Guidelines for contributing to the United Nations Sustainable Development Goals

ISO/UNDP PAS 53002:2024

Please share your feedback about the standard. Scan the QR code with your phone or click the link
Customer Feedback Form

iso.org/SDGguidelines

Publicly Available Specification

ISO/UNDP PAS 53002

First edition
2024-09

Guidelines for contributing to the United Nations Sustainable Development Goals (SDGs)

Lignes directrices pour contribuer aux objectifs de développement durable (ODD) des Nations Unies

© ISO 2024

ISO/UNDP PAS 53002:2024(en)

Contents

Page

ISO/UNDP PAS 53002:2024(en)

Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

The procedures used to develop this document and those intended for its further maintenance are described in the ISO/IEC Directives, Part 1. In particular, the different approval criteria needed for the different types of ISO document should be noted. This document was drafted in accordance with the editorial rules of the ISO/IEC Directives, Part 2 (see www.iso.org/directives).

ISO draws attention to the possibility that the implementation of this document may involve the use of (a) patent(s). ISO takes no position concerning the evidence, validity or applicability of any claimed patent rights in respect thereof. As of the date of publication of this document, ISO had not received notice of (a) patent(s) which may be required to implement this document. However, implementers are cautioned that this may not represent the latest information, which may be obtained from the patent database available at www.iso.org/patents. ISO shall not be held responsible for identifying any or all such patent rights.

Any trade name used in this document is information given for the convenience of users and does not constitute an endorsement.

For an explanation of the voluntary nature of standards, the meaning of ISO specific terms and expressions related to conformity assessment, as well as information about ISO's adherence to the World Trade Organization (WTO) principles in the Technical Barriers to Trade (TBT), see www.iso.org/iso/foreword.html.

This document was prepared by Project Committee ISO/PC 343, *Sustainable development goals management* in collaboration with the United Nations Development Programme (UNDP) and is based on the UNDP's SDG Impact Standards, related guidance documents and relevant ISO standards. This document is aligned to and supports the UNDP SDG Impact Standards for Enterprises.

Any feedback or questions on this document should be directed to the user's national standards body. A complete listing of these bodies can be found at www.iso.org/members.html.

Introduction

0.1 General

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for an equitable future — peace and prosperity for all people and the planet.[22]

At its heart are the 17 United Nations Sustainable Development Goals (SDGs), which are an urgent call for action by all countries — developed and developing — in a global partnership. However, governments alone cannot achieve the SDGs.

Achieving the SDGs requires all countries and sectors (individuals, governments, the public sector, civil society, not-for-profit organizations and the private sector) to work together in new ways, to make the goals a reality. Creativity, knowledge, innovation and financial resources from all of society are needed to develop new solutions, business models, and ways of working and being, which support sustainability, regeneration, inclusion, equality and ultimately, achievement of the SDGs.

As much as the SDGs need the private sector to realize the aspiration of the 2030 Agenda, increasingly the private sector also needs progress to be made on the SDGs in order to survive and to thrive in the future. Organizations depend on the ongoing viability and stability of environmental and social systems, which are increasingly under pressure. This is creating both risks and opportunities for organizations.

Against the backdrop of the COVID-19 pandemic, wars and the increasing effects of climate change, the SDGs are more relevant at the time of publication of this document than when the SDGs were launched in 2015. It is easy to become discouraged by the many setbacks which hinder progress towards achieving the goals. Nevertheless, there have been extraordinary achievements. Between 2015 and 2022, the amount of people with internet access worldwide rose from 3,2 billion to 5,3 billion. Such improvements show how technology and innovation can be effective enablers for sustainable development and achievement of the SDGs. While there is still progress to be made, focus should be placed on what works and where public and private sector decisions can make the most difference. Wise and bold decisions with foresight matter.

This document provides guidance on how an organization can manage and optimize its contribution to the SDGs and how it can embed sustainability into its operations and decision-making processes, thus giving organizations confidence that their contributions are performed in a holistic and systematic way. By actively managing how it contributes to the SDGs, an organization can optimize its impacts on interested parties and related SDG targets by minimizing negative impacts and maximizing positive ones, thereby strengthening organizational resilience and future performance.

This document does not provide requirements for implementing a management system. An organization does not need to have a formal management system in place to use this document. However, organizations with a management system can find it useful to implement these guidelines within such a system. For that reason, this document is broadly aligned to the ISO Harmonized Structure for management system standards.

This document includes guidance on:

— setting ambitious impact objectives and targets, aligned with the relevant SDG targets and indicators where practicable, to optimize impacts on interested parties and contributions to the SDGs;

— engaging with relevant interested parties to identify and prioritize actual and expected impacts, whether beneficial or adverse;

— collecting data on actual and expected impacts;

— generating options that support innovation, and making informed choices between those options;

— making decisions that take into account the risk tolerance and appetite of those experiencing the impacts of the organization's decisions and activities;

— understanding and managing trade-offs to increase impact at a rate commensurate with planetary needs, and to achieve the SDGs and meet the needs and expectations of those experiencing impacts.

This document is intended to help shift an organization from SDG alignment to SDG action: from thinking about the SDGs as a mere "add-on", to placing SDGs at the core of business operations.

This document can assist organizations to better align business purpose, strategy and results with societal needs, and to shift expectations. It can help organizations to be more accountable for their impacts on people and the planet, while also strengthening business performance. It encourages organizations to explore different business models and new ways of working that accelerate innovation (e.g. by driving the development of new products, services and solutions that can lead to new customers and market opportunities) and allocate resources more effectively. Implementing the recommendations in this document can enable organizations to anticipate risks and opportunities related to sustainable development earlier and manage them better. This document can also help organizations to communicate more effectively with governments, regulators, NGOs, partners, investors and other interested parties, including those impacted most by the organization's decisions and activities. It can also help organizations to meet the requirements and expectations of these aforementioned parties, in terms of the growing and various needs for disclosure, reporting and audit.

0.2 Sustainable Development Goals

The SDGs comprise 17 integrated and indivisible goals grounded in human rights, set across five dimensions (people, prosperity, planet, partnership and peace) and backed by 169 targets.[22] The central vision of the SDGs is to "leave no one behind". The SDGs recognize that action in one area will impact others, and that development must balance social, economic and environmental sustainability. Ending poverty must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all the while tackling climate change and working to preserve life on land and under water.

The SDGs are:

1. End poverty in all its forms everywhere.

2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

3. Ensure healthy lives and promote well-being for all at all ages.

4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

5. Achieve gender equality and empower all women and girls.

6. Ensure availability and sustainable management of water and sanitation for all.

7. Ensure access to affordable, reliable, sustainable and modern energy for all.

8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

10. Reduce inequality within and among countries.

11. Make cities and human settlements inclusive, safe, resilient and sustainable.

12. Ensure sustainable consumption and production patterns.

13. Take urgent action to combat climate change and its impacts.

14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

The 169 targets associated with the SDGs represent the minimum sustainable development thresholds that all United Nations Member States have agreed upon to ensure a more sustainable and inclusive future for all. In effect, failing to achieve the SDGs is a major systemic risk for the world, as it jeopardizes the social and ecological systems which are relied upon to live, work, produce, consume and invest.

Significant investment and activity should be specifically redirected towards achieving the SDGs and new solutions at the scale where they are needed most. At the same time, a more holistic approach should be taken and the economic and political system should be transformed, creating a more sustainable and regenerative growth model, where no one is left behind.

This document has been developed in collaboration with the United Nations Development Programme (UNDP) and is based on the UNDP's SDG Impact Standards,[20] related guidance documents and relevant ISO standards. Together these documents provide organizations with a common approach to fully integrate sustainable development and the SDGs into all business and investment decision-making processes and serve a basis for providing assurance to key interested parties.

This document is founded on the concept of Plan-Do-Check-Act (PDCA). The PDCA concept is an iterative process used by organizations to achieve continual improvement. It can be applied to an organization to support development of a mindset of continual improvement and to each of its individual elements, as follows:

a) Plan: determine and assess risks and opportunities, establish SDG objectives and processes necessary to deliver results in accordance with the organization's SDG policy and ambition;

b) Do: implement the processes as planned;

c) Check: monitor and measure activities and processes with regard to the SDG policy and SDG objectives, and report the results;

d) Act: take actions to continually improve performance to achieve the intended results.

Guidelines for contributing to the United Nations Sustainable Development Goals (SDGs)

1   Scope

This document provides guidance for an organization to manage and optimize its contributions to achieving the United Nations Sustainable Development Goals (SDGs), and to:

— identify, prioritize and manage its impacts on interested parties;

— embed sustainable development into its strategy, operations and decision-making, in all its activities, in a systematic and holistic way;

— enhance and demonstrate its work and performance towards achievement of the SDGs, notably by maximizing its beneficial impacts and minimizing adverse impacts on interested parties, especially under-recognized and vulnerable groups.

NOTE 1   This document supports the current SDGs and any subsequent Global Goals that supersede the 2030 SDGs.

NOTE 2   This document is aligned to and supports the UNDP SDG Impact Standards for Enterprises.[21]

2   Normative references

There are no normative references in this document.

3   Terms and definitions

For the purposes of this document, the following terms and definitions apply.

ISO and IEC maintain terminology databases for use in standardization at the following addresses:

— ISO Online browsing platform: available at https://www.iso.org/obp

— IEC Electropedia: available at https://www.electropedia.org/

3.1
organization
person or group of people that has its own functions with responsibilities, authorities and relationships to achieve its *objectives* (3.6)

Note 1 to entry: The concept of organization includes, but is not limited to, sole-trader, company, corporation, firm, enterprise, authority, partnership, charity or institution, or part or combination thereof, whether incorporated or not, public or private.

Note 2 to entry: If the organization is part of a larger entity, the term "organization" refers only to the part of the larger entity that is within the scope of the *management system* (3.4).

3.2
interested party
person or *organization* (3.1) that can affect, be affected by, or perceive itself to be affected by a decision or activity

Note 1 to entry: In this document, the concept of interested party (also known as "stakeholder") includes the planet, society, the environment, ecosystems and future generations. An interested party unable to advocate on its own behalf can be represented by an organization or other interested party.

Note 2 to entry: In this document, relevant interested parties include groups that are likely to experience impacts as a result of the organization's operations and groups that are likely to affect the organization's *performance* (3.11). Interested parties also encompass those who contribute to the generation of impacts.

Note 3 to entry: In this document, some interested parties both experience and contribute to impacts.

3.3
top management
person or group of people who directs and controls an *organization* (3.1) at the highest level

Note 1 to entry: Top management has the power to delegate authority and provide resources within the organization.

Note 2 to entry: If the scope of the *management system* (3.4) covers only part of an organization, then top management refers to those who direct and control that part of the organization.

Note 3 to entry: The term "top management" includes, but is not limited to, governing body, governing group, board of directors, sole director and trustees.

3.4
management system
set of interrelated or interacting elements of an *organization* (3.1) to establish *policies* (3.5) and *objectives* (3.6), as well as *processes* (3.8) to achieve those objectives

Note 1 to entry: A management system can address a single discipline or several disciplines.

