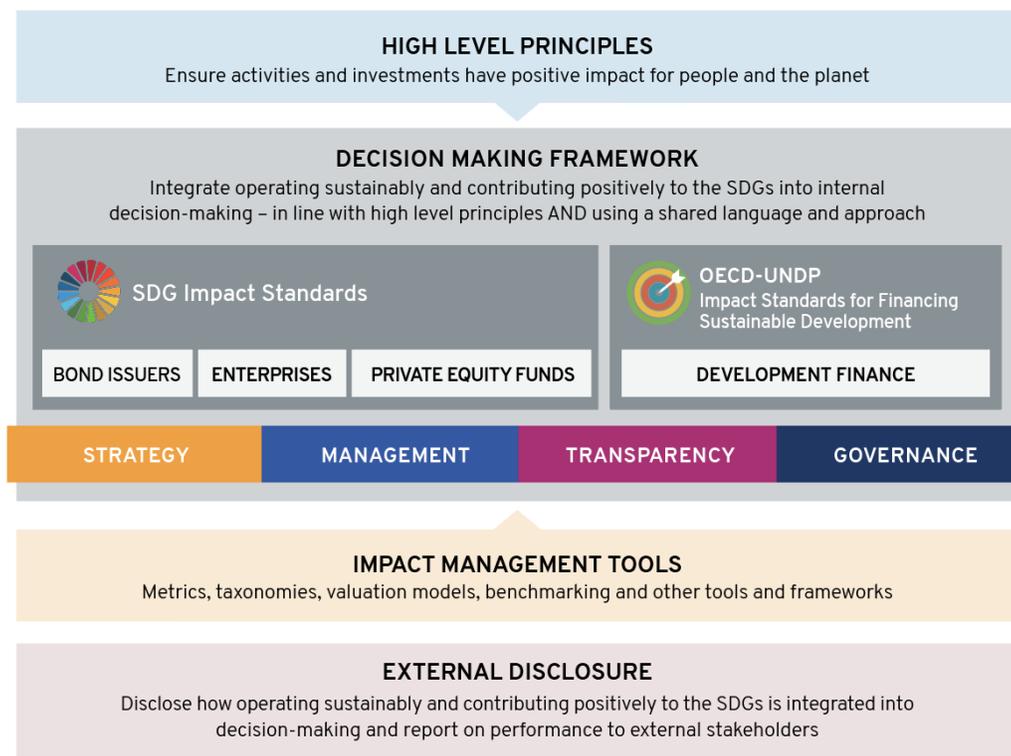
## Governance

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.

The Standards build on and complement existing work undertaken by other industry-led initiatives on impact management and measurement. The same structure is followed across all the SDG Impact Standards (for Enterprises, Bond Issuers and Private Equity Funds and the OECD-UNDP Impact Standards for Financing Sustainable Development). In this way, the Standards create a shared language and approach for integrating impact management and the SDGs into decision-making, fill gaps in current market practices which are undermining progress towards the SDGs, and connect different actors across the ecosystem to create the enabling environment for greater cross-sector collaboration and innovation in SDG financing solutions (see Figure 2).

Figure 2 How the Standards work with other principles, frameworks, and tools

Source UNDP and OECD



The Standards help to make high-level impact management principles<sup>2</sup> actionable, and guide the choice of which frameworks, methodologies and tools should be used to appropriately measure and manage impact. They embed the SDGs and the Impact Management Project (IMP) shared norms and provide an operating system for the application of existing tools and frameworks, including metrics and taxonomies. By creating a robust internal impact management system, organizations that adopt the Standards will also be in a much better position to meet the growing and various sustainability

<sup>2</sup> Such as the Operating Principles for Impact Management (OPIM), the United Nations Environment Programme – Finance Initiative (UNEP-FI) Principles for Positive Impact Finance, United Nations Global Compact CFO Principles on Integrated SDG Investments and Finance, SVI's seven principles of social value.

reporting and disclosure requirements and expectations of governments, regulators, investors, and other stakeholders.

