SDG Impact Standards

Glossary

Glossary of terms to support the SDG Impact Standards for Enterprises, Private Equity Funds and Bond Issuers

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About UNDP

The United Nations Development Programme (UNDP) is the UN's global development network. It advocates for change and connects countries to knowledge, experience and resources to help people build a better life. UNDP aims to see our world radically changed for good and is the integrator of the United Nations Sustainable Development Goals (SDGs). UNDP is active in over 170 countries and territories, working with governments and people on their own solutions to global and national development challenges and supporting country-level programs to achieve the SDGs.

About SDG Impact

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

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

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Glossary

Accountability	The condition of being held to account to all Stakeholders (including those experiencing the impacts) with consequences for impact performance. *Source: adapted from Social Value International.*
Activities	Direct and indirect business operations, including sales, service, procurement, marketing and stakeholder interactions whether undertaken by an entity's own workers or through related parties.
Baseline	An indication of the status/situation before the entity's action or decision, against which progress can be assessed or compared. *Source: Adapted from OECD Glossary of Terms in Evaluation and Results Based Management.*
B Lab	A non-profit organization that serves a global movement of people using business as a force for good. B Lab's initiatives include B Corporation Certification, administration of the B Impact Management programs and software, and advocacy for governance structures like the benefit corporation. B corps manage their impact with the B Impact Assessment and the SDG Action Manager.
Bounded flexibility	A way of managing the tension between variability and decision-making in standard setting, by creating enough flexibility to generate options with enough standardization so that informed choices can be made between those options. *Source: Social Value International.*
Business model	A system of transforming inputs into outputs, outcomes and impacts that fulfill an entity's strategic purpose. In the context of the SDG Impact Standards, this includes integrating impact management into decision-making and business models e.g. involving Stakeholders in decisions that impact them.
Capitals Coalition	A global collaboration that unites the natural, social and human capital coalitions to transform our understanding of value.
Capitals Coalition Capitals Protocols	The Social & Human Capital Protocol and the Natural Capital Protocol are decision-making frameworks that enable organizations to identify, measure and value their direct and indirect impacts and dependencies on social capital and human capital, and natural capital, respectively. The SDG Impact Standards link to the Capitals Coalition Capitals Protocols. *Source: Capitals Coalition.*
Contributing positively to sustainable development and the SDGs	Making decisions and taking actions that increase positive impacts while at the same time avoiding or significantly reducing negative impacts (generated in pursuit of the positive impacts or in other parts of the business or portfolio) with a goal to achieve and then further increase the net positive impact of the enterprise or investment overall at a rate commensurate with stakeholder expectations and planetary boundaries. Contributing positively to sustainable development and the SDGs cannot be achieved without demonstrating respect for human rights, planetary boundaries and other responsible business practices, and is realized through effective impact management and decision-making.

Counterfactual	The situation or condition that hypothetically may prevail for Stakeholders if the entity did not take a particular action. Measures what would have happened anyway in the absence of the entity's action or decision. *Source: Adapted from the OECD Glossary of Key Terms in Evaluation and Results Based Management.*
Cross-cutting goals	In the context of these Standards, goals that may not necessarily be considered a priority in a particular context but are a priority at a systems level and require collective action to achieve the SDGs by 2030.
Data taxonomy	Classification of data into categories and sub-categories, with controls to improve data quality, reliability, consistency and comparability.
Dependencies	Social and human and natural resources and relationships that enterprises need to create and sustain value. An entity's impacts and dependencies are interrelated. *Source: Capitals Coalition.*
Doughnut economics	A framework for sustainable development that combines the concepts of planetary boundaries with social boundaries. Developed in 2012 by Kate Raworth, University of Oxford (A Safe and Just Space for Humanity, Oxfam, 2012; Doughnut Economics: Seven Ways to Think Like a 21st-Century Economist, 2017).
Enterprise	The Enterprise whose intention it is to embed contributing positively to sustainable development and the SDGs into its purpose, strategy, management approach, governance practices and decision-making. Enterprises may be publicly listed, public interest and private entities (including profit, not-for-profit, social enterprise entities), non-government organizations (NGOs), small and medium enterprises (SMEs) and state-owned and other public sector entities.
Enterprise value	Market capitalization plus debt.
ESG (environmental, social and governance) integration	The explicit and systematic inclusion of material environmental, social and governance (ESG) factors in investment analysis and investment decisions that are material to investment performance, i.e. with a view to lowering risk and/or generating (financial) returns. Typically, ESG factors are selected based on their materiality to financial performance of the investment or portfolio, and less typically based on other factors that are relevant to the asset owners. Therefore, the primary focus of ESG integration or ESG investing is typically on how ESG issues impact the performance of the investment or entity, rather than on how the investment or entity impacts Stakeholders or sustainable development outcomes. *Sources: Adapted from PRI and IFC, https://ifc-org.medium.com/the-difference-between-esg-and-impact-investing-and-why-it-matters-8bf459b3ccb6.*
EU GBS (EU Green Bond Standard)	Voluntary standard for use-of-proceeds bonds that finance green projects that (i) significantly contribute to at least one of the environmental objectives of the EU Taxonomy, (ii) do not substantially harm the others, and (iii) otherwise meet the criteria and thresholds in the taxonomy proposal (including meeting minimum social safeguards). Use of the term 'EU Green Bond' is only permitted when all components of the EU GBS are met. The SDG Impact Standards complement the EU GBS. *Source: Supplementary Report 2019 by the Technical Expert Group of Sustainable Finance, Financing a Sustainable European Economy: Using the Taxonomy.*

