

SDGs – what does
it mean for evaluation?

Impact Thinking

a business perspective on the SDGs

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71%

of businesses say they are
already planning how they
will engage with the SDGs

13%

of businesses have identified
the tools they need to assess
their impact against the SDGs

41%

of businesses say they will
embed SDGs into strategy
and the way they do business,
within five years

90%

of citizens say it's important
for business to sign up to the
SDGs



A new approach to responsibility

Voluntary action	Responsibility for impacts
<p>In 2001 the European Commission defined CSR "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis".(COM(2001)366).</p>	<p>In 2011 the European Commission defined CSR as "the responsibility of enterprises for their impacts on society." (COM(2011) 681).</p>
<p>Carroll (1991) equated voluntariness primarily with corporate philanthropy, along with ethical responsibilities.</p>	<p>ISO 26000 defined CSR as "the responsibility of an organization for the impacts of its decisions and activities [including products, services and processes] on society and the environment" (ISO, 2010: clause 2.18)</p>
<p>Boatright (1997) defined CSR as corporations' voluntary adoption of responsibilities beyond those which are purely economic or legal.</p>	<p>UN Global Compact has started encouraging its member companies to monitor and set goals in areas in which they have the most significant impacts (UN, 2013).</p>
<p>"In general, corporate sustainability and CSR refer to company activities, voluntary by definition, demonstrating the inclusion of social and environmental concerns in business operations and in interactions with stakeholders" (Van Marrewijk, 2003: 102).</p>	<p>The World Business Council for Sustainable Development released a guide for measuring socio-economic business impacts (WBCSD, 2013),</p>
<p>Crane et al. (2013) highlighted voluntariness as one of six core characteristics of CSR.</p>	<p>The Global Reporting Initiative (GRI) released the G4 Sustainability Reporting Guidelines that highlight materiality and impacts along supply chains (GRI, 2013).</p>

A new approach to responsibility

Voluntary action	Responsibility for impacts
embraces a rather narrow, short-term, and instrumental logic ('business case')	internalizes a broader, long-term, and integrative concern that seeks to further social good ('societal case')
focuses on activities that can be managed by a company alone	faces the challenges of shared responsibilities and indirect impacts (e.g. along supply chains or product life cycles)
can easily be reported based on corporate data	requires additional information about impact pathways which is often not available to companies
can be implemented based on well established management methods	requires a fundamentally new management approach as managers are no longer only responsible for profits, market shares, growth or shareholder value, but for the positive and negative impacts they have on society



Impact-oriented CSR

- goes beyond a focus on the return to the company to **considering the impacts arising from the company's activity for society**
- **expands the view** from corporate performance and output to societal and environmental impacts of company decisions and activities, including
 1. positive and negative impacts
 2. core business and humanitarian / environmental projects
 3. economic, social and environmental impacts
 4. short and long term impacts
 5. direct and indirect impacts
 6. intended and unintended impacts
- **accepts responsibility** for impacts even if other actors are involved, including
 - a. supply chains
 - b. product use and post-use-phase
 - c. indirect impacts on consumer practices, habits and culture
- aims at **improvement of impacts**
(increase positive, reduce negative impacts)



Impact-oriented CSR

- 1. Purpose**
(reporting, decision support, learning)
- 2. Scope**
(direct, supply chain, products)
- 3. Impact areas**
(SDGs, materiality)
- 4. Impact pathways**
(causality, time-lags)
- 5. Sphere of influence**
(shared responsibility)
- 6. Data availability**
(linking micro- and macro-data)
- 7. Scenarios**
(time-scales, systemic approach)
- 8. Aggregation**
(indicators, valuation)
- 9. Improvement measures**
(TQM cycle)
- 10. Communication**
(target groups and channels)

Tools for Impact-oriented CSR

- Base of the Pyramid Impact Assessment Framework (William Davidson Institute)
- B Impact Assessment
- Company Level CSR Self-Assessment Tool (UNDP and EU)
- Corporate Water Footprint
- CSRware-SSC
- Framework for Action: Business and MDGs (UNDP, International Business Leaders Forum)
- Global Compact Self Assessment Tool (UN Global Compact)
- Human Rights Impact Assessment Toolkit (NomoGaia)
- ILO Elimination Child Labour
- Inclusive Business Challenge (World Business Council for Sustainable Development)
- LBG Model (London Benchmarking Group)
- MDG Scan (Sustainalytics, Business in Development)
- Oxfam Poverty Footprint (Oxfam)
- PPI Progress out of Poverty Index (CGAP, Grameen Foundation, Ford Foundation)
- Product Carbon Footprint
- Progress out of Poverty Index
- Reporting Guidance on the 10th Principle Against Corruption
- Supply Chain Insight Tool
- Total Impact Measurement & Management (PwC)
- UNEP Towards Triple Impact
- Unleashing Entrepreneurship: Making Business Work for the Poor

Impact Thinking

1. Companies will be **held responsible for impacts** (not only for profits, shareholder value, performance or market shares)
2. This requires a **clear scope** on what they are responsible for and for what they are not responsible for
3. They will need a **clear picture of the whole system** (and not only of your B2B relations and your stakeholders)
4. They will have to deal with **ambiguities, trade-offs** and **systemic links**
5. Requires **multi-level evaluation systems** and linkages of corporate, regional and national data.