Ultimately, the Standards facilitate organizations in adopting responsible business practices and integrating impact management into organizational systems and decision-making practices with the intention of operating sustainably and optimizing contribution to sustainable development and the SDGs.

### Who can use the Standards

The Standards are for all Enterprises, Bond Issuers and Private Equity Funds committed to operating sustainably and contributing positively to sustainable development and the SDGs – regardless of size, geography, or sector.

The Standards are also a useful guide for other actors in the value chain to frame inquiry, assessment and decision-making about an organization's impact management capacity and strategies to advance sustainable development and the SDGs. This includes **investors**, to frame their investment mandates, guidelines, and due diligence; **Analysts, advisors, assurers, and research houses**, to advise their clients or assure or benchmark practice; and **Government and policymakers** to align policy and regulations with the Standards and otherwise support their adoption in line with policy priorities to promote sustainable development and support achievement of their SDG commitments.

### How the Standards are organized

#### The Standards

The objective of the Standards is to define the requirements for strategy, management approach, transparency, and governance that increase the likelihood that an organization is operating sustainably and contributing positively to the SDGs. They do not provide a guarantee. If all organizations were applying the Standards, the UNDP believes that there would be positive contribution to sustainability and the achievement of the SDGs.

The Standards are provided to organizations as a 'best practice' guide to help them operate more sustainably and optimize their contribution to sustainable development and the SDGs by integrating responsible business and impact management practices into their organizational systems and internal decision-making. Organizations are encouraged to use the Standards as a gap analysis and self-assessment tool, and to fill gaps and improve practice over time. The Standards should be used in conjunction with the glossary and guidance provided.

The tables that follow this summary set out the actions Enterprises, Bond Issuers and PE Funds will undertake to properly integrate operating sustainably and contributing positively to sustainable development and the SDGs into their organizational systems and decision-making and maps those actions to the practice indicators included in the relevant set of Standards.

#### Glossary

A comprehensive Glossary supports, and is an essential extension of, the Standards. Terms have the meaning ascribed in the Glossary when used in the Standards.

#### Guidance materials

Guidance Notes at the Practice Indicator level are provided to enhance understanding of the scope and practical application of the Standards to assist Standards users in interpreting, implementing, and applying the Standards in a consistent manner. Links to relevant frameworks, tools and resources and examples (where available) will also be provided. More examples will be added over time as case studies are developed with organizations using the Standards.

## Assurance Framework and SDG Impact Seal

An external assurance framework, SDG Impact Seal and an Assurer training and accreditation program for suitably qualified third-party assurers are being developed based on the Standards. Independent assurance is an important mechanism to build market trust and confidence and reduce the potential for impact washing or the over-statement of claims.

The assurance process is designed to provide assurance that the organization has the policies and processes in place to achieve the objective of the Standards. The development of the Assurance Framework will also reduce the risk of a proliferation of proprietary assurance approaches that may vary in quality and the level of transparency provided. Recognizing that the Standards represent best practice, and it will take organizations time to fully implement them, the minimum evidence requirements for assurance and to qualify to apply for the SDG Impact Seal are set at a lower level than set out in the Standards, however maintaining eligibility for the Seal over time will require continuous improvement towards best practice in line with the SDG Impact Standards over time.

An Assurance Design and Implementation Working Group is assisting UNDP to develop the Assurance Framework. The Working Group comprises a select group of expert practitioners including assurance providers, assurance policy makers and technical experts on assurance from professional bodies, standards users, and academia, and includes sector expertise across the different Standards and knowledge of developed and developing markets.

Organizations are highly recommended to move from self-assessment to having their impact management practices assured at regular intervals by an independent accredited assurer. Information about the assurance framework and minimum evidence requirements will be publicly available and may be helpful to organizations in planning their implementation roadmap before they seek independent assurance of their practices from an accredited assurer.

## Other Complimentary services and resources

### Self-assessment tool

An excel-based self-assessment tool is available for each set of Standards to assist organizations to use and implement the Standards, undertake gap analysis, and prepare development plans, and prepare for assurance. You can download the self-assessment tool at <https://sdgimpact.undp.org/resources.html>. The longer-term plan is that an on-line platform will be developed to house and enable engagement with the Standards and Assurance.