EU Taxonomy	Proposed EU Taxonomy for Sustainable Activities. A list of economic activities with performance criteria for their contribution to six environmental objectives (climate change mitigation; climate change adaptation; sustainable use and protection of water and marine resources; transition to a circular economy; waste prevention and recycling; pollution prevention and control; and protection of healthy ecosystems). To be included in the proposed EU Taxonomy, an economic activity must contribute substantially to at least one environmental objective and do no significant harm to the other five, as well as meet minimum social safeguards. The SDG Impact Standards complement the EU Taxonomy. *Source: Supplementary Report 2019 by the Technical Expert Group on Sustainable Finance, Financing a Sustainable European Economy: Using the Taxonomy.*
Externalities	Positive or negative, intentional or unintentional, direct or indirect, impacts on people, communities, society or the planet caused by an entity which is not reflected in market prices (i.e. an entity's enterprise value or an investment's valuation).
Feedback loops	A system for improving a product or process by collecting and responding to information from those affected by the entity action or decision. *Source: Adapted from Social Value International.*
(Sustainability related) Financial materiality	The consideration of sustainable development issues (risks and opportunities) that are deemed to be financially relevant to enterprise value (i.e. as opposed to those broader issues that are relevant to sustainable development and the achievement of the SDGs, or to the Stakeholders experiencing the impacts and go beyond strictly financial aspects).
Fund	The Fund whose intention it is to embed contributing positively to sustainable development and achieving the SDGs into its purpose, strategy, management approach, governance practices and decision-making. Funds may be private equity, private debt or venture capital funds.
Fund manager	The entity responsible for implementing the Fund's strategy and managing its portfolio.
General partner	Raises the funds and manages day-to-day operations of the Fund, including sourcing and structuring investments, and exiting investments to make distributions to limited partners.
General purpose SDG bond	Bonds issued by companies that have adopted a corporate-level strategy to contribute to the SDGs and that are committed to providing accountability for the general use of funds and corporate-level SDG impacts. General-purpose SDG Bonds can also be issued by governments and are unsecured. *Sources: UNGC and UNEPFI, SDG Bonds| Leveraging Capital Markets for the SDGs.*
GIIN (Global Impact Investing Network)	A global network dedicated to increasing the scale and effectiveness of impact investing around the world. The GIIN manages the IRIS+ system as a public good.
GIIN's Core Characteristics of Impact Investing	Baseline expectations of what it means to practice impact investing: 1. Intentionally contribute to positive social and environmental impact through investment alongside a financial return 2. Use evidence and impact data in investment design 3. Manage impact performance 4. Contribute to the growth of impact investing. The SDG Impact Standards are aligned with GIIN's Core Characteristics of Impact Investing.

Global commons/tragedy of the commons	"A commons is a tract of land or water owned or used jointly by the members of a community. The global commons includes those parts of the Earth's surface beyond national jurisdictions – notably the open ocean and the living resources found there – or held in common – notably the atmosphere". *Source: Chapter 18, The Global Commons, World Conservation Strategy, Internal Union for Conservation of Nature and Natural Resources.* The tragedy of the commons is where common resources are overused, degraded or otherwise depleted in pursuit of short-term, personal self-interest to the detriment of the whole community in the longer term. Examples include over-fishing and human caused climate change.
Governing body	The entity's (i.e. the Enterprise, Fund, Investee, Issuer) board or highest governing body.
GRI (Global Reporting Initiative)	An international independent standards organization that helps businesses, governments and other organizations understand and communicate their environmental, economic and social impacts. The GRI Standards are global and distributed as a free public good.
GRI's Reporting Principles	Principles for defining report content: **Stakeholder inclusiveness:** Identify stakeholders and explain responses to their reasonable expectations and interests **Sustainability context:** Present the organization's performance in the wider context of sustainability **Materiality:** Cover aspects that reflect the organization's significant economic, environmental and social impacts, or substantively influence the assessments and decisions of stakeholders **Completeness:** Cover material aspects, and their boundaries, sufficient to reflect significant economic, environmental and social impacts, and to enable stakeholders to assess the organization's performance in the reporting period. Principles for defining report quality: **Balance:** Reflect positive and negative aspects of performance to enable a reasoned assessment of overall performance **Comparability:** Select, compile and report information consistently; present information in a manner that enables stakeholders to analyze changes in performance over time, and that could support analysis relative to other organizations **Accuracy:** Provide sufficiently accurate and detailed information for stakeholders to assess performance **Timeliness:** Report on a regular schedule so that timely information is available for stakeholders to make informed decisions **Clarity:** Make information understandable and accessible to stakeholders **Reliability:** Gather, record, compile, analyze and disclose information and processes used to prepare the report in a way that allows examination and establishes the quality and materiality of the information. *Source: Global Reporting Initiative, and as updated from time to time.*
Human capital	The knowledge, skills, competencies and attributes embodied in individuals that contribute to improved performance and wellbeing. *Source: Capitals Coalition.*

Human rights and the link to these Standards	The SDG Impact Standards are grounded in respect for human rights in line with the UN Guiding Principles for Business and Human Rights (UNGPs) that state that businesses are bound to respect rights recognized under the so-called International Bill of Rights and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Businesses' obligation to respect human rights means they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved which (in Principle 12 of the UNGPs) requires them to: • Avoid causing harm (the 'do no harm' principle) through their own activities • Address such impacts when they occur • Seek to prevent or mitigate adverse human rights impacts when linked to their operations[1] *"Business strategies to contribute to the Sustainable Development Goals are no substitute for human rights due diligence. On the contrary, robust human rights due diligence enables and contributes to sustainable development. For businesses, the most powerful contribution to sustainable development is to embed respect for human rights in their activities and across their value chains, addressing harm done to people and focusing on the potential and actual impacts – as opposed to starting at the other end, where there are the greatest opportunities for positive contributions. In other words, businesses need to realize and accept that not having negative impacts is a minimum expectation and a positive contribution to the Goals."* *Source: UN General Assembly: The Report of the Working Group on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises A/73/163 2018, Paragraph 59.*
ICMA (International Capital Markets Association)	A not-for-profit membership association headquartered in Switzerland that serves 580 member firms from 62 countries in global capital markets. Serves as Secretariat for the Green Bond Principles (GBP) and Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG). The SDG Impact Standards complement the ICMA GBPs, SBPs and SBGs.
IFC (International Finance Corporation)	The sister organization of the World Bank and member of the World Bank Group. The largest global development institution focused on the private sector in developing countries. The World Bank Group has set two goals to achieve by 2030: end extreme poverty and promote shared prosperity in every country. In 2018, the group issued Operating Principles for Impact Management. The SDG Impact Standards are aligned with IFC's Operating Principles for Impact Management.
ILO Declaration on Fundamental Principles and Rights at Work	Adopted in 1998, the Declaration commits Member States to respect and promote principles and rights in four categories, whether or not they have ratified the relevant Conventions. These categories are: freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labor, the abolition of child labor and the elimination of discrimination in respect of employment and occupation. The eight fundamental Conventions are: 1. Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) 2. Right to Organise and Collective Bargaining Convention, 1949 (No. 98) 3. Forced Labour Convention, 1930 (No. 29)(and its 2014 Protocol) 4. Abolition of Forced Labour Convention, 1957 (No. 105) 5. Minimum Age Convention, 1973 (No. 138)

