

The Sustainable Development Goals and the B Impact Assessment

I. Introduction

The B Impact Assessment (BIA) is a *comprehensive* and *objective* measure of a business's *positive* impact on society and the environment. The B Impact Assessment's indicators are customized to a company based on size, sector, and market to provide a composite score on a 200 point scale, representative of overall impact all stakeholders including employees, communities, and the environment.

The assessment is divided into impact areas—representing the stakeholders that are beneficiaries of the company—and by Operational Impact and Impact Business Models—representing how the company operates vs. how the company has designed its business model to create social or environmental impact.

More information about the B Impact Assessment can be found in the attached document, which includes terminology and an overview of the indicators included within both sections of the B Impact Assessment.

Unlike other assessments that are designed to manage and mitigate the negative impacts of businesses on their stakeholders, the B Impact Assessment is designed to evaluate the positive impact that the company's operations and business models have in generating a positive impact on society and the environment.

The framework of the B Impact Assessment is suited for measuring a company's contributions to all of the Sustainable Development Goals as they are currently proposed. Because the assessment is split into Operations and Business Models, the B Impact Assessment can also provide insight for companies that are pursuing operational responsibility with regards to the SDGs, as well as drive companies to consider innovative business models that will more systematically contribute to Sustainable Development Goals and addressing major social and environmental challenges that the world faces.

The Sustainable Development Goals are listed with all areas of the B Impact Assessment that are that contribute to each goal. The alignment of the BIA is divided into Operations and Impact Business Model (see below to learn more about the specific operational topics and impact business models).

II. Sustainable Development Goals B Impact Assessment Mapping

Goal 1

End poverty in all its forms everywhere.

Operations: Compensation, Benefits, and Training (Living Wage), Job Creation
IBM: Economic Empowerment; Serving Those In Need; Supply Chain Poverty Alleviation; Workforce Development

Goal 2

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

Operations: Inputs, Outputs
IBM: Basic Services; Health; Environmental Products; Environmental Agriculture Model

Goal 3

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

Operations: Compensation, Benefits, and Training (Insurance); Work Environment; Occupational Health and Safety; Inputs (Toxicity Disclosure)

IBM: Health

Goal 4

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

Operations: Compensation, Benefits, and Training (Professional Development)

IBM: Workforce Development; Education

Goal 5

Achieve gender equality and empower all women and girls

Operations: Diversity; Job Creation

IBM: Economic Empowerment; Serving Those In Need

Metric Set: Gender Lens

Goal 6

Ensure availability and sustainable management of water and sanitation for all

Operations: Environmental Inputs, Environmental Outputs

IBM: Basic Services, Serving Those in Need, Water Efficiency

Goal 7

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

IBM: Renewable Energy Creation; Basic Services

Goal 8

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

Operations: Job Creation, Diversity, Work Environment,

IBM: Workforce Development; Supply Chain Poverty Alleviation

Goal 9

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

Operations: Accountability

IBM: Infrastructure Development, Environmental Manufacturing Model

Goal 10

Reduce inequality within and among countries

Operations: Local; Supply Chain; Compensation, Benefits, Training (Pay Multiples, Ownership, Bonuses)

Goal 11

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

Operations: Job Creation (Low Income Communities), Local, Land, Office, Plant

	IBM: Basic Services, Environmental Products, Charitable Giving
Goal 12	<p>Ensure sustainable consumption and production patterns</p> <p>Operations: Inputs, Outputs IBM: Environmental Products; Environmental Manufacturing Model</p>
Goal 13	<p>Take urgent action to combat climate change and its impacts*</p> <p>Operations: Inputs, Outputs, Civic Engagement and Charitable Giving (Advocacy Work) IBM: Environmental Products, Environmental Manufacturing Model</p>
Goal 14	<p>Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p> <p>Operations: Inputs, Outputs IBM: Environmental Products (Land, Wildlife Restoration/Conservation)</p>
Goal 15	<p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p> <p>Operations: Land, Office, Plant, Inputs IBM: Environmental Products (Land, Wildlife Restoration/Conservation)</p>
Goal 16	<p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p> <p>Operations: Accountability, Ethics, Transparency IBM: Mission Lock Governance Structure</p>
Goal 17	<p>Strengthen the means of implementation and revitalize the global partnership for sustainable development</p> <p>Operations: Civic Engagement and Charitable Giving, IBM: Flow of Capital/Operational Viability for Purpose Driven Organizations</p>

III. Operational Impact Topics Descriptions

Impact Topics within the B Impact Assessment are included within each Impact Area as follows:

Governance			
Goal	Rationale	Outcome	Sample Indicators
Mission and Engagement	Engaging stakeholders, clearly communicating	The company is driven is purpose driven, and all employees are	-Company has a social/environmental mission -Company tracks key performance indicators and produces a mission-

	mission and tracking social and environmental performance helps a company keep a focus on impact.	made aware of the purpose of the organization.	related report -Workers are trained and/or evaluated on social & environmental performance
Governance	Good governance structures and practices demonstrate better accountability, oversight & stakeholder engagement.	Company receives feedback and is held accountable to all stakeholders.	-Formal governance structure -Board of Directors/advisory body written responsibilities -Independent member(s) on Board -Stakeholder groups with Board representation
Ethics	Internal financial controls, a Code of Conduct, and policies to manage complaints/conflicts can help companies avoid corruption and fraud.	Company institutionally prevents wrongdoing within its ranks.	-Segregation of A/R and A/P, segregation of check writing and signing, and other financial controls -Written code of business conduct and ethics, whistleblower policy, procedure for managing conflicts of interest within the Board or Board and staff
Transparency	Transparent financials and communication with customers and workers promotes accountability and reduce fraud.	Company shares information on financial, social and environmental performance to interested parties.	-Financial statements produced in accordance with local or international standards and reviewed or audited -Policy for sharing financials and ownership info with workers -Customer/client protection policies

Workers			
Goal	Rationale	Outcome	Sample Indicators
Compensation and Wages	Fair wages and performance-based bonuses, along with training for career advancement, improve the livelihoods of workers.	Employees are able to meet their needs and are paid equitably.	-All workers paid living wage -% paid above living or minimum wage -Inflation or performance-based bonuses awarded to workers -Ratio of highest compensated to lowest compensated worker
Worker Benefits	Offering benefits can increase employee satisfaction, improve worker health, and improve	Employees have security against health and accidents, as well as social opportunities to	-% health insurance premiums paid by company for individual and family coverage -Weeks of paid maternity and paternity leave

	living standards.	promote work / life balance.	
Training & Education	Skills training and education can lead to higher worker productivity, develop transferrable skills and increase knowledge.	Careers are developed through professional advancement opportunities and education.	-Initial and on-going worker training -% full-time workers reimbursed for continuing education -External professional development opportunities -Outplacement services for terminated workers
Worker Ownership	Workers ownership plans offer the opportunity for workers to be involved in company decisions build assets and share in profitability.	Employees receive financial security, a say in decision-making, and equitable share in the financial success of the business.	-% full-time workers (including founders/ executives) that own stock, stock options or equivalents -% company owned by full-time workers (excluding founders/ executives)
Job Flexibility/ Corporate Culture (Developed Markets only)	Flexible work environments create better places to work and improve work/life balance.	Employees have a healthy work / life balance.	-Support short-term & long-term leave -Workers offered part-time and flex-time schedules, job-sharing, and telecommuting
Human Rights & Labor Policy (Emerging Markets only)	Respecting and promoting fundamental principles is essential for the dignity of work (ILO).	The dignity of workers is preserved.	-Policies on non-discrimination, collective bargaining, freedom of association, and prohibited child labor -Third-party certified labor practices
Management & Worker Communication	Transparency and communication create fair and honest workplaces and builds trust between workers and management.	Employees have development opportunities through feedback and have healthy communication in work environment.	-Performance feedback process -Written and accessible employee handbook, discrimination policy, and code of ethics -% of employees 'Satisfied' or 'Engaged' in anonymous assessment
Occupational Health & Safety	Safe and healthy work environments protect workers and prevent work-related injuries, accidents and diseases.	Employees are safe and healthy, ensuring work environment does not negatively impact physical health.	-Injury/accident/lost days/absentee days measured and transparent -Written policies and practices to minimize on-the-job employee accidents

Community

Topics	Rationale	Outcome	Sample Indicators
Suppliers & Distributors	Companies have a positive impact by sourcing from suppliers that provide impactful products/services or employ positive practices (e.g. quality assurance, fair labor, and environmental practices).	The impact of the business extends to their supply chain, which also includes socially and environmentally impactful businesses.	<ul style="list-style-type: none"> -Visited all suppliers, specific environmental and/or social criteria required, preference to local suppliers, etc. -Average tenure of supplier relationships -% of suppliers with third-party social or environmental certifications -Independent contractor communication channels
Local	Companies with local involvement and ownership support their local economy and communities.	The company positively contributes to thriving and vibrant communities, including more equitable distribution of economic power and opportunity	<ul style="list-style-type: none"> -Company ownership is local to workforce -% COGS from independent, local suppliers -Bank with community or local independent banking institution
Diversity	Promoting diversity engages members from underrepresented backgrounds, including women, minority/ previously excluded populations, people with disabilities and/or individuals living in low-income communities, and fosters equality.	The company and its beneficiaries are fully representative of the community in order to ensure equitable opportunity and inclusivity.	<ul style="list-style-type: none"> -% of management, % of the members of Board of Directors or Advisory Board, and % of company owned from underrepresented populations -% of company owned by non-accredited investors -Policies favoring women-or minority-owned suppliers
Job Creation	Job creation favors the creation of wealth at an individual and social level. It supports the development of a local economy that benefits in need areas.	Company provides economic opportunities for the community, particularly those who are most in need.	<ul style="list-style-type: none"> -% of worker base growth -Attrition rate for full-time workers -% of workers from chronically underemployed populations -% of workers residing or working in low-income communities -% of Significant Suppliers located in low-income communities or creates employment opportunities
Civic Engagement & Giving	Companies that participate and engage employees in civic engagement	Company promotes flourishing communities	<ul style="list-style-type: none"> -Written community service policy -% of employees that took paid or unpaid time off for community service -Recording and monitoring volunteer hours

