BACKGROUND

To streamline the process of SDG impact assertion and assurance, the Gold Standard has created the SDG Impact Tool which will help project developers more efficiently monitor, quantify, verify and track a project’s contributions to the SDGs. This rule update is meant to communicate the official launch and integration of the SDG Impact Tool in GS4GG standard framework and provide information on its scope, applicability and entry into force.
RULE UPDATE- THE SDG IMPACT TOOL v.2.0

RULE UPDATE

PROJECT CATEGORY: N/A

1 | SCOPE

1.1.1 | The SDG Impact Tool is meant for use by all GS4GG projects/VPAs and CPAs (hereafter “projects” refers to project, VPAs/CPAs), irrespective of their scope, type and scale.

2 | APPLICABILITY

2.1.1 | As per paragraph 4.1.12 of Principles and Requirements, Gold Standard projects shall demonstrate a clear, direct contribution to sustainable development, defined as making demonstrable, positive impacts on at least three Sustainable Development Goals (SDGs), one of which must be SDG 13 (defined herein as Emissions Reductions or Removals and/or Adaptation to climate change). These are referred to as SDG Impacts.

2.1.2 | The SDG Impact Tool is based on the provisions laid out in paragraph 4.1.12(b) (Option 2) of Principles and Requirements, which provides a valid means for demonstration of SDG Impacts.

2.1.3 | The SDG Impact Tool application is mandatory for all new projects submitted for Preliminary Review after 14.03.2022 and projects (including new PoAs and their VPAs) submitted for design certification review and renewal after 14.03.2022.

2.1.4 | The SDG Tool application is optional and not mandatory for the following projects.

   a. Design certified projects and VPAs/CPAs until the end of the ongoing Crediting Period (after which application is mandatory) and

   b. New VPAs/CPAs that will be included in design certified PoAs until the end of the ongoing Crediting Period of the PoA.

Such projects may apply the SDG tool on a voluntary basis by making applicable changes in the monitoring plan by submitting a design change request at the time of next issuance.

1 Preliminary review submission is considered ‘submitted’ when the Project Developer has: (a) signed and submitted the Terms and Conditions AND (b) submitted the Project Documentation AND (c) paid the fee for the Preliminary Review, where required (para 5.1.7, Principles and Requirements)
2.1.5 | The completed SDG Tool\(^2\) shall be submitted along with other project documentation (such as Project Design Document (PDD), Monitoring Report (MR), Emission Reductions (ER) spreadsheets, as applicable) during requests for:

a. Preliminary Review

b. Validation and Verification to GS-VVB

c. Design and Performance review/certification to Gold Standard

2.1.6 | For reporting sustainable development impact assessment (ex-ante or ex-post), the PDD/MR shall be completed as follows:

a. For SDG 13, the PD/CME shall carry out detailed calculations of sustainable development impact as per the relevant methodological requirements and record them in the PDD/MR and further summarise the results in the SDG tool.

b. For all other SDGs, the PD/CME shall carry out detailed calculations of sustainable development impacts in the SDG tool and summarise the results in the PDD/MR.

3 | ENTRY INTO FORCE

3.1.1 | The date of entry into force of the SDG Impact Tool will be **14.03.2022**.

4 | PUBLIC DISCLOSURE

4.1.1 | The certified SDG tool shall be made publicly available through the Gold Standard Impact Registry, in addition to the other public documents, as per paragraphs 5.1.11 and 6.1.2. of the Principles & Requirements, and in addition to the Rule Clarification public disclosure requirements for project documentation.

\(^2\) The PD/CME shall ensure that all steps (step 1-5) of the SDG Tool are fully completed, and all data/information is provided as per the relevant certification step (mentioned in para 2.1.5 a. to c.).
DOCUMENT REVISION HISTORY

<table>
<thead>
<tr>
<th>Version number</th>
<th>Release date</th>
<th>Description</th>
</tr>
</thead>
</table>
| Version 1.1    | 14.03.2022   | a) Further clarification on the applicability of the tool to existing and new projects/PoAs  
b) Further clarification on reporting the outcomes of the SDG Impact Tool  
c) Making editorial improvements |
| Version 1.0    | 14.12.2021   | Initial rule update |