[1] UN Guiding Principles on Business and Human Rights, principle 12

	6. Worst Forms of Child Labour Convention, 1999 (No. 182) 7. Equal Remuneration Convention, 1951 (No. 100) 8. Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
Impact	Changes to aspects of wellbeing as experienced by people and/or planet caused by the organization through its decisions and actions in its own operations and through its supply and value chains and its business relationships. Impacts can be positive or negative, intended or unintended, direct or indirect.
Impact assessment	The process of measuring and valuing relevant impacts (and dependencies), using appropriate methods. *Source: Capitals Coalition* Assessing an entity's overall performance in optimizing positive and minimizing negative impacts. *Source: SDG Impact*
Impact evaluation	An assessment of how the intervention (or activities) being evaluated affects outcomes, whether these effects are intended or unintended. The proper analysis of impact requires a counterfactual of what those outcomes would have been in the absence of the intervention. *Source: OECD, Outline of Principles of Impact Evaluation.* Impact evaluations carried out by independent third-party evaluators may be appropriate, especially where the risks to Stakeholders are high and/or not easily reversed.
Impact goals and targets	The strategic impact goals of the entity (i.e. the Enterprise, Fund, Issuer). To be ambitious, impact goals need to align with stakeholder expectations and contribute at a rate consistent with achieving the SDGs by 2030. The entity may also set impact targets, or impact performance (expected value) of indicators it will use to monitor its progress towards specific milestones or its impact goals. Impact targets support the entity's longer-term impact goals but may be more intermediate or shorter term in nature.
Impact investments	Investments made with the intention to generate positive, measurable social and environmental impact to global challenges including the SDGs, alongside a financial return. Impact investments can be made in both emerging and developed markets and target a range of returns from below market to market rate, depending on investors' strategic goals. *Sources: Adapted from GIIN and IFC, https://ifc-org.medium.com/the-difference-between-esg-and-impact-investing-and-why-it-matters-8bf459b3ccb6.*
Impact management	The ongoing practice of integrating sustainable development and impact considerations into decision-making and practices through strategy, management approach, disclosures, and governance to optimize contributions to sustainable development and the SDGs. This includes setting ambitious impact goals and targets in the context of suitable baselines and thresholds; involving Stakeholders in decision-making; identifying, measuring, valuing, managing, and disclosing relevant impacts; and establishing learning and continuous improvement mechanisms.
Impact Management Project's ABC Impact Classifications	Developed by the Impact Management Project. The ABC Impact Classifications are: **Act to avoid or reduce harm**, including harm that detracts from achieving the SDGs by improving an existing negative outcome – moving from a more negative to a less negative outcome level relative to a suitable outcome threshold; e.g. reducing CO_2 emissions, or eliminating child labor in supply chains; or **Benefit Stakeholders in relation to the SDGs** by maintaining or improving an existing positive outcome – maintaining a positive outcome level or moving

	from a positive to a more positive outcome level, relative to a suitable outcome threshold; e.g. selling products that support good health or educational outcomes for those already with good access to both; or **Contribute to solutions towards achieving the SDGs** by generating a new positive outcome – moving from a negative to a positive outcome level relative to a suitable outcome threshold; e.g. providing health or educational services in communities that currently have no access to them, or providing financial services to people without access to credit or banking services. Impacts that do not meet the above conditions are classified as May or do cause harm. Note: IMP also uses the ABC Impact Classifications to categorize whole enterprises or investments, which can be understood as a combination of several material impacts, however this application is not relevant for the purposes of the SDG Impact Standards. *Source: Adapted from Impact Management Project.*
Impact Management Project's Five Dimensions of Impact	Developed by the Impact Management Project. The Five Dimensions represent a set of management questions that, when answered, help fully understand an individual impact and compare or choose between different impacts. These questions guide measurement and the data requirements for impact measurement and management (see Impact data categories below). 1. What – What outcome level is occurring in the period? Is it positive or negative relative to an outcome threshold? How important is the outcome to the people (or planet) experiencing it? 2. Who – Who experiences the outcome? How underserved are the affected Stakeholders in relation to the outcome (when comparing the baseline to the outcome threshold)? 3. How much – What is the change in outcome? For how many people? And for how long does it last? 4. Contribution – Would the change likely have happened anyway? 5. Risk – What is the risk to people and planet that impact does not occur as expected? In many cases, organizations must deal with data gaps and/or information that serves as a proxy for the desired data category. This translates to higher impact risk. *Source: Impact Management Project.*
Impact plan	A plan setting out agreed actions the enterprise or the Fund will take to improve (or in the case of the Fund, support improvement of) impact management practices and/or impact performance during the life of the investment, and agreed upon impact indicators and targets.
Impact risk	The likelihood that impact will be different than required/expected, and that the difference will be important from the perspective of the Stakeholders who experience the impact. For example, impact may be lower than expected or even negative, or lower than required to contribute to the achievement of the SDGs in the timescale required, or unintended negative impacts are created alongside positive intended ones. Depending on the likelihood and consequences of impact risks being realized, different levels of rigour are required to support different types of decisions and manage impact risk appropriately. Rigour in impact accounting has two aspects: • Completeness: the extent to which the account includes all relevant impacts experienced by all stakeholder groups • Accuracy: is the degree of precision with which the outcomes and impacts have been quantified Decision-making risks include the risk that: 1. ambitious targets are not ambitious enough

