WHAT IS AN ENTERPRISE'S CONTRIBUTION TO THE SDGs?

IMPACT MANAGEMENT PROJECT

@impmgmt

The daunting task of achieving the UN Sustainable Development Goals has highlighted the need for all of us to work together, across disciplines. This is made much harder if investors, enterprises, social scientists, development experts and the people we are affecting all have different ways of understanding and talking about their impact.

Shared fundamentals for describing impact give us the clarity and credibility to be effective when working in partnership. To understand an enterprise's contribution to the SDGs, we need to understand performance across the five dimensions of impact.

In addition to talking about what SDGs an enterprise is contributing to, we also want to know for whom and how significantly.

WHAT

The Sustainable Development Goals give us a commonly agreed set of 'important positive outcomes' for people and planet.

To complement the SDGs, you may also choose to reference specific outcomes available within the following resources:

- Social Progress Imperative
- Future-Fit Business Benchmark
- MSCI ESG Sustainable Impact Metrics
- Global Value Exchange
- UN IFAD Sustainable Livelihoods Framework
- Big Society Capital's Outcome Matrix
- Cambridge Investment Leaders Group

WHO

Are the people you are affecting underserved in relation to the SDGs?

Enterprises will want to understand **who** is already experiencing these important positive outcomes, and who is still in need of them (or are 'underserved').

Common stakeholder groups include:

- Employees
- Customers
- Local communities
- Suppliers
- The planet

To understand **who** is experiencing **what**, we try to collect geographic and demographic data directly from people affected, or consult relevant experts, such as scientists familiar with the outcomes needed by the planet.

HOW MUCH

Is the effect significant?

Enterprises will also need to understand **how much** of an effect occurs:

- **How deep the effect is,** based on whether the effect is a big or small driver of the outcome
- **How many people the effect occurs for,** based on data about the number of people experiencing the effect
- **How long the effect lasts for,** based on data about the time from beginning of the effect to end of the effect
- **How quickly the effect occurs,** based on data about the time it takes for a business to generate its effect

We cannot say that any one of these individual drivers of significance is necessarily more important than another.

Where possible, we want our contribution to an SDG **to be deep, to occur for many people, to last for a long time and to be quick to occur.**

We have a lot to achieve by 2030, so we consider contribution and risk to compare impact performance:

CONTRIBUTION

How does the effect compare and contribute to what is likely to occur anyway?

Compared to what the market would have done, we assess whether the effect:

- Leads to more or less important positive or negative outcomes (could include making things worse), and/or
- Is more or less significant, and/or
- Occurs for people who are more or less underserved than those currently experiencing it

RISK

Are we effectively managing significant impact risks?

We can also understand and communicate our tolerance for risks that the outcome is different from expectation. Risks may include:

- External factors disrupting delivery of expected impact
- Stakeholders being misunderstood or not taken into account
- Expected impact possibly being achieved with fewer resources or at a lower cost

Find out more at: www.impactmanagementproject.com