

SDG Impact Standards

Mapping Document

Mapping the Sustainable Development Goals Disclosure (SDGD) Recommendations to the UNDP SDG Impact Standards for Enterprises

About UNDP

The United Nations Development Programme (UNDP) is the UN's global development network. It advocates for change and connects countries to knowledge, experience and resources to help people build a better life. UNDP aims to see our world radically changed for good and is the integrator of the United Nations Sustainable Development Goals (SDGs). UNDP is active in 176 countries and territories, working with governments and people on their own solutions to global and national development challenges and supporting country-level programs to achieve the SDGs.

About SDG Impact

SDG Impact is a global UNDP initiative, catalyzing investment to achieve the SDGs by 2030:

- **SDG Impact Management:** *Providing a means to better decisions that drive investment capital to where it is needed*, comprising SDG Impact Standards, an SDG Impact Seal and impact management education.
- **SDG Impact Intelligence:** *Producing data and insights needed for increasing financial flows to the SDGs*, offering SDG investor maps of investable business models via a searchable desktop platform.
- **SDG Impact Facilitation:** *Fostering matchmaking and collaboration to realize SDG investment opportunities*, focusing on investor and policy dialogue drawing on the UN presence in over 170 countries, deep sustainable development expertise and relationships with governments and other influencers.

About the SDGD Recommendations

The *Sustainable Development Goal Disclosure (SDGD) Recommendations* (Adams et al, 2020) are SDG specific disclosure recommendations, enabling enterprises to consider and report on: both risks and opportunities resulting from sustainable development issues; the implications for value creation (and value destruction); and the implications for and impact on achievement of the SDGs. They require disclosures on Strategy, Management Approach and Governance as well as Performance and Targets.

The *SDGD Recommendations* and the Fundamental Concepts and Principles that underpin them are aligned to, and draw together the concepts underpinning the: recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD, 2017); the GRI Standards; and, the International <Integrated Reporting> Framework (IIRC, 2013). Information on alignment with the International <IR> Framework, GRI Standards and TCFD recommendations, together with details of the Expert Advisory Group and consultation responses that informed them are available in Adams (2020).

To date the *SDGD Recommendations* have been translated into Chinese, French, Romanian and Turkish.

About the SDG Impact Standards for Enterprises

The *SDG Impact Standards for Enterprises* are for enterprises who want to contribute positively to sustainable development and achieving the SDGs. The Standards promote an approach

which is increasingly purposeful by linking sustainable development and achieving the SDGs to core business purpose (long term value creation), practice and decision making. They provide a blueprint for a decision making and impact management system, which enables organisations to better account for their dependency on the world and facilitate contributing positively to sustainable development and achieving the SDGs.

All enterprises can use the SDG Impact Standards for Enterprises and the *SDGD Recommendations* – irrespective of size, geography or sector. That is, they can be used by publicly listed enterprises, public interest and private entities (both for-profit and not-for-profit), non-governmental organizations (NGOs), small and medium enterprises (SMEs) and state-owned and other public sector entities.

About this mapping document

This document maps the requirements of the *SDGD Recommendations* against the *SDG Impact Standards for Enterprises* allowing organisations to:

- Identify what processes might be disclosed to meet the disclosure requirements
- Demonstrate how Enterprises that seek to improve their SDG practices might disclose their approach to the SDGs.

Mapping the Fundamental Concepts of the SDGD Recommendations to the SDG Impact Standards for Enterprises Practice Indicators

SDGD Recommendations		SDG Impact Standards for Enterprises
Fundamental Concepts	Application	Practice Indicators
Long term value creation for the organisation and society	<p>Organisations create (or destroy) value for their providers of finance through the value they create (or destroy) for the organisation and society. Through the process of creating (or destroying) value, organisations have an impact (positive or negative) on the achievement of the SDGs. The achievement of the SDGs is critical to creating long term value for providers of finance.</p> <p>The process of creating value involves identifying and responding to external environment factors including sustainable development risks and opportunities. Value creation (or destruction) involves the transformation of multiple capitals: social and relationship capital, natural capital, human capital, intellectual capital, financial capital and manufactured capital. The value creation process also involves trade-offs in impact on the achievement of the SDGs. The process of long term value creation for the organisation and society and its relationship to the SDGs is depicted in Figure 1.</p> <p>The Fundamental Concept of Long term value creation for the organisation and society is informed by the Fundamental Concepts underpinning the International <IR> Framework (IIRC, 2013): value creation for the organisation and for others; the capitals; and, the value creation process.</p>	1.1.2 1.1.4.1 1.1.4.3
Application Sustainable development context and relevance	<p>SDG Disclosures should reflect the sustainable development context of the organisation and its industry/ sector and be relevant to that context. Information on targets should be placed in the context of the targets underpinning the SDGs. An organisation’s presentation of sustainable development issues should include, but go beyond, their relationship to both positive and negative performance to consider their implications for what business is done – and how business is done.</p> <p>SDG Disclosures should reflect the organisation’s approach to contributing to the achievement of the SDGs through its strategy and business model. SDG Disclosures concerning processes should be largely narrative. Disclosures concerning impacts may be</p>	1.1.2 1.1.4 1.1.5 1.1.6 1.3 3.4