	2. targets are not achieved 3. data is not collected to drive insights that would allow targets to be achieved 4. inaccuracies or incompleteness in data collected result in suboptimal choices in decisions and targets not achieved.
Impact targets	Relating to the SDG Impact Standards for Private Equity Funds, impact targets refer to the impact goals set by the Enterprise or the Fund and if for the Fund then with respect to each individual investment (to differentiate them from the portfolio level impact goals the Fund sets with respect to the Fund overall).
Impact terms	The objectives, expectations (of both the Investee and Fund), and terms agreed between the Fund and its Investee that relate to impact management and impact performance during the life of the investment (including provisions for exiting investments) and are documented within the legal documents of the investment agreement.
Impact thesis (or theory of change)	An outcomes-based hypothesis of how an Enterprise, Fund, Issuer, investment, or Investee is expected to contribute positively to sustainable development and the SDGs. The impact thesis may be separate to, but ideally is integrated into, strategy, business models or investment thesis, as applicable. Relating to Funds, typically the Fund will develop its overall impact thesis with respect to the Fund and then develop an impact thesis for each of its investments or Investees. However, some Investees may have already developed their own impact thesis (or theory of change) that the Fund reviews as part of its pre-screening and due diligence process. *Source: Adapted from GIIN.*[2]
Impact washing (also greenwashing, rainbow washing)	The superficial or insincere display of concern for impacts on people and the planet or the exaggeration of impact claims to attract investors or customers. *Sources: Adapted from Rappaport, E., 2019, Impact investing is moving into the mainstream, but at what cost? (Morningstar, cited 14 June 2019); Marquis, C., and M. W. Toffel, 2011, The globalization of corporate environmental disclosure: accountability or greenwashing? Harvard Business School Working Paper No.11-115 (Citeseer, Boston, MA); and Ludvigsen, P., November 2015, Advanced topics in green bonds: Risks (First Environment, New Jersey) cited 5 October 2019.*
Integrative (or integrated) thinking	Decision-making process to balance tensions between opposing variables (e.g. social, environmental and economic or financial) and generate resolutions that contain elements of the opposing ideas but are superior to each. Generally, follows four steps incorporating feedback loops: (i) salience – define relevant aspects of the problem; (ii) causality – determine relationships between related and unrelated parts; (iii) architecture – create a model outlining the relationships defined in steps (i) and (ii); and (iv) resolution – outline the decision and how it was reached. Integrated thinking is related to systems thinking.
Interdependency	Interdependency refers to the complex, interconnected relationships between various systems, sectors, and outcomes, for instance as is the case across the Sustainable Development Goals (SDGs), where actions in one area influence and are influenced by others. It encompasses the mutual reliance between environmental, social, and economic dimensions, highlighting how progress in one goal may positively or negatively impact others. An organization's impacts refer to the direct and indirect effects it has on the environment, society, and economy, such as its carbon emissions, resource use, labour practices, or community welfare. Dependencies, on the other

[2] https://thegiin.org/creating-a-strong-investment-and-impact-thesis
https://iris.thegiin.org/theory-of-change-checklist/
https://impacttoolkit.thegiin.org/theory-of-change-the-beginning-of-making-a-difference/
https://impacttoolkit.thegiin.org/theory-of-change/

	hand, refer to the resources and conditions that the organization requires from these systems to thrive, such as a stable climate, a healthy workforce, or access to natural resources. As the boundaries of social and ecological systems approach their limits, organizations' impacts and dependencies are becoming increasingly interdependent. For example, an organization's economic performance may be increasingly dependent on sustainable environmental practices and social stability, while its actions may have significant repercussions on these systems.
International Bill of Rights	Includes three key documents that form the bedrock of international human rights law: the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights.
Investee	Entities that are receiving financial investment from another entity (e.g. a Fund) to produce financial and/or impact return; the portfolio company. *Source: Social Value International.*
Investor	Provides financial capital to other entities with an expectation of financial and/or impact return. *Source: Social Value International.*
Investor contribution(s) to impact	The contribution(s), whether positive or negative, the Fund makes through its own actions to sustainable development and the SDGs. Positive investor contributions, including: (1) **Signaling that SDG impact matters:** Choosing not to invest in or to favor certain investments – such that, if all investors did the same, it would ultimately lead to a 'pricing in' of effects on the SDGs by the capital markets. Signaling is an important baseline. But alone, it is not likely to advance progress on societal issues when compared with other forms of contribution. (2) **Engaging actively:** Significant proactive efforts using expertise and networks to improve the impact performances of Investees. Engagement may include a wide spectrum of approaches – from dialogue with companies to the Fund taking board seats and using its own teams or consultants to provide hands-on management support. (3) **Growing new or undersupplied capital markets:** Anchoring or participating in new or previously overlooked opportunities that offer an attractive SDG impact and financial opportunity in line with the Fund's impact thesis and portfolio level impact goals. This may involve taking on additional complexity, illiquidity or perceived higher risk. (4) **Being flexible on risk adjusted financial return:** Recognizing that certain types of Investees do require acceptance of disproportionate risk-adjusted returns to generate certain kinds of SDG impact. (5) **Demonstrating market leadership and contributing to field building:** To further enable the SDGs beyond the impact of the Fund's direct portfolio. This may include sharing SDG impact data and lessons publicly, mentoring and enabling others, exploring partnerships as an enabler for greater SDG impact, developing industry infrastructure such as open-source tools and resources, helping to scale value – adding intermediaries, platforms, and networks, and promoting policy reforms. Negative investor contributions, including: (1) **Financial practices that undermine the positive impacts of Investees**, such as: • Financial engineering, such as using debt to purchase companies, pay dividends (in both private equity and public companies), or conduct stock buybacks in public companies • Financial analysis methodologies that focus on short-term results, such as IRR's time-value-of-money component that aims to make as much money back as fast as possible, or adjustments to EBITDA that

	can make investments in and loans to a company look safer than they might be • Domiciling funds in tax havens while relying on government funding for emergency support in times of crisis. (2) **Misaligned compensation and incentives**, such as: • Fund manager compensation that might disproportionately reward fund managers relative to workers in the portfolio companies • Structuring of investment professional incentives and performance reviews – for instance, on near-term financial returns versus longer time horizons. (3) **Shareholder or investor primacy**, such as: • Elevating the interests of shareholders over those of other Stakeholders. *Source: Adapted from Impact Management Project.*
IRIS+	A public good system managed by GIIN. The system helps investors measure, manage, and optimize their impact. It provides core metrics sets aligned to the SDGs and organized by the Five Dimensions of Impact, the IRIS catalogue of standard metrics, evidence maps connecting common strategic goals to outcomes, and how-to guidance and resources. Source: IRIS+.
Issuer	The entity issuing the SDG bonds. Issuers may be sovereigns (and sub-sovereigns such as states, provinces, cities, towns, and municipalities), supra-nationals and government entities, as well as companies, financial institutions and special purpose entities backed by activities, assets or projects (e.g. securitizations, infrastructure transactions).
Limited partners	Investors in the private equity, debt or venture capital fund, for instance pension funds, institutional investors, or high net-worth individuals.
Metric set	Quantitative or qualitative indicators that allow entities (i.e. Enterprises, Funds or Issuers) to measure and assess SDG performance across the Five Dimensions of Impact. Wherever possible, it should reference and align with specific SDG targets but may require additional metrics to properly capture performance.
Natural capital	The stock of renewable and non-renewable natural resources that combine to yield a flow of benefits to people. *Source: Capitals Coalition.*
OECD (Organisation for Economic Co-operation and Development)	An international organization that works to build better policies for better lives. Together with governments, policy makers and citizens, the OECD works on establishing international norms and finding evidence-based solutions to social, economic and environmental challenges. It provides a forum and knowledge hub for data and analysis, exchange of experiences, best practice sharing, and advice on public policies and global standard setting. Over the past decades, the OECD has been engaged in a growing number of international efforts focused on impact measurement.
Outcome	An aspect of wellbeing. Aspects of wellbeing can be social, environmental or economic. *Source: Social Value International.*
Output	The direct result of an entity's (i.e. the Enterprise, Fund, Investee or Issuer) activities (e.g. wages paid, hours of training provided, or products and services sold). It may also include changes resulting from the entity's actions or decisions which are relevant to achieving outcomes.