Note 2 to entry: The management system elements include the organization's structure, roles and responsibilities, planning and operation.

3.5
policy
intentions and direction of an *organization* (3.1) as formally expressed by its *top management* (3.3)

3.6
objective
result to be achieved

Note 1 to entry: An objective can be strategic, tactical or operational.

Note 2 to entry: Objectives can relate to different disciplines (such as finance, health and safety, and environment). They can be, for example, organization-wide or specific to a project, product or *process* (3.8).

Note 3 to entry: An objective can be expressed in other ways, for example, as an intended result, as a *purpose* (3.41), as an operational criterion, as an SDG objective or by the use of other words with similar meaning (e.g. aim, goal, or target).

Note 4 to entry: In the context of *management systems* (3.4), objectives are set by the *organization* (3.1), in accordance with the *policy* (3.5), to achieve specific results.

3.7
risk
effect of uncertainty

Note 1 to entry: An effect is a deviation from the expected — positive or negative.

Note 2 to entry: Uncertainty is the state, even partial, of deficiency of information related to understanding or knowledge of an event, its consequence, or likelihood.

Note 3 to entry: Risk is often characterized by reference to potential events (as defined in ISO Guide 73) and consequences (as defined in ISO Guide 73), or a combination of these.

Note 4 to entry: Risk is often expressed in terms of a combination of the consequences of an event (including changes in circumstances) and the associated likelihood (as defined in ISO Guide 73) of occurrence.

3.8
process
set of interrelated or interacting activities that uses or transforms *inputs* (3.23) to deliver a result

Note 1 to entry: Whether the result of a process is called an output, a product or a service depends on the context of the reference.

3.9
competence
ability to apply knowledge and skills to achieve intended results

3.10
documented information
information required to be controlled and maintained by an *organization* (3.1) and the medium on which it is contained

Note 1 to entry: Documented information can be in any format and media and from any source.

Note 2 to entry: Documented information can refer to:

— the *management system* (3.4) including related *processes* (3.8);

— information created in order for the organization to operate (documentation);

— evidence of results achieved (records).

3.11
performance
measurable result

Note 1 to entry: Performance can relate either to quantitative or qualitative findings.

Note 2 to entry: Performance can relate to managing activities, *processes* (3.8), products, services, systems or *organizations* (3.1).

3.12
continual improvement
recurring activity to enhance *performance* (3.11)

3.13
effectiveness
extent to which planned activities are realized and planned results are achieved

3.14
requirement
need or expectation that is stated, generally implied or obligatory

Note 1 to entry: "Generally implied" means that it is custom or common practice for the *organization* (3.1) and *interested parties* (3.2) that the need or expectation under consideration is implied.

Note 2 to entry: A specified requirement is one that is stated, e.g. in *documented information* (3.10).

3.15
nonconformity
non-fulfilment of a *requirement* (3.14)

3.16
corrective action
action to eliminate the cause(s) of *nonconformity* (3.15) and to prevent recurrence

3.17
audit
systematic and independent *process* ([3.8](#)) for obtaining evidence and evaluating it objectively to determine the extent to which the audit criteria are fulfilled

Note 1 to entry: The term "audit" can refer to an internal audit (first party), an external audit (second party or third party) or a combined audit (combining two or more disciplines).

Note 2 to entry: An internal audit is conducted by the *organization* ([3.1](#)) itself, or by an external party on its behalf.

Note 3 to entry: "Audit evidence" and "audit criteria" are defined in ISO 19011.

3.18
measurement
process ([3.8](#)) to determine a *value* ([3.32](#))

3.19
monitoring
determining the status of a system, a *process* ([3.8](#)) or an activity

Note 1 to entry: To determine the status, there can be a need to check, supervise or critically observe.

3.20
verification
confirmation, through the provision of objective evidence, that specified *requirements* ([3.14](#)) have been fulfilled

Note 1 to entry: Distinctions are made in this document between the terms *validation* ([3.40](#)), *monitoring* ([3.19](#)) and verification:

— validation is applied prior to an activity and provides information about the capability to deliver intended results;

— monitoring is applied during an activity and provides information for action within a specified time frame;

— verification is applied after an activity and provides information for confirmation of conformity.

[SOURCE: ISO 22000:2018, 3.45]

3.21
participation
involvement in decision-making

[SOURCE: ISO 45001:2018, 3.4, modified — Note 1 to entry has been deleted.]

3.22
consultation
seeking views before making a decision

[SOURCE: ISO 45001:2018, 3.5, modified — Note 1 to entry has been deleted.]

3.23
input
that which is transformed by an activity into output

[SOURCE: ISO 20534:2018, 3.26]

3.24
impact
beneficial or adverse change in *well-being* ([3.38](#)) as a result of acting on a decision

Note 1 to entry: The change is beneficial or adverse depending on its relation to an acceptable *threshold* ([3.36](#)).

Note 2 to entry: A positive change is not any change in the right direction: it is change above an acceptable minimum threshold set by a combination of science, *interested party* ([3.2](#)) expectations and social norms.

3.25
indicator
quantitative, qualitative or descriptive measure

[SOURCE: ISO 15392:2019, 3.18]

3.26
accountability
state of being answerable for decisions and activities to the *interested parties* (3.2) of an *organization* (3.1)

Note 1 to entry: Accountability includes the duty to inform and to explain the manner in which the responsibility was fulfilled to relevant interested parties.

Note 2 to entry: The non-fulfilment of a responsibility has consequences that can be enforced on the accountable party by a relevant interested party.

[SOURCE: ISO 37100:2016, 3.1.5, modified — Notes 1 and 2 to entry have been added.]

3.27
baseline
indication of status before an *organization's* (3.1) action or decision against which progress can be assessed or compared

[SOURCE: UNDP SDG Impact Standards, Glossary,[36] modified — in the definition, "situation" has been deleted; "entity" has been replaced by "organization".]

3.28
sustainable development
development that meets the environmental, social and economic needs of the present without compromising the ability of future generations to meet their own needs

[SOURCE: ISO Guide 82:2019, 3.2, modified — Note 1 to entry has been deleted.]

3.29
counterfactual
estimate of what would happen if an *organization* (3.1) does not take action

3.30
risk appetite
amount and type of *risk* (3.7) that an *organization* (3.1) or its *interested parties* (3.2) is willing to pursue or retain

[SOURCE: ISO 31073:2022, 3.3.27, modified — in the definition, "or its interested parties" has been added.]

3.31
risk tolerance
organization's (3.1) or *interested party's* (3.2) readiness to bear the *risk* (3.7)

[SOURCE: ISO 22300:2021, 3.1.231, modified — "after risk treatment in order to achieve its objectives" has been deleted from the definition and Note 1 to entry has been deleted.]

3.32
value
measurement (3.18) of the relative importance of an *impact* (3.24)

3.33
trade-off
decision-making actions that select from various *requirements* (3.14) or options on the basis of the net benefit to *interested parties* (3.2)

[SOURCE: ISO 14006:2020, 3.4.11, modified — in the definition, "and alternative solutions" has been replaced by "or options".]

3.34
planetary boundaries
environmental limits within which humanity can safely operate

[SOURCE: UNDP SDG Impact Standards, Glossary[36]]

3.35
proxy data
data used to approximate the *measurement* ([3.18](#)) of *impact* ([3.24](#)) when primary impact data are unavailable or insufficient

3.36
threshold
level at which a decision boundary exists

Note 1 to entry: A threshold refers to a numerically defined level at which an *impact* ([3.24](#)) is deemed to be beneficial or adverse.

3.37
value chain
all upstream and downstream activities associated with the operations of the *organization* ([3.1](#))

Note 1 to entry: The value chain includes other organizations (e.g. suppliers, retailers, service providers) as well as end-users of products and services such as customers or the public.

[SOURCE: IWA 42:2022, 3.4.3, modified — Note 1 to entry has been deleted.]

3.38
well-being
fulfilment of physical, mental and cognitive needs and expectations

Note 1 to entry: Well-being relates to all aspects of life.

Note 2 to entry: Well-being exists at the individual, household, country and global level and can be applied to people and nature, and to individuals and systems.

Note 3 to entry: *Sustainable development* ([3.28](#)) underpins the achievement of well-being at a point in time and for present and future generations.

[SOURCE: ISO/PAS 45005:2020, 3.10, modified — in the definition "of a worker related to their work" has been deleted; Notes to entry have been deleted.]

3.39
worker
person performing work or work-related activities that are under the control of the *organization* ([3.1](#))

Note 1 to entry: Persons perform work or work-related activities under various arrangements, paid or unpaid, such as regularly or temporarily, intermittently or seasonally, casually or on a part-time basis.

Note 2 to entry: Workers include *top management* ([3.3](#)), managerial and non-managerial persons.

Note 3 to entry: The work or work-related activities performed under the control of the organization may be performed by workers employed by the organization, workers of external providers, contractors, individuals, agency workers, and by other persons to the extent the organization shares control over their work or work-related activities, according to the context of the organization.

[SOURCE: ISO 45001:2018, 3.3]

3.40
validation
confirmation of a claim, through the provision of objective evidence, that the *requirements* ([3.14](#)) for a specific intended future use or application have been fulfilled

Note 1 to entry: Objective evidence can come from real or simulated sources.

Note 2 to entry: Validation is considered to be a *process* ([3.8](#)) to evaluate the reasonableness of the assumptions, limitations and methods that support a claim about the outcome of future activities.

Note 3 to entry: Validation is applied to claims regarding an intended future use based on project information (confirmation of plausibility).

[SOURCE: ISO 9000:2015, 3.8.13, modified — the words "of a claim" and "future" have been added to the definition; Notes to entry have been deleted.]

3.41
purpose
organization's ([3.1](#)) meaningful reason to exist

Note 1 to entry: The organizational purpose is the ultimate *value* ([3.32](#)) the organization intends to generate for specified *interested parties* ([3.2](#)).

Note 2 to entry: The organizational purpose guides the *performance* ([3.11](#)) *objectives* ([3.6](#)) and provides clear context for daily decision-making by relevant interested parties.

[SOURCE: ISO 37000:2021, 3.2.10, modified — "organizational" has been deleted from the term, and "stakeholders" has been replaced with "interested parties" in the Notes to entry.]

4 Understanding external and internal issues and the overall context of the organization

4.1 General

The organization should determine external and internal issues that can affect its ability to optimize its contributions to the SDGs. External and internal issues can involve sustainability conditions affected by or capable of affecting the organization, including in direct operations and throughout its value chain(s) and business relationships.

The organization should ensure that the needs and expectations of relevant interested parties (see [Clause 5](#)) are taken into account in determining relevant issues and the relative importance of those issues to the interested parties. The organization should take into consideration available evidence and relevant scientific data from reliable sources (e.g. government, scientific community and civil society organizations).

The organization should be aware that both external and internal issues and the needs and expectations of interested parties can change and should be reviewed regularly.

The organization should maintain documented information of its external and internal issues, and its assessment of how these issues affect the organization and interested parties.