### Mapping of the SDG Impact Standards to relevant principles frameworks

SDG Impact has mapped the SDG Impact Standards for Private Equity Funds to the IFC Operating Principles for Impact Management and has mapped the SDG Impact Standards for Enterprises to both the Sustainable Development Goal Disclosure (SDGD) Recommendations and to the UNGC CFO Principles on Integrated SDG Investments and Finance which are available at <https://sdgimpact.undp.org/resources.html>.

### Education and Training

UNDP in collaboration with CASE at Duke University developed *Impact Measurement and Management for the SDGs* <https://www.coursera.org/learn/impact-for-sdgs>, a free online training course available through Coursera, with content now also available in a number of languages.

Customized training on the SDG Impact Standards is available on a fee-for-service basis provided by UNDP and external trainers who have successfully completed the SDG Impact Standards Train-the-Trainer program and been accredited to deliver training on the SDG Impact Standards Visit <https://sdgimpact.undp.org/sdg-impact-standards-trainers.html> for more information about training on the Standards and the list of accredited trainers.

UNDP, in collaboration with Social Value International (SVI), has developed the SDG Impact Standards Train-the-Trainer program to train and accredit suitably qualified trainers to lead training on the SDG Impact Standards. Accredited trainers are provided ongoing support through access to a library of training resources and regular CPD events. For more information, visit <https://sdgimpact.undp.org/become-a-trainer.html>.

Visit [www.sdgimpact.undp.org](http://www.sdgimpact.undp.org) to stay up to date and access resources as they become available.

# SDG Impact Standards for Enterprises – Enterprise actions



# SDG Impact Standards for Enterprises – Mapping Practice Indicators to Enterprise actions

 <p><b>1. Commit</b> to operating sustainably and making a positive contribution to the SDGs</p>	 <p><b>2. Understand</b> the sustainability context and map current and future potential material impacts</p>	 <p><b>3. Integrate</b> sustainability and the SDGs into purpose and strategy</p>	 <p><b>4. Set goals</b> in line with now integrated purpose and strategy</p>
<p><b>Decide</b> that operating responsibly and sustainably, and contributing positively to the SDGs is <b>central to business purpose</b> (1.1.1)</p>	<p>Identify <b>material current and potential future impacts</b> on different <b>Stakeholders</b> through the <b>value chain</b> (1.1.6)</p> <p>Use information on the sustainability <b>context</b> including about <b>global, national, and local SDG priorities</b> and <b>gaps</b> and <b>interdependency</b> across the SDGs to identify and define material current and potential future impacts (1.1.4, 1.1.2)</p> <p>Identify and engage with <b>Stakeholders</b> to understand what matters to them (1.1.5)</p>	<p>Articulate <b>impact intentions</b> and translate into <b>organizational purpose and business strategy</b> (1.1.1)</p> <p><b>Embed</b> respect for human rights, planetary boundaries, and other responsible business practices <b>into purpose and strategy</b> (1.1.3)</p> <p>Decide whether adjustments are needed to <b>business models and partnerships</b> (1.1.7)</p> <p><b>Assess the risk</b> (including to Stakeholders) <b>that impacts may not occur as expected</b> (1.1.8, 1.1.9)</p>	<p>Define <b>impact goals</b> based on the identified material impacts and <b>set measurable ambitious targets</b> for all impact goals (1.2.1, 1.2.2, 1.2.3, 1.2.4, 1.2.5, 1.2.6)</p> <p>Include impact goals and targets in the <b>business plan</b>, and allocate adequate <b>budget &amp; resources</b> to deliver the impact goals (1.1.10)</p>



### 5. Adjust

strategy and goals as needed to optimize impact

Review and adjust strategy & impact goals as internal & external contexts change & as information on actual impact becomes evident (1.1.11)



### 6. Align

culture, structure and skills with purpose and strategy

Embed respect for human rights, planetary boundaries, and other responsible business practices in **policies and procedures** (2.1.1, 2.1.2)

**Involve Stakeholders** in decision-making, engage with **government bodies**, and collaborate with **peers** and potential **partners** on collective solutions (2.1.3, 2.1.4)