Perverse incentives	Incentives that have an unintended and undesirable effect on behavior, such that it makes the original problem worse, or redirects actions from where they are needed most (e.g. cherry picking).
Planetary boundaries	Defines the environmental limits within which humanity can safely operate. Proposed in 2009 by Johan Rockstrom, Stockholm Resilience Centre and Will Steffen, Australian National University.
PRI (Principles for Responsible Investment)	An international network of investors working to understand investment implications of environmental, social and governance factors (ESG) and incorporate these factors into investment and ownership decisions. Six Principles for Responsible Investment are voluntary and aspirational: incorporate ESG issues into investments, be active owners, seek appropriate disclosure, promote the Principles, enhance implementation effectiveness, and report activities and progress.
Protection measures	Predetermined agreed actions in response to potential adverse events.
Proxy	An indirect measure of an outcome that is correlated to that outcome. It may be used when direct measures of the outcome are unavailable or unfeasible to collect.
Relevant impacts/ materiality	Material impacts (see also definition of Impact) in the context of these Standards are those that are relevant and: • that affect or have potential to affect the wellbeing of Stakeholders (see also definition of Stakeholders) experiencing them • that would influence decisions of the entity acting in the interest of those Stakeholders, to maximise wellbeing and achieve sustainability and the SDGs by 2030 • that take into account the sustainability risks and opportunities that are most significant for the entity's own value creation, because strong, resilient, and sustainable entities will have more capacity to contribute positively to sustainable development and the SDGs. Having a formal assessment process to determine which impacts are relevant helps entities identify which impacts to prioritise and manage to optimise their contribution to sustainability and achievement of the SDGs and maximise well-being of people and planet. Sources: *Social Value International, SDG Impact.*
Risk appetite	The willingness of the entity and Stakeholders to accept risk in pursuit of certain outcomes or objectives, before requiring measures to be taken to reduce or mitigate the risk.
Risk-based	Taking into account the likelihood and magnitude of risk when making decisions, including deciding how much information is sufficient to make a decision, and when impact data or performance should be assured.
Risk tolerance	The entity’s and Stakeholders’ willingness to withstand variability in outcomes or outcomes that differ from what is expected.
SASB (Sustainability Accounting Standards Board)	A non-profit organization that creates industry sustainability standards for disclosing and recognizing financially material (to the Enterprise value) environmental, social and governance impacts of publicly traded US companies.
SDG Bond Program	The complete arrangements for issuing one or more SDG Bond as set out in the Issuer’s SDG Bond Program documentation.

SDG Bonds	Broad category that includes use-of-proceeds, SDG-linked (i.e. performance-based) and general purpose bonds either issued by companies, governments and municipalities, or for activities and projects (e.g. issued through a special purpose entity). *Sources: UNGC and UNEPFI, SDG Bonds| Leveraging Capital Markets for the SDGs.*
SDGD (Sustainable Development Goals Disclosure) Recommendations	Support the following recommendations: (i) Identification of material sustainable development risks and opportunities relevant to long-term value creation for organizations and society (ii) Changing what an organization does and how it does it to contribute to the achievement of the SDGs (iii) The communication of implications for and impact on achievement of the SDGs. The SDGD Recommendations and the Fundamental Concepts and Principles that underpin them are aligned with, and draw on, the: recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD, 2017); the GRI Standards; and the International <IR> Framework (IIRC, 2013). **Fundamental concepts:** **Long-term value creation for the organization and society:** Organizations create (or destroy) value for their providers of finance through the value they create (or destroy) for the organization and society. Through the process of creating (or destroying) value, organizations have an impact (positive or negative) on achieving the SDGs. Achieving the SDGs is critical to creating long-term value for providers of finance. The process of creating value involves identifying and responding to external environment factors including sustainable development risks and opportunities. Value creation (or destruction) involves transforming multiple capitals: social and relationship capital, natural capital, human capital, intellectual capital, financial capital and manufactured capital. The value creation process also involves trade-offs in impact on achieving the SDGs. The Fundamental Concept of Long-term value creation for the organization and society is informed by the Fundamental Concepts underpinning the International <IR> Framework (IIRC, 2013); value creation for the organization and for others; the capitals; and the value creation process. **Sustainable development context and relevance:** This Fundamental Concept is informed by the definition of sustainability context in GRI 101. However, it goes beyond presenting the organization's performance in the sustainability context to also recognize that such context has implications for strategy and the business model. Information on targets should be placed in context of the targets underpinning the SDGs. An organization's consideration of sustainable development issues should include, but go beyond, their relationship to both positive and negative performance, to consider their implications for what business is done (products and/or services) and how business (operations) is done. The organization's approach to contributing to achievement of the SDGs should be reflected through its strategy and business model. **Materiality:** Material sustainable development information is any information that is reasonably capable of making a difference to the decisions made drawn by: • Stakeholders concerning the positive and negative impacts of the organization on global achievement of the SDGs and/or sustainable development • Providers of finance concerning the ability of the organization to create long-term value for the organization and society. The sustainable development issues that are relevant to an organization's ability to create long-term value and prevent value destruction present risks and/or opportunities for its Stakeholders, including society (people and planet) more broadly.