4.2 External issues

External issues can include:

a) relevant global, national, regional and local sustainable development performance, trends, priorities and strategies, including taking into account indigenous and local knowledge;

b) sustainable development performance, trends, priorities and strategies within the sector(s) in which the organization operates;

c) needs and expectations of relevant interested parties, including interested parties that are unable to advocate on their own behalf but are impacted by the organization's operations, directly or indirectly (see [5.2](#));

d) cultural, demographic, ethical, political, legal, regulatory, financial, technological, natural and competitive factors, at global, national, regional or local levels;

e) best practice frameworks.

4.3 Internal issues

Internal issues can include:

a) organizational identity (including its mission, vision, values, culture and adaptability);

b) governance and structure;

c) organizational policies;

d) resources, including level of competence, availability of people, finance;

e) the size and maturity of the organization;

f) the sector(s) and location(s) in which the organization operates;

g) the organization's value chain(s) and business relationships;

h) products and services provided by the organization;

i) the organization's facilities and equipment;

j) legal requirements and other requirements;

k) the organization's past and current sustainability performance;

l) the organization's business model(s);

m) management systems (e.g. quality, environmental, risk, innovation) implemented by the organization.

5 Interested parties

5.1 General

The organization should determine:

— the interested parties relevant to optimizing its contributions to the SDGs;

— the relevant requirements of these interested parties and their needs and expectations;

— which of these requirements will be addressed and how they will be managed.

The organization should establish, implement and maintain a process to identify and engage with relevant interested parties to understand:

a) the actual and expected impacts (beneficial and adverse) of the organization's activities on them;

b) the relative significance of different impacts and sustainable development issues to them;

c) their needs and expectations;

d) how they will be affected if expected impacts are not achieved;

e) their tolerance for unexpected impacts.

The organization should always consider the specific needs of all genders and under-recognized and vulnerable people and communities (see Note 2).

The organization should consider whether pre-determined lists, such as the lists in 5.2 and 5.3, are the best way to group relevant interested parties, or if these lead to limitations and oversights. In the latter case, the organization should determine an alternative way to control these pre-determined lists.

The organization should adopt a risk-based approach to determining the frequency and extent of interested party identification and engagement (including consultation and participation) processes, allowing for

changes in the external and internal contexts and in the characteristics of different groups or sub-groups of interested parties (e.g. taking into consideration the impact on interested parties of unexpected impacts or poor decision-making).

Where it is appropriate and relevant to the context of the organization, the organization can supplement direct engagement with interested parties with evidence-based proxy data and information from reputable civil society agencies. However, this should not diminish interested parties' rights to be engaged and participate in decisions that impact them.

The organization should differentiate between the interested parties that experience impacts and the interested parties that contribute to those impacts.

Based on these analyses and determinations, top management should decide which impacts to address, and how such impacts, as well as risks and opportunities, should be addressed and managed. Top management should ensure the establishment, implementation and improvement of processes and approaches necessary for optimizing the organization's contribution to the SDGs.

The organization should retain and maintain documented information relating to interested parties, including how they experience the organization's impacts, their needs and expectations, and other relevant information for ongoing engagement and management purposes.

NOTE 1   Questions that can help organizations identify relevant interested parties include but are not limited to:

— who is directly or indirectly impacted by the organization's decisions, activities, products and services?

— who has a strong interest in, or dependence on, the sustainability performance of the organization?

— who are the organization's current, potential and future customers, including those currently under-served or excluded, and those whose choices are more likely to be influenced by sustainability considerations?

— who are the organization's workers?

— who are the organization's current and potential suppliers and business partners, and what are their sustainability practices and priorities?

— who are the organization's current and potential owners/shareholders and financiers, and what are their needs and expectations?

— which governmental agencies, regulators and policymakers are relevant in the location(s) and sector(s) in which the organization operates?

— which non-governmental and civil society organizations are active in the location(s) in which the organization operates?

— which trade and professional associations can connect the organization to interested party networks?

NOTE 2   Under-recognized and vulnerable groups are typically communities or certain parts of populations that have been systematically disadvantaged or discriminated against based on factors such as race, ethnicity, gender sexual orientation, disability, socioeconomic status, or other characteristics. They are often the most directly impacted by societal issues related to discrimination and inequality. Under-recognized interested parties represent those who are directly affected by social injustices and systemic inequalities. Inclusive and equitable efforts involve listening to their voices, acknowledging their experiences, and working collaboratively to address the issues that disproportionately impact them. The lack of recognition can result from historical marginalization or systemic biases. Under-recognized and vulnerable people and communities include:

— women and girls;

— people living with disability;

— children;

— indigenous peoples;

— migrants, migrant workers and their families;

— people discriminated against on the basis of descent (including caste) or race;

— other vulnerable groups (e.g. elderly, displaced, poor, or illiterate people; minority or religious groups).

5.2 Interested parties that experience impacts

Interested parties that currently experience, or will potentially experience in the future, the impacts of the organization's activities include:

a) the environment, including ecosystems and biodiversity;

b) workers;

c) neighbours, local and wider communities, including throughout the value chain;

d) people from under-recognized and vulnerable groups (see 5.1, Note 2);

e) future generations;

f) customers and any other users or consumers of the organization's products or services;

g) society;

h) suppliers and providers;

i) owners, members, lenders and investors.

5.3 Interested parties that contribute to impacts

Interested parties that currently contribute to impacts, or will potentially contribute in future, include:

a) governments;

b) non-governmental organizations, civil society organizations and philanthropic organizations;

c) regulators;

d) trade and professional associations;

e) business and industry;

f) suppliers and distributors;

g) owners, members, lenders and investors;

h) parent or subsidiary organizations;

i) peers and competitors;

j) academia and researchers;

k) interested parties that experience impacts (see 5.2).

6 Integration

6.1 General

When determining how to optimize its contribution to the SDGs, the organization should include all activities, products and services within its control or influence that can impact sustainable development, including throughout its value chain(s) and business relationships.

The organization should consider if and how documentation and communication of what is within its control can increase transparency and confidence.

The organization should keep documented information on how it plans to contribute to the SDGs. This documented information should be a factual and representative statement of the organization's business processes and operations included in its SDG activities and should not mislead interested parties (e.g. by omitting less sustainable business units or activities in the SDG objectives).

If the organization cannot conform to a given recommendation in this document, it should make available documented information justifying why the recommendation is not applicable.

6.2 Integration of SDG activities into core business

The organization should consider how it will integrate its activities into its overarching business management system, so as to optimize its contributions to the SDGs.

The organization should also integrate its SDG activities into any topic-specific management systems that it implements (e.g. quality, environmental, risk, innovation).

7 Leadership and commitment

7.1 General

Top management should demonstrate leadership, accountability (see 7.2, Note 5) and commitment with respect to contributing to the SDGs by:

— ensuring that an SDG policy and objectives for optimizing the organization's contribution to the SDGs are established and compatible with the purpose and the strategic direction of the organization;

— ensuring that the resources needed are available and appropriately allocated;

— communicating the importance of effective sustainable development management;

— directing and supporting people working on the organization's behalf to contribute to the effectiveness of relevant activities;

— promoting continual improvement;

— supporting relevant roles to demonstrate leadership in relation to sustainable development as it applies to their areas of responsibility.

Top management should ensure that:

a) it optimizes its impacts on relevant interested parties and related SDG targets by minimizing adverse impacts and maximizing beneficial impacts on interested parties;

b) related SDG targets underpin its organizational purpose, strategy and SDG objectives;

c) objectives, targets and what gets rewarded (financial and non-financial incentives) are consistent with the organization's purpose and strategy, and are designed and implemented in a way that promotes the desired behaviours and results, thus minimizing the potential for unintended consequences;

d) diversity of thought and proactive challenging of the status quo in decision-making is sought out, valued, and celebrated in an open, curious and inclusive culture (acknowledging there are cultural variations in how this is achieved) to contribute to breakthrough thinking and decision-making;

e) decent work for all its workers is provided, and meaningful participation among workers at all levels throughout the organization is encouraged;

f) gender equality (for women, men, gender-diverse and trans people) and women's empowerment in the workplace, marketplace and community is respected and promoted, including through equal pay for work of equal value, gender-responsive value chain practices, and zero tolerance of sexual harassment in the workplace;

g) fair opportunities for under-recognized groups (including women and racial and ethnic groups) to occupy decision-making positions are promoted (see 5.1, Note 2);

h) the organization acts in the best interests of relevant interested parties and safeguards the rights of under-recognized and vulnerable groups (see 5.1, Note 2);

i) a culture of continual improvement and evidence-based learning can be demonstrated by how the organization uses and shares impact data and how it responds when impacts are different from what is expected;

j) people at all levels within the organization are held accountable for their decisions and actions.

Top management should ensure it is competent (see 11.2) to lead credibly on these matters and should implement processes to assist this. These processes can include:

— incorporating required competences in role requirements or skills matrices for members of top management;

— nominating a member of top management to champion the SDGs and supporting that person with adequate training;

— creating an independent advisory group to top management, composed of suitably qualified, experienced and diverse individuals (e.g. including representation by women and girls and other under-recognized interested parties), if appropriate to the size of the organization.

Top management should take into account that the existing mission, vision, values and culture of the organization have a significant effect on the ease and pace with which activities to optimize contributions to the SDGs can be fully integrated. Top management should ensure that the benefits of achieving the SDG objectives are widely communicated and manage potential adverse impacts on workers to avoid resistance to change.

Top management should visibly demonstrate leadership and endorse its commitment to responsible business principles, SDG policy and SDG objectives, internally and externally, for example through newsletters, speeches, social media, websites and advocacy, and ensuring alignment between stated policies and behaviours.

NOTE 1   References to "business" in this document can be interpreted broadly to mean those activities that are core to the purposes of the organization, including but not limited to its strategy, management, disclosure and governance practices.

NOTE 2   Operating responsibly to avoid or significantly reduce potential adverse impacts on interested parties is the basis for contributing toward the achievement of the SDGs. See 7.2, Note 1 for information and key principle frameworks for implementing responsible business principles.

NOTE 3   Further information on mission, vision, values and culture is provided in ISO 9004.