Develop capacity, **integrate accountability**, and align **incentives** with purpose and strategy (2.1.5)



### 7. Develop

impact measurement and management (IMM) framework

Develop methodology, process, system to **identify decision-useful metrics** and **collect, verify, manage, and use impact data appropriately** (2.1.6, 2.3.2)

Develop methodology, process, system to **assess, monitor, and manage impacts** (2.2.1, 2.2.2, 2.2.3, 2.3.1, 2.3.3, 2.3.4)

Determine how **much information is needed** to make a decision (2.2.4)

Determine when **independent impact evaluations** will be required to manage impact risk (2.2.6)

**Capture results and lessons learned** so that impact information is connected to business decision-making and ongoing impact management activities and continuous improvement (2.2.7, 2.3.5)



### 8. Integrate

IMM framework into management systems and decision-making

**Assess and compare material impacts** based on methodology established in Enterprise Action 7 (2.1.6, 2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.6)

**Generate options and make choices** between options to optimize impact and positive contribution to the SDGs, taking into account risks and trade-offs (2.2.5)

**Monitor actual impact performance** against expected impact and as against **baselines, counterfactuals, and thresholds** and act to optimize impact and contribution to the SDGs (2.3.1, 2.3.2, 2.3.4)

**Analyse** deviations from expected outcomes and respond accordingly (2.3.3)



### 9. Embed

continuous improvement

**Refine** impact management practices **over time based on impact results, lessons learned and changes** in the sustainable development context (2.1.7, 2.2.7, 2.3.5)



### 10. Disclose

how sustainability and the SDGs are integrated into decision-making, and report on performance

**Disclose/report** how sustainability and contributing positively to the SDGs is integrated into decision-making and in line with Stakeholder needs and relevant laws and regulations (3.1, 3.3, 3.5)

**Communicate impact performance consistently and in context** (3.2)

**Disclose policies concerning human rights and other responsible business practices** (3.4)

Have impact/ sustainability reports **assured** and implement **recommendations** (3.6)



### 11. Integrate

sustainability, the SDGs, and managing for impact into governance framework

Governing body has **oversight of the Enterprise's integration of sustainability and contributing positively to the SDGs into its purpose, strategy, risk management and decision-making practices and decision-making practices** and its responsible business and impact management **practices and performance** (4.1)

The Enterprise's **parent and/or holding company** has policies, practices and performance relating to governance and responsible business practices, consistent with the requirements set out in these Standards (4.3)