	<p>qualitative, quantitative, financial or non-financial. The Fundamental Concept of Sustainable development context and relevance is informed by the definition of sustainability context in GRI 101, but goes beyond presentation of the organisation’s performance in the sustainability context to also recognise that the sustainable development context has implications for strategy and the business model.</p>	
<p>Materiality</p>	<p>Material sustainable development information is any information that is reasonably capable of making a difference to the conclusions drawn by:</p> <ul style="list-style-type: none"> • stakeholders concerning the positive and negative impacts of the organisation on global achievement of the SDGs, and; • providers of finance concerning the ability of the organisation to create long term value for the organisation and society. <p>The sustainable development issues that are relevant and material to an organisation’s ability to create long term value and prevent value destruction present risks and/or opportunities for its providers of finance, stakeholders and society more broadly.</p> <p>The sustainable development issues that led to the development of the SDGs are interdependent in ways that are impossible to predict and over which an organisation has limited control.</p> <p>Organisations impact the achievement of sustainable development both outside and within their organisational boundaries.</p> <p>The organisation’s approach to materiality for SDG Disclosures should commence with the approach set out in GRI 101 but be supplemented by management and Board consideration of those issues that are material to long term value creation for the organisation and society.</p> <p>The Fundamental Concept of Materiality is informed by the Principles of materiality in the International <IR> Framework and GRI 1012.</p>	<p>1.1.2 1.1.3 1.1.4</p>

Mapping the SDG disclosure requirements of the SDGD Recommendations to the SDG Impact Standards for Enterprises Practice Indicators

Governance

SDGD Recommendations		SDG Impact Standards for Enterprises
No.	Disclosure Requirement	Practice Indicators
G1	Describe the Board's integration of sustainable development issues into overall governance processes including oversight of:	
	G1-1. Material sustainable development issues;	4.1.3 / 4.1.4
	G1-2. The sustainable development context and relevant sustainable development issues;	3.4 / 4.1.4
	G1-3. Material risks and opportunities associated with sustainable development issues;	4.1.4
	G1-4. The process of stakeholder identification and engagement and the role played by stakeholder relationships in enhancing the organisation's impact on the achievement of the SDGs;	4.1.2
	G1-5. The integration of sustainable development issues into strategy;	2.1.4.3 / 2.1.5 / 4.1.4
	G1-6. The appropriateness of the organisation's culture for encouraging a focus on sustainable development issues and innovation to respond to them.	4.1.1
G2	Include a statement from the Board Chair, that the Board accepts responsibility for the SDG Disclosures in the annual report (or equivalent).	4.1.10 / 4.2.1
G3	Disclose the time period over which the organisation intends to implement the SDGD Recommendations and where any SDGD Recommendation is not, or will not, be disclosed explain why not. ¹	N/A
G4	Describe the Board's competencies concerning sustainable development issues and the mechanisms (such as internal audit, performance incentives) used by the Board to effect oversight of processes to drive progress.	4.1.6

¹ In complying with G3, it is acceptable for organisations to note that partial compliance is due to being in an early stage of implementation.

Strategy

SDGD Recommendations		SDG Impact Standards for Enterprises
No.	Disclosure Requirement	Practice Indicators
S1	Describe how consideration of sustainable development issues has influenced strategy and its impact on the achievement of the SDGs and should disclose:	1.1.4 / 1.3.1 / 1.3.3
	S1-1. The impact of risks and opportunities on the organisation's business model, strategy and financial planning (where such information is material);	1.1.4.4 / 1.1.5 / 1.2.3 / 2.1.4
	S1-2. The nature and extent of scenario analysis to test the resilience of the organisation's strategy, considering the likelihood and magnitude of material sustainable development risks and opportunities;	1.1.6
	S1-3 Value created for the organisation and its stakeholders through the organisation's approach to sustainable development issues and its impact on achieving the SDGs.	1.1.4.3
S2	Disclose investments in and benefits generated from opportunities arising from sustainable development issues. ²	1.1.4.8