7.2   Principles for responsible business

Top management should ensure that the organization's activities to optimize contributions to the SDGs are grounded in responsible business principles, including:

a) accountability: being answerable to interested parties and taking full responsibility for its impacts on them, as well as and its alignment with and contribution towards the achievement of the SDGs. This includes:

— being accountable for impacts which are fully or partially caused by the organization's operations, including throughout its value chain(s) and business relationships, especially for significant adverse impacts;

— planning how to compensate affected interested parties for adverse impacts; and

— taking actions to prevent repetition of unintended and unforeseen adverse impacts;

b) transparency: making readily available and accessible, in a timely way, relevant information on the organization's decisions, activities and results relating to the SDGs. Documented information is accurate, complete (including all material beneficial and adverse impacts) and does not overstate contributions. The principle of transparency does not require that proprietary information be made public, nor does it involve providing information that is privileged or that would breach legal, commercial, security or personal privacy obligations;

c) ethical behaviour: behaving ethically, based on the values of honesty, equity, fairness and integrity, making its core values and principles publicly available, and including compensation for adverse impacts which are fully or partially caused by the organization. This includes working against corruption in all its forms, including extortion and bribery. This also includes ensuring alignment between stated values and commitments, the organization's lobbying and engagement activities with regulators and policy makers, and taxation practices, including the use of tax-minimization structures that reduce tax revenue in the country in which the activities are taking place [e.g. using double taxation agreements or structures that utilize low tax jurisdictions or tax havens; not complying with the OECD base erosion and profit shifting (BEPS) requirements and principles];

d) respect for interested parties' needs and expectations: engaging with relevant interested parties to understand their perspectives, needs and expectations and taking these into consideration in a meaningful way in organizational decision-making (see Clause 5);

e) respect for international norms of behaviour, especially in situations where local implementation or requirements either do not provide for adequate social or environmental safeguards, or provide less protection for interested parties than international norms of behaviour;

f) respect for human rights: respecting and promoting the protection of internationally proclaimed human rights, and ensuring the organization is not complicit in human rights abuses, including by:

— avoiding causing harm (the "do no harm" principle) through its activities;

— addressing such impacts when they occur, including providing appropriate complaints and grievance mechanisms, and safeguarding for whistleblowers;

— seeking to prevent or mitigate adverse human rights impacts linked to its operations.

g) leave no one behind: respecting and promoting the central transformative promise of the 2030 Agenda for Sustainable Development[22] and the SDGs to "leave no one behind", for instance by:

— creating more inclusive business models;

— disaggregating data to identify who is being excluded or discriminated against, and how and why;

— identifying unjust, avoidable or extreme inequalities in impact and opportunities, and patterns of discrimination in law, policies and practices;

— addressing patterns of exclusion, structural constraints and unequal power relations that produce and reproduce inequalities over generations;

— engaging with under-recognized interested party groups to understand their perspectives and what matters most to them;

— reducing inequality in all its decisions and activities;

— in line with the Women's Empowerment Principles,[25] respecting and promoting gender equality and women's empowerment in the workplace, marketplace and community, including through equal pay for work of equal value, gender-responsive value chain practices, and zero tolerance against sexual harassment in the workplace.

NOTE 1   The principles for responsible business are based on the social responsibility principles provided in ISO 26000 and the three universal values of the United Nations 2030 Agenda for Sustainable Development (human rights-based approach; leave no one behind; gender equality and women's empowerment). More information on implementing responsible business principles can be found in:

— ISO 26000, Guidance on social responsibility;

— International Bill of Human Rights;[23]

— Guiding Principles on Business and Human Rights;[29]

— ILO Declaration on Fundamental Principles and Rights at Work;[30]

— Ten Principles of the United Nations Global Compact;[24]

— Women's Empowerment Principles;[25]

— UNICEF Convention on the Rights of the Child;[31]

— Convention on the Rights of Persons with Disabilities;[32]

— OECD Guidelines for Multinational Enterprises on Responsible Business Conduct;[33]

— ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration);[34]

— Recommendations of the United Nations High-Level Expert Group on Net Zero Commitments of Non-State Entities;[26]

— IWA 42, Net zero guidelines.

NOTE 2   According to the ILO Declaration on Fundamental Principles and Rights at Work,[30] "decent work" is work that provides dignity, equality, a fair income and safe working conditions. It puts people at the centre of development, gives people a voice in what they do, and the right to protection from exploitation.

NOTE 3   The United Nations approach to "leaving no one behind"[35] not only entails reaching the poorest of the poor, but also seeks to combat discrimination and rising inequalities within and amongst countries, and their root causes. Leaving no one behind means moving beyond assessing average and aggregate progress, towards ensuring progress for all population groups at a disaggregated level.

NOTE 4   The creation of more inclusive business models that engage under-recognized, under-served or excluded groups can enable better sustainable development performance. It can also reduce sustainability risks to the business and create business opportunities to meet the needs of previously underserved groups.

NOTE 5   Accountability cannot be delegated.

7.3   Innovation

Top management should support a culture that promotes innovations in business models, products and services, and in organizational structures and processes, to improve sustainable development performance, reduce adverse impacts, and increase beneficial impacts. Innovations can include:

a) new solutions and technologies: for example, renewable energy technologies such as wind turbines, solar panels, sustainable agricultural practices and telehealth services;

b) efficiency gains and resource optimization: for example, reducing waste, water management technologies and circular economy practices;

c) partnerships and collaborations: for example, public-private partnerships, cross sector alliances and academia-industry collaborations that can spur innovation and ideas to accelerate progress towards the SDGs;

d) inclusive and participatory approaches: engaging with interested parties and considering their needs and perspectives in decision-making (see 7.4), with a focus on under-recognized and vulnerable groups (see 5.1, Note 2);

e) new financial models and mechanisms: for example, blended finance instruments, SDG-linked bonds, debt-for-nature swaps and income-linked instruments;

f) data and analytics: innovations in data collection, analysis and dissemination, for example, big data, artificial intelligence, Internet of Things and satellite technology to measure and monitor impacts, identify trends and allocate resources more effectively;

g) communication strategies: for example, digital platforms and social media that can amplify messages;

h) resilience and adaptation innovations: for example, to increase the resilience of communities and ecosystems, and to respond more effectively to impacts of climate change and natural disasters;

i) capacity building and education methods that increase learning effectiveness and knowledge transfer and accessibility;

j) policy frameworks, regulations, standardization and governance mechanisms that create an enabling environment for sustainable development, for example, through enhancing decision-making efficiency and effectiveness, transparency and accountability.

NOTE 1   Further information on innovation management systems is provided in ISO 56002.

NOTE 2   The data collected on impacts and its use in making comparisons is a primary source of insights for innovation.

7.4   Interested party engagement

7.4.1   General

The organization should engage with interested parties to understand and take into account their perspectives, needs and expectations in decision-making. The organization should provide interested parties with timely access to clear, understandable and relevant information about its SDG policy and objectives to enable them to participate fully in the organization's engagement processes (see 7.4).

The organization should take into account that under-recognized and vulnerable interested parties can be unaware of the adverse impacts that the organization's decisions and activities can have on their or others' access to basic rights and services (e.g. the impact on inequality as opposed to poverty). This should not impede informing and engaging with relevant interested parties.

NOTE 1   Decisions will be more robust if the perspectives and input from interested parties experiencing the impacts of the organization's decisions and activities are incorporated into business decision-making.

NOTE 2   Assessing the insights gained from engagement with different groups and sub-groups of interested parties separately is important to ensure that the core objective of the SDGs, to "leave no one behind", is met (e.g. benefits to one group of interested parties are not intended to be at the expense of other interested parties currently experiencing adverse impacts).

NOTE 3   The initial assessment process is likely to be more demanding and time-consuming than in subsequent measurement cycles.

NOTE 4   The Social Value International Principles and Standards[27] provide information on:

—   how to identify and involve interested parties in decision-making;

—   how to prioritize issues.

7.4.2   Processes for consultation and participation

The organization should establish, implement and maintain a process (or processes) for consultation and participation of interested parties in the development, planning, implementation, performance evaluation and actions for improving its contributions to the SDGs. For example, processes can be implemented to:

a) determine appropriate, inclusive and accessible mechanisms for consultation and participation;

b) determine the needs and expectations of relevant interested parties, including the relative importance of different impacts and acceptable thresholds;

c)   establish the SDG management policy;

d)   determine how to fulfil legal requirements and other requirements;

e)   establish SDG objectives and how to achieve them;

f)   assess impacts, risks and opportunities;

g)   assess the organization's and interested parties' risk appetites and tolerances for unexpected impacts;

h)   determine actions to reduce risks;

i)   determine competence requirements, training needs, training evaluations;

j)   determine what should be communicated and how this will be done;

k)   determine control measures and their effective implementation and use;

l)   determine applicable controls for outsourcing, procurement and contractors;

m)   ensure participation in the design process for products and services, if appropriate;

n)   determine what should be monitored, measured and evaluated for participating in designing, collecting and drawing insights from data, at a reasonable level (without becoming overly burdensome or intrusive);

o)   ensure continual improvement;

p)   investigate incidents and nonconformities, and determine corrective actions.

The organization should establish consultation and participation processes that effectively minimize the likelihood of significant impacts remaining inadequately defined. This includes ensuring that:

—   consultation and participation processes are appropriate, inclusive and accessible for the diversity of relevant interested parties, and interested parties are confident and secure about sharing their perspectives;

—   the approach to identifying current and potential impacts is open and results are available as documented information;

—   data from interested parties is collected and aggregated in a holistic and systematic way that ensures the needs and expectations of interested parties with different characteristics (e.g. based on gender, race, income and broader demographics) are not diminished or lost in averages of the larger group;

—   information received is interpreted objectively and any risk of bias from the person(s) conducting the engagement activities is recognized and minimized (e.g. there is a risk of explaining away or not recording adverse impacts, or differences in views between interested parties and those conducting the engagement activities);

—   the risk of unintended consequences of the approach has been taken into consideration.

If appropriate, the organization should verify information it receives from interested parties (e.g. by collecting and analysing various perspectives from different interested parties as well as through third-party research or evidence, for instance by using data triangulation techniques). The organization should assess and mitigate the risks associated with using information received from different groups of interested parties, taking into account, for example, reliability, bias, vested interest, power and relevance to context.

The organization should provide the mechanisms, time, training, local leadership and resources necessary for the consultation and participation of relevant interested parties. The organization should determine and remove obstacles or barriers to participation and minimize those that cannot be removed.

The organization should adopt a risk-based approach to determining the frequency and extent of consultation and participation by various interested parties, allowing for changes in the sustainable development context and in the characteristics of different groups of interested parties.

The organization should make available as documented information its interactions with interested parties to keep ongoing engagement activities up to date and for management purposes.

7.4.3 Collaboration and partnerships

The organization should take into account that sustainable development and achieving the SDGs is a shared responsibility and requires collaboration, partnerships and reciprocity with relevant interested parties.

Top management should demonstrate commitment to collaboration and partnerships by taking actions such as:

a) engaging with government bodies to assess how best the organization can support the SDGs in the country or countries of operation;

b) collaborating or partnering with peers, experts and other actors that collectively cause and have significant control over demonstrable sustainable development impacts, to arrive at collective solutions;

c) collaborating or partnering with interested parties experiencing or expected to experience sustainable development impacts, to arrive at collective solutions;

d) supporting local, national, regional, global or sector-based initiatives to accelerate systemic change;

e) exploring blended finance opportunities (e.g. with governments, development finance and philanthropic institutions) that can reduce risk or subsidize commercial investment in currently underfunded technologies, sectors and geographies critical for sustainable development and achievement of the SDGs;

f) exploring technology strategies (including partnerships) for accelerating contribution to sustainable development and the SDGs and improving the efficiency and effectiveness of its relevant processes;

g) sharing data, findings and lessons publicly (e.g. case studies about which business models in which contexts are effective at tackling specific SDG targets; examples of the different decisions made as a result of impact data);

h) proactively seeking to work collaboratively to standardize terminology, conventions and indicators for broader applicability and comparability;

i) mentoring and enabling others;

j) building the capacity of interested parties, especially under-recognized and vulnerable groups;

k) developing industry infrastructure such as open-source tools and resources;

l) helping to scale value-adding intermediaries, platforms and networks;

Top management should consider advocating for governmental policy reforms to incentivize sustainable development and achievement of the SDGs at an organizational level.