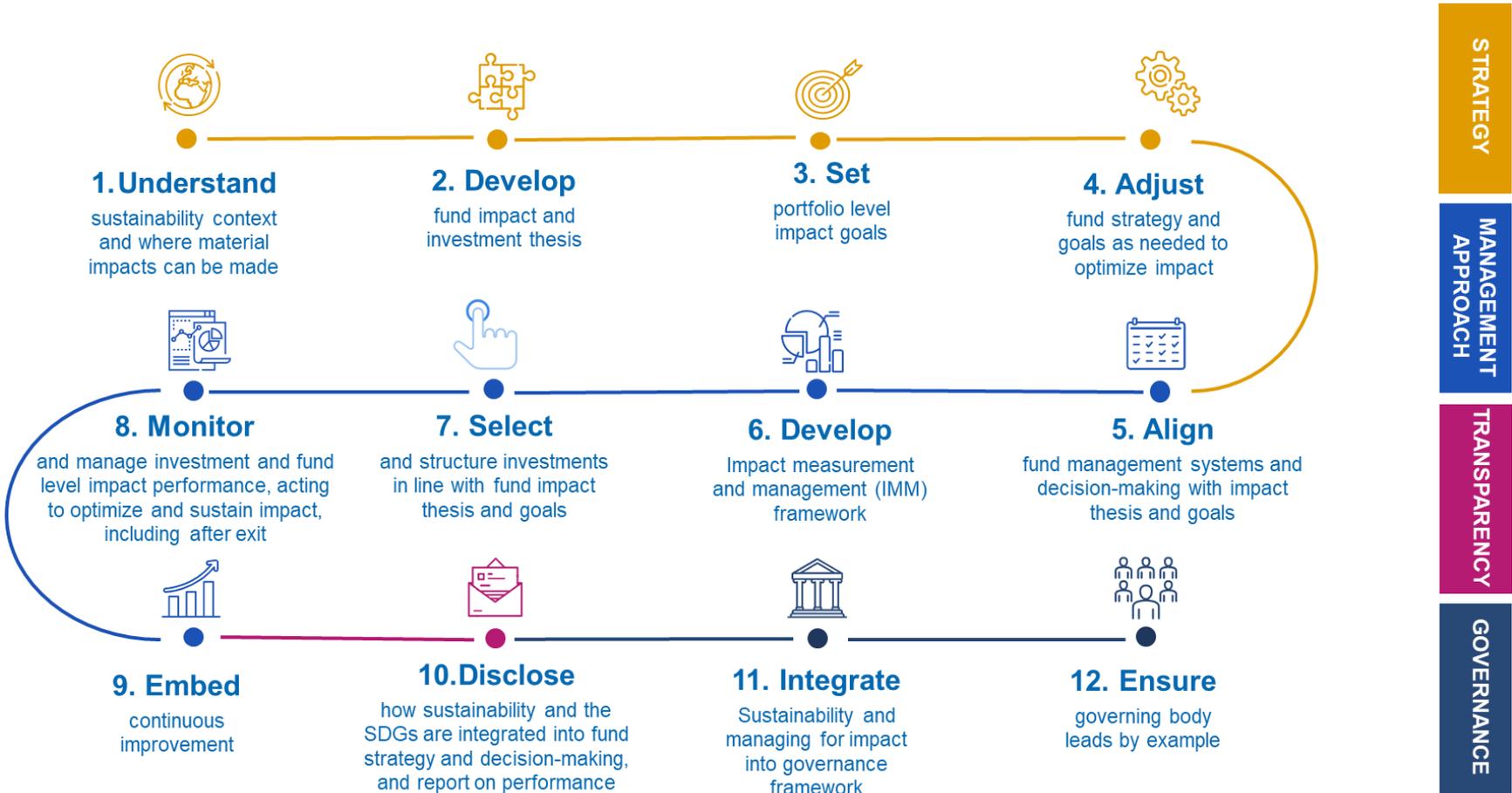
### 12. Ensure

governing body leads by example

Governing body includes sustainable development **competencies and diversity in its composition, operates transparently** and recognizes the importance of acting on behalf of impacted stakeholders (4.2)

Governing body **holds management accountable** for its responsible business and impact management practices (in line with the Enterprise's values, purpose, and policies) and performance (4.2)

SDG Impact Standards for Private Equity Funds – Fund’s actions



SDG Impact Standards for Private Equity Funds – Mapping Practice Indicators to Fund’s actions

 <p><b>1. Understand</b> sustainability context and where material impacts can be made</p>	 <p><b>2. Develop</b> fund impact and investment thesis</p>	 <p><b>3. Set</b> portfolio level impact goals</p>	 <p><b>4. Adjust</b> fund strategy and goals as needed to optimize impact</p>
<p>Determine how Fund will optimise its contribution to sustainability and the SDGs, taking into account the sustainability context (1.1.1)</p>	<p>Develop impact thesis, demonstrating compatibility with investment strategy and magnitude of expected impact commensurate with Fund size (1.1.2, 1.1.3, 1.1.5)</p> <p>Promote alignment of interests among partners, investees, and Stakeholders (1.1.4)</p>	<p>Define ambitious portfolio level impact goals in line with impact thesis (1.2.1, 1.2.2, 1.2.4)</p> <p>Allocate adequate resources to achieve impact goals (1.1.6)</p>	<p>Review and refine impact thesis, investment strategy and portfolio level impact goals as internal &amp; external contexts change &amp; as information on actual impact becomes evident (1.3)</p>