	The sustainable development issues that led to the development of the SDGs are interdependent in ways that are impossible to predict and over which an organization has limited control. Organizations impact the achievement of sustainable development both outside and within their organizational boundaries. **Reporting Principles:** • Strategic focus and future orientation • Stakeholder inclusiveness • Conciseness • Connectivity of information • Consistency and comparability • Completeness, balance, and understandability • Reliability and verifiability • Timeliness. The SDG Impact Standards for Enterprises are aligned with the SDGD Recommendations. *Sources: Carol Adams, Professor of Accounting, with Paul Druckman and Russell Picot, published by the Association of Chartered Certified Accountants (ACCA), Institute of Chartered Accountants of Scotland (ICAS), Chartered Accountants Australia and New Zealand (CA ANZ), the International Integrated Reporting Council (IIRC) and the World Benchmarking Alliance, 2020.*
SDG Impact	UNDP initiative to create a suite of complementary resources to facilitate increased private sector investment towards advancing the SDGs. The SDG Impact products include the SDG Investor maps, and the SDG Impact Standards, assurance framework and online IMM training developed through the Case Centre at Duke University.
SDG Impact Investor Maps	Developed by UNDP to provide country level market intelligence on SDG-aligned priority areas for both fully private or blended investments. The SDG Investor maps identify investment opportunity areas that are proven and scalable considering the enabling regulatory and financial environment that facilitate investment.
SDG Indicators	232 indicators used to measure the 169 targets related to the 17 SDGs. Indicators are generally set at the country level, so may not be appropriate or relevant to apply at the entity level. *See: SDG Indicators.*
SDG linked bonds	Bonds whose performance is linked to achieving (or contributing to) certain SDG related outcomes or targets, such that failing to meet those outcomes or targets results in a pre-specified cause of action (e.g. a step-up/step-down in the margin required to be paid on the bond if impact performance is lower/higher than a pre-specified target). Note: Paying a step-up margin to investors where target outcomes are not achieved is not a well-aligned incentive. Directing any step-up margin to a separate account to be paid, for instance, to a third-party organization and applied towards improving the targeted outcomes could be more appropriate.
SDG Targets	169 targets that have been set in relation to the 17 SDGs.
SDGs (Sustainable Development Goals)	17 global goals set by the UN General Assembly in 2015 to be achieved by 2030. Each SDG comprises a list of targets and indicators. The SDGs are integrated into the design of the SDG Impact Standards.

SFDR (the Sustainable Finance Disclosure Regulation)	Came into force in December 2019 with an implementation date of 10 March 2021. Part of the European Commission's package of reforms to implement its sustainable finance strategy. Requires all EU-based financial market participants to disclose ESG risks, with additional requirements for investments or products that make specific ESG or sustainable investment claims.
Sensitivity and scenario analysis	The process of identifying a range of plausible scenarios based on different assumptions (e.g. an expected case, a worst case, and a best case, scenario), and assessing the variability of outcomes based on changes in the scenario. This is especially important in uncertainty, i.e. when the variables are not completely within, or are outside, the entity's control (e.g. climate change).
Social capital	The networks and shared norms, values and understanding that facilitate cooperation within and among groups. *Source: Capitals Coalition.*
Stakeholder involvement	Involving Stakeholders in ongoing planning and decision-making that is two way, conducted in good faith, responsive and results in Stakeholders having meaningful agency in decisions that impact them (i.e. there is evidence that Stakeholder needs and preferences influence and change decisions and outcomes). The degree of potential social, economic and/or environmental impact on Stakeholders, the level of risk of and Stakeholders' tolerance for, unexpected outcomes, and how disadvantaged Stakeholders are will determine the appropriate level and form of Stakeholder involvement. *Source: Adapted from OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector.*
Stakeholders	Those (people and planet) who are affected, intentionally or unintentionally, directly or indirectly, by an entity's activities and decisions (noting that inaction is also a decision), including: 1. **Human-rights holders** including workers, local community members, human rights defenders, migrant workers, persons with disabilities, indigenous peoples, people from under-recognised or vulnerable groups, consumers. Engagement may be through organizations that represent them such as trade unions or civil society organizations. 2. **Customers** who use the entity's products/services 3. **Employees** (and other workers) who work for the entity (directly or indirectly e.g. through supply chains) **4. Community including neighbours and groups of people in local and wider communities (including throughout the value chain) who have a shared interest and/or** who are directly or indirectly affected by an entity's activities (e.g. unhealthy factory emissions that negatively affect surrounding local communities or affordable housing units for underserved communities) 5. **Suppliers and distributors** who are affected by the entity's volume of procurement, regulations and quality control (e.g. a zero-tolerance policy on child labor that affects suppliers) 6. **The planet** (including the environment, ecosystems and biodiversity), which an entity affects through extracting, using and creating environmental resources; and, for example, through pollution that is emitted by these processes. 7. **Future generations** **8. Owners, members, lenders and investors of the entity** Stakeholders also include those who contribute to the generation of impacts, and those that are likely to affect the entity's performance, recognizing an entity's impacts and its dependencies are interrelated. Further, some stakeholders may both experience and contribute to impacts.

Standards (SDG Impact Standards for Enterprises, Bond Issuers and Private Equity Funds)	Developed for Enterprises, Funds, Bond Issuers and other actors as a public good to inform and encourage increased private sector investment towards advancing the SDGs. Part of the United Nations Development Programme (UNDP) SDG Impact Initiative. The SDG Impact Standards are internal decision-making standards to help users integrate impact management and contributing positively to sustainable development and the SDGs into strategy, management approach, transparency and governance practices. The Standards also help users to connect to and work with actors across the system through a shared system, conventions and language.
Subjectivity	Application of judgement based on an individual perspective when objective data is not available. *Source:* *Social Value International.*
Sustainable development	Meeting the social, environmental and economic needs of the present without compromising the ability of future generations to meet their needs (e.g. climate change, inequality and human rights, biodiversity loss, deforestation, waste and pollution).
SVI (Social Value International)	An international membership network focused on adopting decision-making, ways of working and resource allocations that embed principles for social value measurement and analysis. The aim is to promote equality and wellbeing and reduce environmental degradation.
SVI's seven principles of social value	SVI's seven principles of social value are a set of social accounting principles: **Involve stakeholders:** To inform what gets measured and how, and to what degree a good or service is valued **Understand what changes:** Articulate how change is created and evaluate this through evidence, recognizing positive and negative changes and those that are intended and unintended **Value the things that matter:** Allocate resources between options based on the values of Stakeholders **Only include what is material:** Determine what information and evidence must be included to give a true and fair picture, so that Stakeholders can draw reasonable conclusions about impact **Do not over-claim:** Only claim the value that directly derives from activities **Be transparent:** Demonstrate the basis on which analysis may be considered accurate and honest, and show that it will be reported to and discussed with Stakeholders **Verify the result:** Ensure appropriate independent assurance. The SDG Impact Standards are aligned with SVI's seven principles of social value. *Source:* *Social Value International.*
SVI's Standards	SVI has developed a number of Standards to provide further guidance on implementation of their seven principles of social value including: • Standard on applying Principle 1: Involve stakeholders • Standard on applying Principle 2: Understand what changes (Part 1) • Standard on applying Principle 3: Value the things that matter. • Standard on applying Principle 4: Only include what is material The SDG Impact Standards link to SVI's Standards. *Source:* *Social Value International*.