8 Policy

8.1 General

Top management should establish an SDG policy that is appropriate to the purpose of the organization and provides a framework for setting SDG objectives. The policy should include a commitment to meeting its objectives and to continually optimizing contributions to the SDGs.

The policy should be communicated and made available as documented information to internal and external interested parties.

Top management should seek to incorporate the highest possible levels of industry and best practice in its SDG policy considering its context, particularly in cases where there is a lack of local regulation, or the standard is comparatively low, and reconciling when local and international laws and regulations conflict.

8.2   Human rights policy

Top management should ensure the organization has a human rights policy (or include human rights in in its SDG policy) that sets out how the organization will support and respect the protection of internationally proclaimed human rights by:

— avoiding causing harm (the "do no harm principle") through its decisions and activities;

— addressing human rights abuses and harmful impacts when they occur; and

— seeking to prevent or mitigate human rights impacts when linked to its operations.

The organization should implement a human rights due diligence process (HRDD), to identify, prevent, mitigate and account for how it addresses its impacts on human rights.

The organization should take into account that more comprehensive HRDD can be needed in countries where human rights violations and risks are more likely, including but not limited to conflict-affected areas.

The organization should implement remediation processes to address adverse impacts and resolve disputes and claims. Effective remediation mechanisms reinforce HRDD by helping the organization determine concerns and systemic problems and address grievances at an early stage.

Remediation mechanisms should be legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continual learning, and based on engagement and dialogue.

NOTE   Effective HRDD covers all the human rights enshrined in the International Bill of Human Rights[23] and the ILO Declaration on Fundamental Principles and Rights at Work,[30] and focuses on risks faced by rights-holders rather than risks faced by the organization.

8.3   Equity and justice

Top management should ensure that the SDG management policy is based on the principles of equity and justice (for planets and humans alike). The SDG management policy should:

a)   take a holistic and systematic planet (including human) centred approach;

b)   safeguard the rights of under-recognized and vulnerable interested parties (including recognizing and respecting the principle of non-discrimination and the rights of individuals belonging to an indigenous people; see 5.1, Note 2), when carrying out decisions and activities, including observing the principle of free, prior and informed consent;

c)   take into account the international and inter-generational nature of global issues, including the climate crisis and modern slavery, when taking its share of responsibility for addressing these issues and taking action;

d)   take a leadership role with partners to prevent exploitation of vulnerable interested parties for economic benefit.

If an organization is operating in a country or region with comparatively fewer resources (e.g. emerging economies), it should consider the need to balance actions towards achieving specific SDGs with the need to protect communities, society and the economy. To support a just transition, organizations with greater resources and greater historical responsibility should collaborate with those organizations with less capability to act.

The organization should utilize, to the fullest extent possible, its capacity to contribute with urgency towards achievement of the SDGs to optimize its impact by maximizing beneficial impacts and minimizing adverse impacts on interested parties and the related SDG targets within its organizational constraints. The organization should ensure it implements strategies and processes to eliminate or minimize constraints as quickly as practicable, including by transitioning to more sustainable business models and activities over time.

9 Roles, responsibilities and authorities

9.1 General

Top management should ensure that the responsibilities and authorities for relevant roles are assigned and communicated within the organization. Top management should ensure it determines who is responsible for reporting on the performance of activities and processes related to the SDGs to top management.

Top management should ensure that the culture, structure and incentive mechanisms of the organization are aligned with and support its ambitious contribution to the SDGs.

Top management should ensure that the organization has sufficient sustainable development and impact management capacity, capabilities and diversity across gender, race, disability and other dimensions at the appropriate levels of seniority and authority to influence decision-making.

Top management should hold people at all levels within the organization accountable for operating in accordance with its SDG policy.

9.2 Governance and oversight

The organization should implement governance mechanisms to enable it to maintain oversight of activities and processes relating to contribution to the SDGs.

Top management should have oversight of, for example:

a) the organization's purpose, culture, strategy and business models(s) and alignment with the recommendations in this document;

b) the compatibility of the organization's SDG objectives, investment allocation and financial return targets, as well as the risk appetites and tolerance of the organization and interested parties, to withstand unexpected adverse impacts;

c) the adequacy of the organization's budget and resources to manage interested party consultations and participation in delivery of its strategic objectives;

d) a separation between roles of drafting and approving SDG objectives, where those approving the goals recognize they are acting in both the interests of the organization and the interested parties likely to be impacted by the organization's decisions;

e) complaints from interested parties and remedial actions taken (ensuring there are no instances of adverse findings without adequate remedial actions);

f) results against the SDG objectives, relative to acceptable baselines, counterfactuals and thresholds;

g) third-party verifications and evaluations, audit findings (internal or external) and remedial actions taken;

h) external disclosures and reporting of its SDG approach and results, (at least annually) taking into account the needs of relevant interested parties;

i) public disclosure of relevant policies.

NOTE 1   Organizational governance can comprise both formal governance mechanisms based on defined structures and processes, and informal mechanisms that emerge in connection with the organization's culture and values, often influenced by top management. Governance is a core function of every organization as it is the framework for decision-making within the organization.

NOTE 2   Governance systems vary, depending on the size and type of organization and the environmental, economic, political, cultural and social context in which it operates. These systems are directed by top management, i.e. a person or group of persons (owners, members, constituents or others) having the authority and responsibility for pursuing the organization's objectives.

10 Planning

10.1 General

When planning actions to support contribution to the SDGs, the organization should consider the issues referred to in Clause 4 and the needs and expectations of interested parties referred to Clause 5, to determine the risks and opportunities that should be addressed to:

— give assurance that it can achieve its SDG objectives;

— prevent or reduce undesired effects;

— achieve continual improvement.

The organization should plan how to integrate and implement actions into its core management system processes and how to evaluate the effectiveness of these actions.

The organization should take into account that incomplete or inaccurate information can lead to poor decision-making (including a reduced number of options, which can increase the risk that SDG objectives are not optimized) and an increased risk that the decision taken is not the most effective choice.

The organization should consider the risk tolerance of interested parties impacted by decisions in determining the requirements for completeness and accuracy of the information it needs to make a decision. The organization should take action to mitigate risks if current information is incomplete or of low quality and develop plans to improve data collection to reduce these risks to an acceptable level.

The organization should take into account that risk increases when an interested party has not been identified or engaged, and when impacts expected to be experienced by an interested party have not been identified, or if identified, have not been included. The risk also increases if the definition of an interested party over-generalizes and includes people with different characteristics that have different experiences of the same impacts, or if the data collected do not faithfully represent the impact.

In developing plans, the organization should identify opportunities for innovation and optimizing results.

The organization should take into consideration the role innovation can play in optimizing the organization's impact on SDG solutions, including delivering beneficial impacts to under-served or excluded interested parties, for whom the current experience is below acceptable thresholds.

The organization should ensure its plans are available as documented information and include an assessment of risk from the perspective of relevant interested parties that experience impacts and information on decisions made, including trade-offs between expected impacts.

NOTE   Further information on risk management is provided in ISO 31000.

10.2 Determination of legal requirements and other requirements

The organization should:

— implement a process to identify, determine and have access to relevant legal requirements and other requirements related to the SDGs;

— determine how these requirements apply to the organization;

— consider these requirements when establishing, implementing, maintaining and continually improving activities to contribute to the SDGs.

The organization should maintain documented information of its legal requirements and other requirements and ensure it remains informed and takes appropriate action as they change.

NOTE   Legal requirements and other requirements can result in risks and opportunities for the organization.

10.3 SDG objectives and planning to achieve them

10.3.1 General

The organization should establish SDG objectives at relevant functions and levels. The SDG objectives should be consistent with relevant policies and take into account relevant requirements. The organization should ensure that objectives are measurable, so far as practicable, and are updated as appropriate.

The SDGs objectives should be communicated and made available to relevant interested parties.

When planning how to achieve its SDG objectives, the organization should determine:

— what will be done;

— what resources will be required;

— who will be responsible;

— when it will be completed;

— how they will be monitored;

— a logical set of KPIs to support the achievement of the objectives;

— how the results will be evaluated.

The organization should determine the level (accuracy, completeness and quality) of impact data needed for decision-making. Decisions should be informed by the risk appetite and risk tolerance determined by the organization to guide its decision-making, which should take into account the respective risk appetite and risk tolerance levels of relevant interested parties affected by the impact. The organization should look for opportunities to fill data gaps (including appropriate segmentation) and build the evidence base over time.

The organization should collect more data and seek formal verification of the data being relied upon to make decisions if the consequences to interested parties experiencing the impacts are high (e.g. when the scale and magnitude of impact are high and not easily reversed).

If input, activity or output indicators are used instead of impact indicators, the organization should implement a robust process to assess the implications of this data for decision-making. The organization should consider both the number of potential decisions and the risk to those decisions, and replace input, activity, or output indicators with impact indicators as soon as practicable.

The organization should not delay taking action due to unavailable or insufficient data, noting that not taking action is also a decision. The organization should assess the risks related to decisions made without sufficient data and implement appropriate processes to monitor impacts and mitigate unintended adverse impacts.

The organization should consider the potential for unintended consequences and seek to limit the potential for unintended negative or biased impacts in how it collects data, and selects and uses indicators (see 10.3.4 and 12.3).

NOTE 1   The purpose of collecting data is to enable evidence-based decisions. Decisions are made between options and the merits of each option are assessed in terms of their potential to optimize the impact on relevant interested parties and the contribution to related SDG targets. The main means for generating options that lead to changes is by making comparisons against targets, past performance and peers. However, it is also important to compare data for different data points between individuals with different characteristics but from the same group of interested parties.

NOTE 2   If the available data do not cover all of the requirements, or data relate to less than perfect proxies for impacts, there is an increased risk of the wrong decision being made. This risk can still be within the risk appetite of the organization and the risk tolerance of the interested parties who will experience the impacts. It does not mean a choice cannot be made, however it increases the risk of making the wrong decision.

NOTE 3   Impact indicators are generally more useful for decision-making than input, activity or output indicators. Primary data sources are generally more useful for decision-making than secondary data sources, however secondary data sources can be useful in validating primary data and providing proxy data when primary data are not available.

10.3.2 Alignment and ambition of SDG objectives

The organization should define its SDG objectives to optimize its impacts on interested parties and related SDG targets, ensuring that they include objectives for avoiding or significantly reducing adverse impacts, taking into consideration the needs and expectations of relevant interested parties.

The organization should prioritize its SDG objectives on the most relevant and significant impacts.

The organization should set its SDG objectives in the context of current performance and acceptable thresholds (see Annex A).