**5. Align**  
 fund management systems and decision-making with impact thesis and goals

**6. Develop**  
 impact measurement and management (IMM) framework

**7. Select**  
 and structure investments in line with fund thesis and goals

**8. Monitor**  
 and manage investment and fund level impact performance, acting to optimize and sustain impact, including after exit

Embed respect for human rights, planetary boundaries, and other responsible business practices in Fund policies and procedures (2.1.1, 2.1.3, 2.1.4)

Identify Stakeholders and promote their involvement in decisions that impact them (2.1.5)

Develop capacity, integrate accountability and align incentives in line with the Fund's purpose, impact thesis and investment strategy (2.1.2)

Develop methodology, process, system to identify decision-useful metrics, and collect, verify, manage and use impact data appropriately? (2.1.6, 2.3.6, 2.5.4)

Develop methodology, process, system to assess, monitor and manage impacts? (2.2.1, 2.3.2, 2.3.3, 2.3.7, 2.5.1, 2.5.5, 2.5.7)

Determine when independent impact evaluations will be required to manage impact risk? (2.3.9)

Capture results and lessons learned so that impact information is connected to investment decision-making and ongoing impact management activities and continuous improvement (2.1.7, 2.3.10, 2.5.6, 2.5.8, 2.6.3)

Pre-screen potential investments in line with impact strategy and impact goals (2.2.2, 2.2.3)

Conduct ex-ante impact assessments, developing investment level impact theses, selecting metrics, determining investor contribution, assessing impacts using a consistent measure (wellbeing) and making choices between options to optimize expected impact (2.3.1, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.7, 2.3.8, 2.3.9)

Structure investments, engaging collaboratively, agreeing and documenting terms (2.4.1, 2.4.2, 2.4.3, 2.4.4)

Collect impact data, fill data gaps, and monitor and interpret impact performance against portfolio level impact goals and investment level impact targets, baselines, thresholds, and counterfactuals (2.5.1, 2.5.2, 2.5.3, 2.5.4, 2.5.5, 2.5.6, 2.5.7)

Make evidence-based decisions and take action to optimize impact, including working proactively with investees (2.5.3, 2.5.6)

Proactively manage and assess exits (2.6.1, 2.6.2, 2.6.3, 2.5.7)



### 9. Embed

continuous improvement

Refine impact management practices over time based on impact results, lessons learned and changes in the sustainable development context, and share lessons with investees and partners (2.1.7, 2.3.10, 2.5.6, 2.5.8, 2.6.3)



### 10. Disclose

how sustainability and the SDGs are integrated into fund strategy and decision-making, and report on performance

Disclose/report how sustainability and contributing positively to the SDGs is integrated into the Fund's purpose and decision-making and other relevant information about the Fund and Fund Manager? (3.1, 3.4)

Report on impact performance of the Fund consistently and in context (3.2, 3.3)



### 11. Integrate

Sustainability and managing for impact into governance framework

Governing body has oversight of the Fund's integration of sustainability and contributing positively to the SDGs into its purpose and decision-making practices and oversight of its responsible business and impact management practices and performance (4.1, 1.2.3)

The Fund's parent and/or holding company has policies, practices and performance relating to governance and responsible business practices, consistent with the requirements set out in these Standards (4.3)