	and charitable giving are active stewards of their communities and society. Such service and giving demonstrates a company's commitment to its local and/or global community and promotes company values beyond profit generation.	through philanthropic activities including charitable giving, community service, and advocacy.	-Partnership with a service/ charitable organization -% of net profits or net revenues donated to charitable organizations -Formal written policy setting a required commitment for charitable giving -Best practices of local engagement, sharing facilities with community and matching employee contributions
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Environment			
Topics	Rationale	Outcome	Sample Indicators
Land, Office, Plant	The environmental impact of a company is significantly affected by decisions on management, facilities and purchasing. For many companies, facilities are the most material environmental impact of the business; thus policies and efforts aiming to reduce this impact are important to capture.	Environmental impact of facilities and commuting are minimized.	-Presence of an environmental management system -Environmental review conducted -Company's facilities compliant with green building standards (LEED or equivalent) -Office-wide recovery and recycling program -Chemical reduction methods -Public transportation incentives/ accessibility -Corporate travel reduction policies
Inputs	Inputs include energy, water and raw input materials used in company operations to produce their product or service. Monitoring resource usage over time and using sustainable inputs and materials enables companies to reduce natural resource consumption and improve overall environmental impact.	Materials and energy used for operation of business are sustainable.	-Sustainability factors integrated into design process -% revenues from products with a life cycle assessment -% of recycled, biodegradable, or sustainable materials in product -% of non-toxic materials -Active reclamation project for end products -Energy and water usage monitored, goals set and reductions achieved -% of energy reduction achieved -% of energy used from renewable sources -% of recycled, biodegradable, or environmentally-preferred materials used in products -% increase in water harvested or recycled -Water conservation methods -Company assessment of all materials used

			and material toxicity -Product source reduction achieved
Outputs	Outputs include different types of waste and emissions a company produces from the production of their product/service. Monitoring and recording outputs enables companies to assess the amount and degree of negative impact of their operations on the environment with the goal of reducing waste and emissions, especially those that are most harmful to the environment.	All emissions from the company that have a negative impact on the environment are minimized.	-Methods of monitoring and recording greenhouse gas emissions -Purchase of carbon offsets -% of greenhouse gas emissions reduction -Non-hazardous waste, hazardous waste and universal waste production monitored, goals set and reductions achieved -Hazardous waste disposed of responsibly -Company testing and treatment of wastewater -Active reclamation project to recycle or reuse end products
Transportation, Distribution & Suppliers	Efforts to reduce pollution and emissions from transportation and distribution of supplies and products reduce environmental footprint. Companies can also improve their overall environmental impact beyond their own practices by assessing or requiring certain environmental criteria of suppliers and making preferential purchases based on environmental criteria.	Supply chain and distribution network has also minimized environmental impacts.	-% of clean/ low emission company or outsource fleet vehicles -Techniques for minimizing environmental impacts in distribution and supply chain -Policies which increase the % of inbound freight/ shipping via lower impact transportation -% of Significant Suppliers using renewable energy, recycling water and/or using water recovery system -% Significant Suppliers monitoring and implementing initiatives to reduce harmful emissions and/or waste production

IV. Impact Business Model Description

Impact Business Model	Description
Mission Lock	Recognizes locking in mission through governance structures or corporate governing documents

Worker Ownership	Recognizes majority worker-ownership models, like cooperatives and ESOPs
Customer Benefiting Products & Services	Recognizes products and services of a company that are designed to provide significant social benefit to consumers (Provision of Basic Services, Health, Education, Economic Empowerment, Arts & Media, Flow of Capital to Purpose Driven Enterprises, Serving in Need Populations)
Workforce Development	Recognizes job creation and worker training programs for chronically underemployed populations
Poverty Alleviation through Supply Chain	Recognizes sourcing through fair wage certified suppliers and/or supporting small-scale suppliers
Local Community Development (*Developed Market Only)	Recognizes comprehensive strategies to strengthen local communities through local procurement, ownership, banking, customers and charitable giving
Local Economic Development (*Emerging Market Only)	Recognizes strategies to rebuild national economic development via privatization or import substitution
Producer Cooperative	Recognizes supplier-ownership models, like cooperatives, where owners are supplier members who organize production
Charitable Giving	Recognizes charitable giving business models designed to donate at least 20% of profits to charity
Environmental Benefiting Process (Wholesale, Agriculture, or Manufacturing)	Recognizes comprehensive environmental practices that significantly redesign agricultural, distribution or manufacturing processes to conserve natural resources
Environment Benefiting Products & Services	Recognizes products and services of a company that are designed to restore or conserve the natural environment (Renewable energy, resource conservation, waste reduction, land or wildlife conservation, pollution prevention, environmental awareness education)