The organization should ensure that thresholds are based on scientific evidence and take into account the needs and expectations of relevant interested parties. If local thresholds are unavailable or lower than those set internationally, the organization should use an agreed international threshold.

10.3.3 Setting targets

The organization should set measurable interim and long-term targets using indicators related to the prioritized expected impacts (see 12.4.2) to achieve its SDG objectives and plan actions to achieve them.

The organization should ensure its targets:

a) take into account the need for collective action, if relevant;

b) specify the SDGs to which they relate;

c) address adverse impacts in its direct operations and throughout its value chain(s) and business relationships;

d) consider the potential for unintended consequences and seek to limit the potential for adverse impacts.

10.3.4 Selecting indicators

The organization should consider which indicators to use including, but not limited to, selecting and using decision-useful indicators that take into account external and internal issues and the needs and expectations of interested parties (see Clause 4 and Clause 5). The indicators selected should:

a) reflect what matters most to interested parties, especially those experiencing the impacts (including the magnitude and duration of the impacts);

b) value impacts consistently, using well-being as a common measure to the degree practicable;

c) provide the required level of confidence that targeted impacts are being achieved;

d) align with the related SDG targets and, where relevant, relevant SDG indicators.

The organization should use standardized indicators where possible, in addition to suitable management accounting and internal indicators that enhance decision-making.

The organization should seek to rationalize the number of indicators it uses, prioritizing internal and external decision-usefulness while also recognizing interested party requirements. To balance costs and risks with benefits and opportunities, the organization should work with relevant interested parties, if possible, to reconcile different requirements and achieve consensus on indicators.

NOTE 1   The OECD Framework for Measuring Well-being and Progress is an established framework for measuring well-being built around three components: current well-being, inequalities in well-being, and resources for future well-being.[28]

NOTE 2   Using well-being as a consistent measure to value impacts can help decision-makers make more objective decisions, by generating options, choosing between those options, and making trade-offs in a consistent way. Without valuation, those decisions are often made based on underlying unconscious biases and assumptions which can reinforce existing inequities or exclude relevant perspectives of interested parties. Using well-being to value and measure impacts requires taking into consideration:

— relevant interested parties' views on the relative importance (value) of the impacts they experience in making those trade-offs;

— significant impact risks and relevant interested parties' risk tolerance for unexpected impacts;

— the interdependency of impacts, including across the SDGs.

NOTE 3   The Social Value International Principles and Standards[27] provide additional guidance on valuing impacts.

10.4 Planning of changes

When the organization determines the need for changes to how it manages its contributions to the SDGs, the changes should be carried out in a planned manner.

In determining the need for changes, the organization should take into account:

a)   changes in its own context and the sustainability context (Clause 4);

b)   planned changes to products, services, processes, operations, equipment or facilities;

c)   changes in workers including throughout the value chain, external providers or contractors;

d)   changes in requirements;

e)   feedback from interested parties;

f)   performance towards achieving the SDG objectives and identified opportunities for improvement.

11 Support

11.1 Resources

The organization should determine and provide the resources needed to support achievement of its SDG objectives.

When determining the resources needed, the organization should take into account the potential need to:

— strengthen leadership competence, capacity and capabilities:

— form and strengthen partnerships and collaborations to create collective and blended finance solutions (7.4.3);

— strengthen processes for consultation and participation of interested parties to support decision-making (7.4.2).

Key resources can include:

a)   financial resources;

b)   people;

c)   organizational knowledge;

d)   technology;

e)   innovation;

f) partnerships.

11.2 Competence

The organization should determine the necessary competence of people working on its behalf that can affect its opportunities in achieving the SDG objectives.

The organization should ensure workers are competent on the basis of appropriate education, training, or experience and, where applicable, take actions to acquire the necessary competence, and establish a process to evaluate the effectiveness of the actions taken.

Appropriate documented information should be available as evidence of competence.

The organization should take into account that building competence for implementing processes and measures needed to achieve the SDG objectives can involve: strengthening or developing skills in some areas of activity such as interested party engagement, collaboration, innovation, impact measurement and management, and change leadership; and improving knowledge about sustainable development and the SDGs and their relevance to the organization.

The organization should determine training needs and skills gaps associated with its SDG ambition towards the SDGs and if needed, develop a plan for increasing the organization's competence to the level needed to implement its processes and measures effectively. Furthermore, the organization should ensure that the competences gained are maintained and improved.

The organization should take advantage of the existing knowledge and skills of people working on behalf of the organization (e.g. using existing sustainable development experts to promote and support the development of competence across the whole organization, for instance, through coaching and change leadership).

The organization should implement processes to help build competence in its value chain(s).

The organization should ensure that if internal competences are supplemented with outside support, that it has a baseline of internal competence to identify competence requirements and select outside parties with appropriate competences to meet those requirements. Top management should ensure oversight of third-party arrangements, risks relating to key roles and functions, and knowledge transfer within the organization.

The organization should assess current and future competence needs, including:

a) expertise in, for example:

  — impact measurement and management;

  — sustainability;

  — international development;

  — risk management;

  — interested party engagement;

  — systems thinking;

  — theories of change;

  — integrated thinking;

  — change management;

  — innovation management;

  — understanding of key sustainable development challenges and sectoral issues (including key SDG priorities in context);

b) diversity of lived experience, perspectives and thinking styles;

c) expertise in dealing with impact data, including how data can be manipulated, identifying key data elements that are missing or unrealistic or have poor quality;

d) ability to conduct high quality impact assessments and reviews, diagnose issues, risks and opportunities, and integrate impact and financial analysis into decision-making.

NOTE   Applicable actions can include, for example: training, mentoring or re-assigning currently employed persons; or hiring or contracting competent persons.

11.3 Awareness

The organization should ensure that people working on its behalf are aware of:

— the SDG management policy;

— their contribution to the effectiveness of contributing to the SDGs;

— the organization's SDG objectives, their impact on achieving them and on risk exposure;

— the organization's culture and the desired behaviours as set out in the SDG policy and other policies, to support the achievement of its SDG objectives.

11.4 Communication

11.4.1 General

The organization should determine internal and external communications relevant to managing its contributions to the SDGs. The organization should determine:

— what it will communicate;

— when to communicate;

— with whom it should communicate;

— how to communicate.

The organization should implement processes to ensure transparent communication and reporting of its activities to contribute to the SDGs and progress towards achieving its SDG objectives to relevant interested parties, taking into account the differing needs and expectations of the various interested parties.

The organization should make documented information relating to its SDG management policy, and other related policies concerning respect for human rights, planetary boundaries and other responsible business practices publicly available and accessible.

The organization should take into account that communication is critical to enabling the organization to achieve its SDG objectives. The organization should:

a) build awareness both within and outside the organization on its strategies and objectives, plans, performances and challenges;

b) demonstrate commitment to responsible business practices and respect for human rights;

c) engage and create dialogue with interested parties;

d) address legal and other requirements for the disclosure of information related to the SDGs;

e) demonstrate how the organization is meeting its SDG commitments and objectives and responding to the interests of interested parties and expectations of society in general;

f) provide information about the impacts of the organization's activities, products and services, including details of how the impacts change over time;

g) engage, motivate and empower workers and others to make impact-aware and informed decisions;

h) facilitate comparison with peer organizations, which can stimulate improvements in sustainable development performance and contribute to achieving the SDGs;

i) enhance the organization's reputation and strengthen interested party trust in the organization.

11.4.2 Reporting

The organization should report at least annually on:

a) the extent of its activities to optimize contributions to the SDGs, and operations and activities outside the scope of its SDG objectives and why they were excluded;

b) the criteria against which the organization evaluates its contribution and performance related to the SDGs;

c) how its SDG processes and activities are integrated into business decision-making and operations;

d) risks and opportunities, from the perspectives of both the organization and relevant interested parties;

e) the external and internal context (see Clause 4);

f) relevant interested parties and the processes used to determine, prioritize and engage with them;

g) the known and expected impacts of its decisions and activities on interested parties and related SDG targets, and the processes used to determine them;

h) the list of prioritized impacts, the processes used to prioritize these impacts and why other known or expected impacts are not prioritized;

i) SDG objectives and related targets set in the context of current performance and acceptable thresholds that demonstrate the level of ambition and whether the rate of change is appropriate for meeting the threshold in a timely way;

j) performance against the SDG objectives, relating these to the SDGs and specific SDG targets and indicators where practicable;

k) trade-offs made in decisions between impacts and between interested party groups or sub-groups, and the processes for determining these decisions and managing the consequences;

l) deviations from expected performance, and actions taken to rectify performance below target or capitalize on performance above target, including taking into account unexpected adverse or beneficial impacts;

m) complaints from interested parties and how these were resolved.

11.4.3 Limitations of reporting

The organization should communicate the limitations of its reporting, including:

a) any impacts on interested parties excluded and a description of their potential significance;

b) use of proxies, averages and gaps in knowledge within value chain(s);

c) any assumptions made (including on behalf of interested parties without their participation) and the methods used to estimate when data are unavailable or of low quality.

11.4.4 Credibility of reports

The organization should establish processes to ensure:

a) comprehensive data collection and review;

b) accuracy of data;

c) reports are free of material discrepancies and do not overclaim performance or contribution to impacts on interested parties and related SDG targets (including by omitting adverse impacts);

d) third-party verification of data and claims.

11.5 Documented information

11.5.1 General

The organization should ensure that its documented information includes:

a) documented information recommended by this document;

b) documented information determined by the organization as being necessary for the effectiveness of its activities to optimize its contributions to the SDGs.

NOTE   The extent of documented information necessary can differ from one organization to another due to:

— the size of the organization and its type of activities, processes, products and services;

— the complexity of processes and their interactions;

— the competence of persons.

11.5.2 Creating and updating documented information

When creating and updating documented information, the organization should ensure appropriate:

— identification and description (e.g. a title, date, author or reference number);

— format (e.g. language, software version or graphics) and media (e.g. paper or electronic);

— review and approval for suitability and adequacy.

11.5.3 Control of documented information

Documented information recommended in this document should be controlled to ensure it is available and suitable for use, where and when it is needed, and that it is adequately protected (e.g. from loss of confidentiality, improper use or loss of integrity).

For the control of documented information, the organization should take into account, for example:

— distribution, access, retrieval and use;

— storage and preservation, including preservation of legibility;

— control of changes (e.g. version control);

— retention and disposition.

Documented information of external origin determined to be necessary for the planning and achievement of SDG objectives should also be identified and controlled as appropriate.

NOTE   Access can imply a decision regarding the permission to view the documented information only, or the permission and authority to view and change the documented information.

12 Operation

12.1 Operational planning and control

The organization should plan, implement and control the processes needed to manage and optimize its contribution to the SDGs by:

— establishing criteria for the processes;

— implementing control of the processes in accordance with the criteria.

Documented information should be available to the extent necessary, to ensure that the processes have been carried out as planned.

The organization should control planned changes and review the consequences of unintended changes, taking action to mitigate any adverse effects, as necessary.