SVI's impact questions	1. What problem are we trying to solve? 2. What is our proposed solution to the problem, what resources are required/do we depend on? 3. Who experiences changes in their lives as a result of what you do? What subgroups are there? Or customer segmentation? 4. What outcomes are (or likely to be) experienced? 5. How can we measure the amount of change in the outcomes? 6. How much change in each outcome has happened (or is likely to happen)? 7. How do we account for trade-offs between positive and negative and compare options? 8. How long do we need to measure outcomes for? 9. How much of the change in each outcome is caused by our activities? 10. Which outcomes matter to the people who have been affected? 11. What are the risks that impacts may not be achieved as required/expected? *Source: Social Value International (Questions 1-10), SDG Impact (Question 11)*
Systems change	Shifting the conditions that are holding a problem in place. *Source: Social Innovation Generation (SIG) Canada.* According to FSG, there are six interdependent conditions that typically play significant roles in holding a social or environmental problem in place. These conditions exist with varying degrees of visibility to players in the system, largely due to how explicit, or tangible, they are made to most people: **Policies:** Government, institutional and organizational rules, regulations, and priorities that guide the entity's own and others' actions **Practices:** Espoused activities of institutions, coalitions, networks, and other entities targeted to improving social and environmental progress. Also, within the entity, the procedures, guidelines, or informal shared habits that comprise their work **Resource flows:** How money, people, knowledge, information, and other assets such as infrastructure are allocated and distributed **Relationships and connections:** Quality of connections and communication occurring among actors in the system, especially among those with differing histories and viewpoints **Power dynamics:** The distribution of decision-making power, authority, and both formal and informal influence among individuals and organizations **Mental models:** Habits of thought – deeply held beliefs and assumptions and taken-for-granted ways of operating that influence how we think, what we do, and how we talk. *Source: FSG, The Water of Systems Change, John Kania, Mark Kramer, Peter Senge, 2018*
Systems thinking	A method of critical thinking to facilitate better decision-making and reduce unintended consequences considering connections and interdependencies of a system's parts. First, define the bounds of a system. Second, define the parts. Third, analyze relationships between the parts to better understand connections and interdependencies which ultimately affect the system's performance/ outcomes. Systems thinking is related to integrated thinking.

Threshold	A societal norm or ecological level deemed ‘good enough’, for example as indicated by science-based targets and the SDGs which outline targets (or thresholds) for achievement by 2030. The outcome threshold defines the acceptable range for the outcome. Performance outside of the acceptable range is negative or unsustainable. Performance within the acceptable range is positive or sustainable. Outcome thresholds can be set locally, nationally or internationally. They should also represent the affected Stakeholder’s perspective, so Stakeholder feedback can be an important way to corroborate outcome thresholds, especially when they are not well-established. (Note: Care should be taken to recognize – and adjust accordingly – that under-represented Stakeholder populations may not be aware of the negative impacts that business or other activities may have on their access to basic rights and services. Precedence should be given to international norms where locally set norms are less ambitious than international ones.)
Trade-offs	Quantitative (not necessarily monetary) comparison of impacts, all of which are not attainable at the same time, informed by stakeholder preferences and the sustainable development context. *Adapted from Source: Social Value International.*
UNCTAD (United Nations Conference on Trade and Development)	A permanent intergovernmental body established by the United Nations General Assembly in 1964 supporting developing countries to access the benefits of a globalized economy more fairly and effectively and help equip them to deal with the potential drawbacks of greater economic integration. UNCTAD has released *Guidance on core indicators for entity reporting on contribution towards implementation of the Sustainable Development Goals (2019).* *Source: UNCTAD.*
UNDP (United Nations Development Programme)	The UN’s global development network, advocating for change and connecting countries to knowledge, experience, and resources to help people build a better life. Active in over 170 countries and territories, working with governments and people on solutions to global and national development challenges.
UNEP FI (United Nations Environment Programme – Finance Initiative)	UNEP FI is a unique partnership between the UN and the global financial sector. It was created following the 1992 Earth Summit to promote and enable the integration of sustainability considerations at all levels of operation and decision-making in financial institutions. Working with a network of over 350 financial institutions globally, UNEP FI spawned the Principles for Responsible Investment in 2006 and currently operates both the Principles for Responsible Banking and the Principles for Sustainable Insurance, as well as the Positive Impact Initiative, a think and do tank at the origin of holistic impact analysis, a unique solution for the impact management and SDG achievement in mainstream finance. The SDG Impact Standards are aligned with UNEP FI’s Principles for Responsible Banking and Principles for Positive Impact Finance.
UNGC (United Nations Global Compact)	A voluntary initiative based on CEO commitments to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation.
UNGC CFO Principles on Integrated SDG Investments and Finance	The CFO Principles supplement the UN Global Compact’s Ten Principles to support companies in the transition to sustainable development and to leverage corporate finance and investments towards realizing the SDGs. The SDG Impact Standards are aligned with UNGC’s CFO Principles on Integrated SDG Investments and Finance. *Source: UNGC.*

UNGC Ten Principles	The Ten Principles account for the fundamental responsibilities of business in the areas of human rights, labor, environment and anti-corruption. They are derived from the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption. The Ten Principles are based on the premise that corporate sustainability starts with a company's value system and a principles-based approach to doing business. Responsible businesses enact the same values and principles wherever they have a presence and know that good practices in one area do not offset harm in another. By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success. The Ten Principles of the UNGC *Human Rights* **Principle 1**: Business should support and respect the protection of internationally proclaimed human rights **Principle 2**: Make sure that they are not complicit in human rights abuses *Labor* **Principle 3**: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining **Principle 4**: The elimination of all forms of forced and compulsory labor **Principle 5**: The effective abolition of child labor **Principle 6**: The elimination of discrimination in respect of employment and occupation *Environment* **Principle 7**: Business should support a precautionary approach to environmental challenges **Principle 8**: Undertake initiatives to promote greater environmental responsibility **Principle 9**: Encourage the development and diffusion of environmentally friendly technologies. *Anti-corruption* **Principle 10**: Business should work against corruption in all its forms, including extortion and bribery. The SDG Impact Standards link to the UNGC Ten Principles. *Source: UNGC Ten Principles.*
Unintended consequences	Unintended (and usually unforeseen) outcomes of a purposeful action. Unintended consequences include unexpected positive outcomes, unexpected negative outcomes and perverse outcomes (where the purposeful action makes the original problem worse).