Management approach

SDGD Recommendations		SDG Impact Standards for Enterprises
No.	Disclosure Requirement	Practice Indicators
MA1	Disclose how it has integrated consideration of sustainable development issues and the SDGs into the organisation's processes for:	
	MA1-1. Ensuring stakeholder inclusivity;	1.1.1.1 / 2.1.3 / 2.1.7.3
	MA1-2. Determining relevant and material sustainable development issues;	1.1.1.1 / 2.1.7.4
	MA1-3. Identifying SDGs on which the organisation has the greatest positive and/or negative impact on achievement;	1.1.3 / 2.1.7.4

² Benefits might include revenue streams, market share growth, cost savings, staff and customer satisfaction.

	<p>MA1-4. Assessing, prioritising and managing risks posed by sustainable development issues;</p> <p>MA1-5. Assessing, prioritising and maximising opportunities created by sustainable development issues;</p> <p>MA1-6. Selecting SMART targets;</p> <p>MA1-7. Ensuring that the accounting, finance, strategy and sustainability functions collaborate to develop the organisation’s approach and response to sustainable development issues; and</p> <p>MA1-8. Changing the organisation’s business model to take advantages of opportunities for creating long term value through impacting on the achievement of the SDGs either by increasing positive contribution or decreasing negative contribution.</p>	<p>1.1.5 / 1.1.6 / 2.1.4 / 2.1.7.4</p> <p>1.1.5 / 1.1.6 / 2.1.4 / 2.1.7.4</p> <p>1.2.4 / 1.2.6 / 2.3.1 / 2.3.2</p> <p>1.2.7 / 2.1.4.1</p> <p>1.1.4.7 / 2.1.4</p>
MA2	Describe how a scenario analysis has been undertaken for the SDGs identified through application of the Fundamental Concepts.	1.1.6 / 1.2.9

Performance and targets

SDGD Recommendations		SDG Impact Standards for Enterprises
No.	Disclosure Requirement	Practice Indicators
PT1	Describe the connection between the organisation’s approach to sustainable development and its vision and mission.	1.2.5 / 1.2.7 / 1.3.3
PT2	Describe the organisation’s approach to setting targets including how it is influenced by the organisation’s consideration of the risks, opportunities and scenarios related to sustainable development and the SDGs.	1.1.1.3 / 1.2.1 / 1.2.2 / 1.2.4 / 1.2.6 / 1.2.8 / 1.2.9 / 2.2.3
PT3	Disclose the organisation’s material positive and negative financial and non-financial impacts on the achievement of the SDGs. ³	1.1.2 / 1.1.3

³ The measurement of impacts is developing. Organisations might draw on the following sources: GRI and UN Global Compact (2017) *An Analysis of the Goals and Targets*; the GRI Standards for appropriate metrics; and the Impact Management Project.

PT4	Report performance against short, medium and long term SMART targets.	1.3.2 / 2.1.7.1 / 2.3.3 / 2.3.4
PT5	Describe how the organisation's approach to sustainable development has contributed to value creation (or destruction) for the organisation and its stakeholders.	2.3 / 1.1 / 1.3
PT6	Disclose any material (positive and negative) impact of the organisation's lobbying activities and taxation practices on the achievement of the SDGs.	1.1.2 / 1.1.3 / 1.2.6 / 1.2.7
PT7	Disclose assumptions concerning material sustainable development risks and opportunities in future cash flows, asset valuations, useful lives, contingent liabilities.	1.1.6 / 2.2.7
PT8	Disclose where additional detailed information on the organisation's impacts can be found.	3

References

Adams, C A, (2020) Sustainable Development Goals Disclosure (SDGD) Recommendations: Feedback on the consultation responses, published by ACCA, IIRC, WBA. ISBN-978-1-898291-33-6. Available at <https://www.ifac.org/knowledge-gateway/contributing-global-economy/publications/sustainable-development-goals-disclosure-sdgd-recommendations>

Adams, C A, with Druckman, P B, Picot, R C, (2020) Sustainable Development Goal Disclosure (SDGD) Recommendations, published by ACCA, Chartered Accountants ANZ, ICAS, IFAC, IIRC and WBA. ISBN: 978-1-909883-62-8 EAN: 9781909883628 Available at <https://www.ifac.org/knowledge-gateway/contributing-global-economy/publications/sustainable-development-goals-disclosure-sdgd-recommendations>

sdgimpactstandards@undp.org

[@sdgimpact](https://twitter.com/sdgimpact)

sdgimpact.undp.org