12.2 Externally provided processes, products and services

The organization should ensure that externally provided processes, products or services that are relevant to the SDG objectives and SDG policy are controlled.

As applicable, the organization should consider how using external providers to perform key functions or processes can affect its ability to manage its impacts and fulfil legal and other requirements. Such functions or processes include where:

a) the function or process is integral to the organization's operations;

b) the function or process is necessary for achieving its intended results;

c) the liability for the function or process conforming to any requirements is retained by the organization;

d) the organization and the external provider have a relationship (e.g. one where the process is perceived by interested parties as being carried out by the organization).

The organization should establish operational controls as appropriate (e.g. documented procedures, contracts, supplier agreements, end user instructions) and communicate them to external providers and users. The organization should take action to control or influence externally provided functions and processes to ensure they align with the SDG management policy. This can include sharing mission, vision, values and culture and providing support and necessary knowledge.

12.3 Data management

12.3.1 General

The organization should plan, implement and maintain the processes needed to collect, verify, manage and use data to support activities related to managing its contributions to the SDGs system, including but not limited to:

a) managing data ownership on behalf of interested parties, including privacy, ethical and commercial issues around data gathering, use and disclosure;

b) systematically capturing impact data from activities relevant to interested parties experiencing the impacts;

c) taking a risk-based approach to the question of if and when impact data should be verified or ensured, and taking into account findings in decision-making;

d) integrating impact data and impact considerations into business decision-making;

e) filling data gaps, including by supplementing proxy data with primary data where possible and testing the validity of any assumptions made and updating them as needed (e.g. as the context changes).

At a minimum, the organization should include and collect data on expected impacts which:

— relate to gender equality, decent work and climate;

— have been prioritized by interested parties (see Clause 5);

— the organization considers relevant and significant;

— are adverse.

12.3.2   Data verification and impact assessment

The organization should take a risk-based approach (including with interested parties) to the question of if and when independent data validation or comprehensive impact assessments are required for certain activities and decisions. The organization should define and make available as documented information this risk-based approach based on criteria including but not limited to:

a) the size of the activity or project (in absolute and relative terms);

b) the expected impact and risk (including with respect to human rights);

c) the country and sector risk;

d) the learning potential (e.g. activities or projects in new markets and sectors);

e) the strategic importance of the activity or project;

f) the newness of the intervention (e.g. pilots).

The organization should determine criteria to assess when additional sectoral due diligence and follow-up impact evaluations are appropriate in high-risk sectors known for causing significant adverse impacts on, for example, the environment (e.g. sectors including agri-business, clothing, housing or extractive industries, such as mining, oil industry or land acquisition related activities that can result in relocation or displacement) or when dealing with under-recognized or vulnerable interested parties (e.g. indigenous peoples, in which case the principle of free, prior and informed consent should also be upheld). Consideration should also be given to issues of provenance (e.g. with respect to indigenous land rights).

The organization should make the results of third-party assessments or evaluations available to relevant interested parties.

The organization should make available as documented information all expected impacts on interested party groups and sub-groups as appropriate, including negligible impacts.

12.4 Impacts

12.4.1   Determining expected impacts

The organization should determine the current and expected beneficial and adverse impacts of its activities on (internal and external) interested parties and related SDG targets.

The organization should consider whether pre-determined, often sector-based lists (often referred to as materiality lists in sustainability reporting frameworks) are the most effective way to prioritize impacts, or if these lead to limitations and oversights, in which case the organization should propose an alternative way to control them. For example, organizations can use such lists as a starting point and supplement them with interested party consultation and participation (see 7.4.2).

The organization should take into account that initially there can be gaps (quality and/or completeness) in data collection, increasing the risk of making poor decisions (e.g. excluding potential impacts from its list of expected impacts, or not prioritizing the most relevant and significant impacts).

Starting from existing data collection, the organization should develop plans for collecting data on all current and expected beneficial and adverse impacts of its activities on interested parties and related SDG targets.

NOTE 1   An organization's impacts on external and internal interested parties are inter-related. An organization's impacts on external interested parties and the SDGs can lead to future impacts on the organization. Understanding the impacts on external interested parties can help the organization anticipate and manage future sustainability-related risks to the organization.

NOTE 2   In this context, "interested parties" includes the organization's owners and lenders. As such, the approach for determining expected impacts is aligned with the concept of double materiality, i.e. including both financial materiality and impact materiality.

12.4.2   Assessing and prioritizing expected impacts

The organization should assess all expected (beneficial and adverse) impacts in its direct operations and value chains, and through its business relationships, including but not limited to:

a)   assessing and valuing impacts consistently and, where practicable, using well-being as the common measure (see 10.3.4, Notes 1, 2 and 3);

b)   determining acceptable baselines, counterfactuals and thresholds in line with the sustainable development impact targets;

c)   assessing the expected impacts on interested parties, at the appropriate level of segmentation of those parties to enable a focus on under-recognized groups and on the core SDG requirement of "leaving no one behind";

d)   taking into account uncertainty when it is unable to quantify impacts, recognizing that measurement in direct operations, value chains and through business relationships can be challenging.

The organization should implement a process to prioritize impacts based on relevance and significance to:

—   relevant interested parties;

—   achievement of the SDGs;

—   the performance and resilience of the organization.

The organization should ensure that it does not prioritize short-term financial results over long-term sustainability.

The prioritized expected impacts form the basis for the SDG objectives (see 10.3).

The organization should retain as documented information any reasons why expected impacts are not prioritized.

12.4.3   Making choices between options

The organization should systematically analyse the data collected on expected impacts, making comparisons between previous periods, targets, peers and different characteristics within groups of relevant interested parties. Data analysis should include calculation methodologies, assumptions applied and limitations.

The organization should ensure this analysis informs decision-making and ongoing activities to manage impacts. Differences in results in any impact data points are potential sources of information to inform decision-making.

NOTE   Data points on impact include scale, duration, causality and relative importance; data points on process include satisfaction.

The organization should generate options and make (relative and absolute) choices between its product, service and operational options in a transparent way to optimize its treatment of impacts on relevant interested parties and related SDG targets.

The organization should take into account the risk (including to interested parties) that impacts can be unexpected, and trade-offs can be necessary between different beneficial and adverse impacts of significance or interested party groups or sub-groups.

The organization should include information on how it selects or prioritizes options and manages trade-offs, which can include choosing between different beneficial and adverse impacts. The decision should be made available as documented information, and the organization should consider whether adverse impacts:

a)   are acceptable to those experiencing them;

b)   are being compensated;

c)   have been mitigated;

d)   are being reduced as fast as possible.

13 Performance evaluation

13.1 Monitoring, measurement, analysis and evaluation

13.1.1 General

The organization should determine:

—   what should be monitored and measured;

—   the methods for monitoring, measurement, analysis and evaluation, as applicable, to ensure valid results;

—   when the monitoring and measuring should be performed;

—   when the results from monitoring and measurement should be analysed and evaluated.

Documented information should be available as evidence of the results.

The organization should evaluate its performance and the effectiveness of actions taken to achieve its SDG objectives.

The organization should take into account that effective performance towards optimizing contribution to the SDGs depends in part on commitment, careful oversight, evaluation and review of the activities undertaken, progress made, achievement of the identified objectives, resources used and other aspects of the organization's efforts.

The organization should implement ongoing monitoring or observation of activities related to the SDGs to ensure that activities are proceeding as intended, identifying any unexpected results, and making modifications to the way things are done as needed. The extent of this effort will vary with the size and nature of the organization and other factors.

The organization should include input and feedback from interested parties in its monitoring activities.

In addition to reviewing existing activities, the organization should also implement a process to maintain awareness of changing conditions or expectations, legal and other requirements and new opportunities for enhancing its SDG approach and results.

13.1.2 Measuring and monitoring impact performance

The organization should implement a formal approach to measure and monitor its actual impact performance against expected impact performance (its SDG objectives and targets), and acceptable baselines, counterfactuals and thresholds.

The organization should identify and analyse the reasons for unexpected impacts, and act to optimize performance, including by:

— developing mitigation plans including actions to ensure impact performance ahead of ceasing or exiting activities;

— managing unexpected adverse impacts on interested parties arising from the emergence of additional impact risks or under-performance;

— capitalizing on unexpected beneficial impacts.

The organization should include the beneficial and adverse impacts from discontinued activities or projects in its overall assessment of its impact performance, and also give consideration to long-term impact after discontinuing activities.

The organization should take into account that annual updates of the assessment of expected impacts, together with data on prior period impacts and plans for managing impacts that were not originally prioritized, can result in changes to expected impacts.

NOTE   Counterfactual performance evaluation can supplement performance evaluations and conclusions as it focuses on what would have happened in the absence of the decision or intervention.

13.2 Internal audit

13.2.1 General

The organization should conduct internal audits at planned intervals to provide information on whether its activities relating to the SDGs conform to:

a) its own requirements; and

b) the recommendations of this document.

13.2.2 Internal audit programme

The organization should plan, establish, implement and maintain (an) audit programme(s), including the frequency, methods, responsibilities, planning requirements and reporting.

The organization should consider the processes concerned and the results of previous audits.

The organization should define the objectives, criteria and scope for each audit and ensure auditors conduct audits with objectivity and impartiality.

The organization should ensure that audit results are reported to top management.

Documented information should be available as evidence of the implementation of the audit programme(s) and the audit results.

13.3 Management review

13.3.1 General

Top management should review the organization's activities relating to managing its contribution to the SDGs at planned intervals, to ensure they continue to be suitable, adequate and effective.

Top management should decide who participates in the management review. Typically, this includes people in sustainable management roles, managers of key units, and top management. Representatives of management systems implemented by the organization (e.g. quality, occupational health and safety, energy or business continuity) may participate in the management review to support integration.

13.3.2 Management review inputs

The management review should include:

a) the status of actions from previous management reviews;

b) changes in relevant external and internal issues;

c) changes in relevant needs and expectations of interested parties;

d) information on the performance, including trends in:

— nonconformities and corrective actions;

— monitoring and measurement results;

— audit results;

e) opportunities for continual improvement.

The organization should include documented information recommended in this document as input for management review. Documented information can include agendas and minutes of meetings, lists of attendees, presentation materials, hand-outs, management decisions, tracking systems, the risk registers, impact assessments, complaints received from interested parties and evidence of remedies.

13.3.3 Management review results

The results of the management review should include decisions related to continual improvement opportunities and any need for changes to the objectives or activities related to optimizing contribution to the SDGs.

Documented information should be available as evidence of the results of management reviews.

14 Improvement

14.1 Continual improvement

The organization should continually improve the suitability, adequacy and effectiveness of how it contributes to achieving the SDGs.

The organization should ensure its purpose and strategy, SDG management policy and SDG objectives remain fit for purpose as the external and internal contexts change, and should continue to improve them, with a view to optimizing its impacts on relevant interested parties and related SDG targets over time. The organization should:

a) incorporate lessons learned from analysing its impact performance;

b) benchmark against best practice;

c) consider feedback from relevant interested parties;

d) consider updated research and evidence;

e) consider the implications of changes in the sustainable development context (see Clause 4);

f) prevent or reduce undesired effects, including the potential for external sustainability conditions to affect the organization, and achieve continual improvement;

g) challenge itself as to whether it can further increase its level of ambition and sense of urgency with respect to its SDG management policy and SDG objectives.