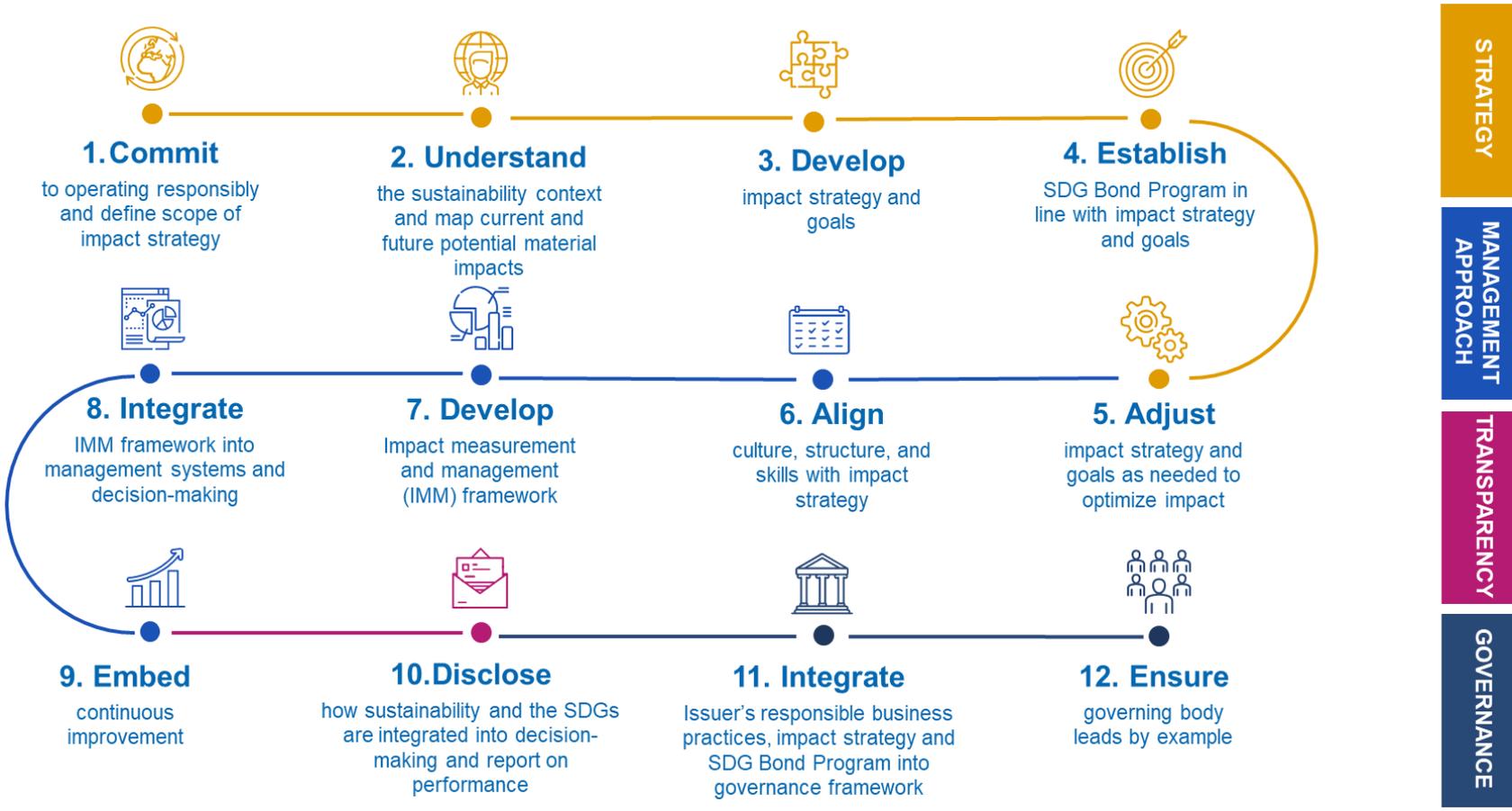
### 12. Ensure

governing body leads by example

Governing body includes sustainable development competencies and diversity in its composition, operates transparently and recognizes the importance of acting on behalf of impacted stakeholders (4.2)

Governing body holds management accountable for responsible business practices, impact management practices and impact performance (4.2)

SDG Impact Standards for Bond Issuers – Issuer actions



SDG Impact Standards for Bond Issuers – Mapping Practice Indicators to Issuer actions