UNGPs (United Nations Guiding Principles on Business and Human Rights)	31 principles (the first 10 of which relate to State duties) implementing the United Nations 'Protect, Respect and Remedy' framework on the issue of human rights and transnational corporations and other business enterprises. The Guiding Principles were developed by the Special Representative of the Secretary-General and were unanimously endorsed by the United Nations Human Rights Council in 2011. The UNGPs are the most authoritative guidance on how to "prevent and address human rights abuses in business operations"[3] Under Pillar 1 of this framework, the State has the primary legal responsibility to **protect** the human rights of its citizens. Pillar 2 requires businesses to **respect** human rights by avoiding infringing on the human rights of others and addressing adverse human rights impacts with which they are involved. Pillar 3 requires states to ensure, through judicial, administrative or other appropriate means, that rights holders have access to effective **remedy** when human rights abuses occur. In addition, the UNGPs are cited by the 2030 Agenda for Sustainable Development as a Means of Implementation, to be used to "foster a dynamic and well-functioning business sector, while protecting labor rights and environmental and health standards in accordance with relevant international standards….such as the UNGPs"[4]. The SDG Impact Standards link directly to the UNGPs. *Source: Adapted from United Nations Guiding Principles on Business and Human Rights*
UN HLEG (United Nations' High Level Expert Group) - Recommendations on the Net Zero Emissions Commitments of Non-State Entities)	The UN HLEG Recommendations on the Net Zero Emissions Commitments of Non-State Entities, released in November 2022 at COP 27, sets out five principles and ten recommendations to create a universal definition of net zero and provide best-practice guidance for non-state actors (businesses, financial institutions, cities and regions) to translate their net-zero pledges and commitments into targets and action that align with their fair share of emissions and support a just transition for all.
UDHR (Universal Declaration of Human Rights)	A milestone document in the history of human rights. Drafted by representatives with different legal and cultural backgrounds from all regions of the world, the Declaration was proclaimed by the United Nations General Assembly in Paris on 10 December 1948 (General Assembly resolution 217 A) as a common standard of achievements for all peoples and all nations. It sets out, for the first time, fundamental human rights to be universally protected and it has been translated into over 500 languages. *Source: Universal Declaration of Human Rights (UDHR).*
UNRISD (United Nations Research Institute for Social Development)	An autonomous research institute within the UN system that undertakes interdisciplinary research and policy analysis on the social dimensions of contemporary development issues. The UNRISD Sustainable Development Performance Indicators Project research has identified a number of blind spots in corporate sustainability reporting that Stakeholders need filled to gauge whether companies' performance is consistent with the transformative vision of the SDGs, including: • measurement of actions that actually transform the root causes of unsustainable development, including inequalities, distributive injustice and unequal power relations • quantitative, time series data that reveal performance trends over time

[3] The UN Working Group on Business and Human Rights, 'The UN Guiding Principles on Business and Human Rights: An Introduction', https://www.ohchr.org/Documents/Issues/Business/Intro_Guiding_PrinciplesBusinessHR.pdf
[4] 2030 Agenda for Sustainable Development, para. 67

	• "material" and "contextualized" metrics, informed by social science research, that show how entities perform relative to sustainability thresholds. *Source: UNRISD.*
UN Women	The United Nations entity dedicated to gender equality and the empowerment of women. It works globally to make the vision of the SDGs a reality for women and girls, and stands behind women's equal participation in all aspects of life, focusing on four strategic priorities: • Women lead, participate and benefit equally from governance systems • Women have income security, decent work and economic autonomy • All women and girls live a life free from all forms of violence • Women and girls contribute to and have greater influence in building sustainable peace and resilience, and benefit equally from the prevention of natural disasters and conflicts and humanitarian action. *Source: UN Women.*
UN Women's Empowerment Principles	A set of seven principles that offer guidance to business on how to promote gender equality and women's empowerment in the workplace, marketplace and community. They were developed as a joint initiative between UN Women and the UNGC and are informed by international labor and human rights standards and grounded in the recognition that businesses have a stake in and responsibility for gender equality and women's empowerment. Women's Empowerment Principles 1. Establish high-level corporate leadership for gender equality 2. Treat all women and men fairly at work – respect and support human rights and nondiscrimination 3. Ensure the health, safety and wellbeing of all women and men workers 4. Promote education, training and professional development for women 5. Implement enterprise development, supply chain and marketing practices that empower women 6. Promote equality through community activities and advocacy 7. Measure and publicly report on progress to achieve gender equality. The SDG Impact Standards link to the UN Women's Empowerment Principles. *Source: UN Women.*
Use-of-proceeds bond	Bond with strict accountability of the use-of-proceeds towards eligible green, social or climate activities and with a link to the SDGs. Typically issued in accordance with ICMA's green, social or sustainability bond principles or the Climate Bond Standard (CBI). Can be issued by companies, governments and municipalities, and activities and projects. Can be unsecured, backed by the creditworthiness of the corporate or government issuer. Can also be secured with collateral on a specific asset. *Sources: UNGC and UNEPFI, SDG Bonds| Leveraging Capital Markets for the SDGs.*
Valuation	The process of estimating the relative importance, worth, or usefulness of something to people and the planet (or an Enterprise), in a particular context. *Source: Adapted from Capitals Coalition.*
Value creation	Entities create (or destroy) value through the value they create (or destroy) for their entity (and its shareholders/owners/providers of finance) and Stakeholders (people and planet). Through the process of creating (or destroying) value, entities have an impact (positive or negative, direct or

	indirect, intended or unintended) on sustainable development and achieving the SDGs. Achieving the SDGs is critical to creating both long-term value for entities (and their shareholders/owners/providers of finance) and Stakeholders (people and planet). The concept of Enterprise value creation is broader than the concept of Enterprise value. The concept of value creation encapsulates value created across multiple capitals (for instance, human, natural, social and financial or economic value) for the Enterprise and for Stakeholders. The concept of Enterprise value refers exclusively to financial capital for the Enterprise and its shareholders/owners/providers of finance i.e. the Enterprise's market capitalization plus debt. *Source: Adapted from SDGD Recommendations.*
WBA (World Benchmarking Alliance)	WBA seeks to generate a movement around increasing the private sector's impact towards a sustainable future for all by working to incentivize and accelerate companies' efforts towards achieving the SDGs. WBA has set out to develop benchmarks to compare companies' performance on the SDGs.
Wellbeing	*Positive state of being where people's needs are met, such that they have the capacity and opportunity to lead fulfilling lives.* *Source ISO 37005*