The organization should have a documented improvement plan, including actions taken and results achieved, for example, how the actions taken have affected the organization's ability to optimize its impacts on relevant interested parties and related SDG targets.

NOTE   Deviations from expected results (both beneficial and adverse) can provide opportunities to improve decision-making.

14.2 Deviations from expected impact and corrective action

14.2.1 General

When a deviation from expected impact occurs, the organization should, as applicable, take action to control and correct it, and deal with the consequences.

The organization should evaluate the need for action to eliminate the cause(s) of the deviation, so that it does not recur or occur elsewhere, by determining the causes and whether similar deviations exist, or can potentially occur.

The organization should implement appropriate corrective actions and review their effectiveness.

Corrective actions should be appropriate to the effects of the deviations encountered.

Documented information should be available as evidence of:

— the nature of the deviation and any subsequent actions taken;

— the results of any corrective action.

The organization should implement processes for taking corrective actions to address any deviations from expected impact. Potential actions can include a justified change to targets, a change to aspects of the business model or a decision to accept the difference without further change.

Although the focus should be on first addressing adverse impacts and results that are lower than expected, the organization should also collect data on unexpected beneficial impacts to influence the design of products and services and to increase future targets.

14.2.2 Resolving complaints, conflicts or disagreements with interested parties

The organization should develop processes for resolving complaints, conflicts or disagreements with interested parties, ensuring that they are appropriate to the type of conflict or disagreement, and take into account the needs and expectations of the affected interested parties. Processes can include:

a)   direct discussions with affected interested parties;

b)   provision of written information to address misunderstandings;

c)   forums in which interested parties and the organization can present their points of view and look for solutions;

d)   formal complaint-handling procedures;

e)   mediation or arbitration procedures;

f)   processes to enable reporting of wrongdoing without fear of reprisal.

The organization should ensure processes are equitable and transparent. The organization should approach complaints, conflicts or disagreements with interested parties with an open mind and as an opportunity to learn, improve its impact performance and strengthen its relationships with interested parties.

The organization should make available documented information on processes for resolving complaints, conflicts and disagreements to interested parties (e.g. on the organization's website).

NOTE   In the course of its activities, the organization can encounter conflicts or disagreements with individual interested parties or with groups of interested parties. Specific types of conflicts and mechanisms for addressing them are covered in the context of human rights. Formal methods for resolving conflicts or disagreements also often form part of labour agreements.

Annex A
(informative)

Thresholds and allocations

A.1 Thresholds

A threshold is a societal norm or ecological level; it is the social minimum that must be reached or an environmental maximum that must not be breached for an impact to be beneficial. For some impacts, thresholds can be set within the context of planetary capacities. For others, societal norms within the context of human rights can be required.[37]

Thresholds for sustainable development are ideally grounded in natural or social sciences. Through research and empirical study, evidence can be produced to help organizations understand how their actions affect the people and natural resources they interact with (e.g. climate science).

Thresholds are intended to consider the perspectives of affected interested parties, as relevant interested party feedback can be an important way to corroborate thresholds, especially when they are not well-established.

Organizations can find that several apparently credible thresholds have been suggested. For example, when considering the impact of income from employment, an organization can consider the national minimum wage, the national living wage, a regional living wage, or a threshold based on empirically observed impacts, e.g. on food security or health.

In such cases, a more ambitious, empirically based threshold can be selected, so long as it is relevant to the affected interested party group. Organizations can consider testing the relevance of thresholds through interested party engagement.

It is important to understand (and make adjustments accordingly) that under-recognized or vulnerable interested party groups are not always aware of the adverse impacts that business or other activities can have on their access to basic rights and services.

Where locally set thresholds are unavailable or lower than international norms, it is important to give precedence to international norms.

Setting thresholds provides incentives for continual improvement, even if reaching the target can take longer to achieve. It also increases the chances of finding solutions that will be most impactful.

A.2 Allocations

Allocations represent the fair, just and proportionate share of responsibilities to achieve acceptable thresholds to maintain common capital resources, referring to the common heritage principle.

Allocations are grounded in ethics and look to societal norms for what is considered fair in society. These norms can be enshrined in law or formalized through institutions that have legitimacy in producing associated reference documents (e.g. ILO Conventions).

Where rights or responsibilities are shared, examples of science-based methods of allocation are:

— for economic impacts: the equity-weighted value-added contribution to GDP, (where the equity-weight reflects the relative value of a change in wealth for the impacted persons);

— for risk of collusion: an organization's revenue from products for which the organization holds more than 50 % market share.

For gender equality and other inequalities based on personal characteristics (e.g. age, family relations, geographical location, poverty, source of income, ownership, membership of specific castes or ethnic groups, disease or disability status or migratory status), the calculation of allocations considers the number of persons excluded or discriminated against, per kind of market, covering both formal and informal markets for providing, receiving, owning or controlling products or services.

The products and services involved can be as diverse as:

a) clean drinking water, food and other agricultural products;

b) housing;

c) legal identity;

d) land and other natural resources;

e) labour;

f) private organizations;

g) public positions;

h) health services;

i) sanitation and waste disposal;

j) education;

k) information;

l) technology;

m) inheritance;

n) legal and financial services;

o) protective services;

p) electricity;

q) disabled mobility.

Allocations can therefore cover a large number of targets and indicators of SDGs 1, 2, 3, 4, 8, 9, 10, 11, 12, 14, 15, 16 and 17.[22]

The assessment of allocations is not prescriptive and will depend on the context.

Bibliography

[1]   ISO 19011, *Guidelines for auditing management systems*

[2]   ISO 22000:2018, *Food safety management systems — Requirements for any organization in the food chain*

[3]   ISO 45001:2018, *Occupational health and safety management systems — Requirements with guidance for use*

[4]   ISO 20534:2018, *Industrial automation systems and integration — Formal semantic models for the configuration of global production networks*

[5]   ISO Guide 73[1]), *Risk management — Vocabulary*

[6]   ISO 15392:2019, *Sustainability in buildings and civil engineering works — General principles*

[7]   ISO 37100:2016, *Sustainable cities and communities — Vocabulary*

[8]   ISO Guide 82:2019, *Guidelines for addressing sustainability in standards*

[9]   ISO 31073:2022, *Risk management — Vocabulary*

[10]   ISO 22300:2021, *Security and resilience — Vocabulary*

[11]   ISO 14006:2020, *Environmental management systems — Guidelines for incorporating ecodesign*

[12]   IWA 42:2022, *Net Zero Guidelines*

[13]   ISO/PAS 45005:2020, *Occupational health and safety management — General guidelines for safe working during the COVID-19 pandemic*

[14]   ISO 9000:2015, *Quality management systems — Fundamentals and vocabulary*

[15]   ISO 37000:2021, *Governance of organizations — Guidance*

[16]   ISO 26000, *Guidance on social responsibility*

[17]   ISO 9004, *Quality management — Quality of an organization — Guidance to achieve sustained success*

[18]   ISO 56002, *Innovation management — Innovation management system — Guidance*

[19]   ISO 31000, *Risk management — Guidelines*

[20]   United Nations Development Programme, *SDG Impact Standards, Assurance and Seal,* available at: https://sdgimpact.undp.org/practice-standards.html

[21]   United Nations Development Programme, *SDG Impact Standards for Enterprises*, available at: https://sdgimpact.undp.org/enterprise.html

[22]   United Nations, A/RES/70/1, *Transforming our world: the 2030 Agenda for Sustainable Development*, United Nations, available at: https://sdgs.un.org/documents/ares701-transforming-our-world-2030-agen-22298

[23]   United Nations, Human Rights Office of the High Commissioner, *International Bill of Human Rights,* available at: https://www.ohchr.org/en/what-are-human-rights/international-bill-human-rights

[24]   United Nations, *The Ten Principles of the United Nations Global Compact*, available at: https://unglobalcompact.org/what-is-gc/mission/principles

---

1)   Withdrawn.

[25] Women's Empowerment Principles, *Equality Means Business: WEPs Brochure,* United Nations Entity for Gender Equality and the Empowerment of Women, available at: www.weps.org/sites/default/files/2021-05/WEPS_BROCHURE.pdf

[26] United Nations, *Integrity Matters: Net Zero Commitments by Businesses, Financial Institutions, Cities and Regions*, *Report from the United Nations' High-Level Expert Group on the Net Zero Commitments of Non-State Entities,* available at: https://www.un.org/sites/un2.un.org/files/high-level_expert_group_n7b.pdf

[27] Social Value International*, Standards and guidance,* available at: https://www.socialvalueint.org/standards-and-guidance

[28] Organisation for Economic Co-operation and Development, *Framework for Measuring Well-being and Progress*, available at: https://www.oecd.org/wise/measuring-well-being-and-progress.htm

[29] United Nations, *Guiding Principles on Business and Human Rights*, available at: https://www.ohchr.org/en/publications/reference-publications/guiding-principles-business-and-human-rights

[30] International Labour Organization, *ILO 1998 Declaration on Fundamental Principles and Rights at Work and its Follow-up*, available at: https://www.ilo.org/declaration/info/WCMS_716594/lang--en/index.htm

[31] UNICEF, *Convention on the Rights of the Child*, available at: https://www.unicef.org/child-rights-convention/convention-text

[32] United Nations, *Convention on the Rights of Persons with Disabilities*, available at: https://www.un.org/development/desa/disabilities/convention-on-the-rights-of-persons-with-disabilities/convention-on-the-rights-of-persons-with-disabilities-2.html

[33] Organisation for Economic Co-operation and Development, *Guidelines for Multinational Enterprises on Responsible Business Conduct*, available at: https://read.oecd.org/10.1787/81f92357-en?format=pdf

[34] International Labour Organization, *Tripartite declaration of principles concerning multinational enterprises and social policy (MNE Declaration)*, available at: https://www.ilo.org/empent/Publications/WCMS_094386/lang--en/index.htm

[35] United Nations, *Universal Values, Principle Two: Leave No One Behind*, available at: https://unsdg.un.org/2030-agenda/universal-values/leave-no-one-behind

[36] United Nations Development Programme, *SDG Impact Standards*, Glossary, available at: https://sdgimpact.undp.org/assets/SDG-Impact-Standards-Glossary.pdf

[37] United Nations Development Programme, *Standards Guidance for the SDG Impact Standards for Enterprises,* available at: https://sdgimpact.undp.org/assets/20231016-undp-sdg-impact-standards-guidance-for-enterprise-standards.pdf

ICS 13.020.20

Price based on 39 pages

iso.org

**International Organization
for Standardization**

ISO Central Secretariat
Chemin de Blandonnet 8
1214 Geneva, Switzerland

**United Nations Development
Programme**

Headquarters
One United Nations Plaza
New York, NY 10017 USA

**Discover
the digital
version !**

iso.org/SDGguidelines