 <p><b>1. Commit</b> to operating responsibly and define scope of impact strategy</p>	 <p><b>2. Understand</b> the sustainability context and map current and future potential material impacts</p>	 <p><b>3. Develop</b> impact strategy and goals</p>	 <p><b>4. Establish</b> SDG Bond Program in line with impact strategy and goals</p>
<p>Embed respect for human rights, planetary boundaries, and other responsible business practices in organization-wide approach (1.1.1)</p> <p>Define scope of impact strategy, and link to organization-wide strategy (1.1.2)</p>	<p>Identify material current and potential future impacts on different Stakeholders through the value chain (1.1.3.5)</p> <p>Use information on the sustainability context including about global, national, and local SDG priorities and gaps and interdependency across the SDGs to identify and define material current and potential future impacts (1.1.3.4, 1.1.3.1)</p> <p>Identify and engage with Stakeholders to understand what matters to them (1.1.3.3)</p>	<p>Develop impact strategy to translate sustainability and contributing positively to the SDGs into actionable steps (1.1.2)</p> <p>Assess business models and partnership approaches (1.1.3.2)</p> <p>Assess risk (including to Stakeholders) that impacts may not occur as expected (1.1.3.6, 1.1.3.7)</p> <p>Integrate strategy and impact goals into relevant business plans, and allocate adequate budget &amp; resources to achieve impact strategy and goals (1.1.3.9)</p>	<p>Establish SDG Bond Program (1.2.1)</p> <p>Define impact goals for the SDG Bond Program based on the identified material impacts and set measurable ambitious targets for all impact goals (1.2.2)</p> <p>Set out clear measures within the SDG Bond Program if impact goals are not met (1.2.3)</p>



### 5. Adjust

impact strategy and goals as needed to optimize impact

Review and adjust impact strategy and goals as internal and external contexts change and as information on actual impact becomes evident (1.1.3.8)



### 6. Align

culture, structure and skills with purpose and strategy

Embed respect for human rights, planetary boundaries, and other responsible business practices in organization-wide policies and procedures (2.1.1)

Within impact strategy scope, involve Stakeholders in decision-making (2.1.2)

Within impact strategy scope, develop capacity, integrate accountability, and align incentives with impact strategy (2.1.3)

Where practicable, work proactively with SDG Bond Program arrangers (and potential investors) to set impact expectations and promote alignment (2.1.6)



### 7. Develop

impact measurement and management (IMM) framework

Develop approach to identify decision-useful metrics and collect, verify, manage, and use impact data appropriately (2.1.4, 2.3.2)

Develop methodology for assessing, monitoring, and managing impacts (2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.6, 2.3.1, 2.3.3, 2.3.4)

Capture results and lessons learned so that impact information is connected to business decision-making and ongoing impact management activities and continuous improvement (2.2.7, 2.3.5)

Where the Issuer is not the end user of the bond proceeds, it originates, monitors, and manages assets in line with the impact strategy (2.2.8)



### 8. Integrate

IMM framework into management systems and decision-making

Assess and compare material impacts based on methodology established in 7 (2.1.4, 2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.6)

Make choices between options to optimize impact and positive contribution to the SDGs (2.2.5)

Monitor actual impact performance against expected impact and as against baselines, counterfactuals, and thresholds and act to optimize impact and contribution to the SDGs (2.3.1, 2.3.2, 2.3.4)

Analyze deviations from expected outcomes and respond accordingly (2.3.3, 2.3.6, 2.3.7)



### 9. Embed

continuous improvement

Refine impact management practices over time based on impact results, lessons learned and changes in the sustainable development context (2.1.5, 2.3.5)



### 10. Disclose

how sustainability and the SDGs are integrated into decision-making, and report on performance

Disclose relevant information about the Issuer, the impact strategy and the SDG Bond Program (3.1)

Report at least annually on the performance of the SDG Bond Program, communicating its impacts consistently using the SDGs and ABC Impact Classifications and in context (3.2)

Has SDG Bond Program impact reports assured and implements recommendations (3.3)



### 11. Integrate

Issuer's responsible business practices, impact strategy and SDG Bond Program into governance framework

Governing body has oversight of the Issuer's responsible business practices, impact strategy and SDG Bond Program, and related impact management practices (4.1)

The Issuer's parent and/or holding company has policies, practices and performance relating to governance and responsible business practices, consistent with the requirements set out in these Standards (4.3)



### 12. Ensure

governing body leads by example

Governing body includes sustainable development competencies and diversity in its composition, operates transparently and recognizes the importance of acting on behalf of impacted stakeholders (4.2)

Governing body holds management accountable for its organization-wide responsible business practices and the Issuer's impact strategy and SDG Bond Program, related impact management practices and performance against its impact goals (4.2)