

Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals

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Disclaimer

This document does not constitute an offer to purchase or sell securities nor constitute specific advice of whatever form (tax, legal, environmental, accounting or regulatory) and does not create any rights in, or liability to, any person, public or private. Issuers adopt and implement the mapping voluntarily and independently, without reliance on or recourse. If there is a conflict between any applicable laws, statutes and regulations and the guidelines the relevant local laws, statutes and regulations shall prevail.

Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals

Since the United Nations Sustainable Development Goals (**SDGs**) were launched in 2015, they have been increasingly accepted and applied in the financial markets as environmental, social and governance (ESG) and impact investing are becoming mainstream. This document aims to provide a broad frame of reference by which issuers, investors and bond market participants can evaluate the financing objectives of a given Green, Social or Sustainability Bond/Bond programme against the SDGs. Developments in international policy over the last few years have brought about the momentum within the global capital markets to establish a link between investments and achieving the SDGs. In response, this guide has been created for public and private sector issuers and investors to review their Green, Social and Sustainability bond issuances and investments against the SDGs.

The mapping exercise contained herein complements the **Green Bond Principles (GBP)**, the **Social Bond Principles (SBP)** and the **Sustainability Bond Guidelines (SBG)** (the “Principles”) in promoting the increase of bond financing that contributes to the mitigation of and/or adaptation to climate change and amelioration of social challenges globally, effectively the central objectives of the SDGs. This document should be considered alongside other guidance provided by the Executive Committee of the Principles such as the **Harmonised Framework for Impact Reporting** and the **Harmonised Framework for Impact Reporting for Social Bonds**. In addition, users of this document may benefit from the spreadsheet supplement which includes a more detailed listing of SDG targets mapped to the eligible categories of the Principles and is designed to be complementary to this guidance. The Excel spreadsheet can be downloaded [here](#).

Background

A tremendous amount of financing is required to achieve the Sustainable Development Goals. Investment in infrastructure development alone—a key bottleneck to economic transformation and sustainable growth—faces financing needs at the global level of \$5 trillion to \$7 trillion per year.¹ The bond market offers a relatively long-term asset class that matches the profile of SDG activities with the scale to fill the SDG financing gap.²

Green, Social and Sustainability Bonds, as traditional financial instruments with an emphasis on sustainability, are helping to channel investment to sustainable infrastructure, essential services, and as such could be considered mainstream SDG investments.

The coronavirus (COVID-19) crisis starting in 2020 has presented an opportunity to further consider the use-of-proceeds of Social and Sustainability bonds as a means to finance the alleviation of the negative social impacts of the virus in addition to the achievement the Sustainable Development Goals.

Green, Social and Sustainability (GSS) Bonds are any type of bond instrument where the proceeds will be exclusively applied to eligible environmental and social projects or a combination of both:

- **Green Bonds** are any type of bond instrument where the proceeds will be exclusively applied to finance or re-finance projects with clear environmental benefits and which are aligned with the four core components of the GBP. Eligible green projects include renewable energy, energy efficiency, pollution prevention and control, environmentally sustainable management of living natural resources and land use; terrestrial and aquatic biodiversity conservation, clean transportation; sustainable water and wastewater management; climate change adaptation; circular economy adapted products, production technologies and processes and/or certified eco-efficient products; and green buildings.³
- **Social Bonds** are aligned with the four core components of the SBP and finance projects that directly aim to address or mitigate a specific social issue and/or seek to achieve positive social outcomes, especially but not exclusively for a target population(s). For the avoidance of doubt, it is acknowledged that the definition of target population can vary depending on local contexts and that, in some cases, such target population(s) may also be served by addressing the general public. Social Project categories include providing and/or promoting: affordable basic infrastructure, access to essential services, affordable housing, employment generation, food security and sustainable food systems, and, socioeconomic advancement and empowerment.⁴
- **Sustainability Bonds** are any type of bond instrument where the proceeds will be exclusively applied to finance or re-finance a combination of green and social projects and which are aligned with the four core components of the GBP and/or SBP.

GSS Bonds are regulated instruments subject to the same capital market and financial regulation as other listed fixed income securities.

1 Intergovernmental Committee of Experts on Sustainable Development Financing, 2014.

2 The Future of Global Debt Issuance: 2025 Outlook, Aite Group, September 2017.

3 Green Bond Principles.

4 Social Bond Principles.

It is understood that certain social projects may also have environmental co-benefits, and that certain green projects may have social co-benefits. The classification of a use of proceeds bond as a Green, Social, or Sustainability Bond is determined by the issuer based on its primary objectives for the underlying projects. It is also recognised that there is a market of other sustainability themed bonds, including those linked to the SDGs or branded as such. Issuers are strongly encouraged to comply with the Principles. SDG alignment does not in and of itself connote compliance with the Principles. Care should be taken to not imply GBP or SBP features in all cases where there is a reference to the SDGs or sustainability. Any mapping to the UN SDGs is in addition to the core components of a GSS bond. As such, the Social Bonds Working Group (SBWG) recommends that issuers only refer to the SDGs in their mapping to proceeds or strategy, rather in the title of their frameworks.

The SBWG recommends that issuers include in their Social, Green, and/or Sustainability bond frameworks their methodology for contribution of the expected projects to SDGs, and where applicable incorporate this in their external review process. Issuers should provide as much clarity and detail as feasible on how specific SDGs are relevant and not simply reference the SDGs in general.

Additionally, where possible, issuers are encouraged to report on SDG related indicators, both at the time of issuance and as part of ongoing disclosure. Guidance on indicators can be found later in this document. Fundamentally, in evaluation of use of proceeds against specific SDGs, issuers should consider any potential contradictory negative impacts related to other SDGs or their objectives. For example, projects addressing SDG 2 (Zero Hunger), in some scenarios, could have contradictory impacts on progress towards SDG 14 (Life Below Water) and SDG 15 (Life on Land). Another example includes projects addressing SDG 7 (affordable and clean energy), SDG 9 (industry, innovation, and infrastructure), and/or SDG 13 (climate action) and specifically, the phasing out of fossil fuels, could negatively impact those communities dependent on polluting industries and therefore SDG 8 (decent work and economic growth).




Mapping Table

The table below illustrates how the SDGs may be considered by both the private and the public sectors as they identify eligible operations for GSS Bond use-of-proceeds.

The table is a result of a high-level review of each of the 17 goals in order to identify those that may be relevant to either the GBP or the SBP project categories.⁵ Thus far, 16 of the SDGs have been identified as being relevant to the Principles. The most relevant associated SDG targets for each project GBP and SBP category are listed in parentheses.

The issuer should identify key SDGs (and related sub-targets) that would be advanced by the capital deployed and to select relevant indicators that would help track and report material results. The Issuer should use their Social Bond framework (and/or other issuance material if relevant) to describe how the Bond issuance addresses particular SDGs and should include data related to performance on these indicators as part of their ex-ante impact reporting.

It is important to note that this table is meant to serve as a reference and that projects should be reviewed individually for alignment as not all projects associated with a given project category will align to the SDG or target indicated. The example indicators are neither comprehensive nor prescriptive. Issuers could consider these and other indicators as they align with their strategies and national, regional, or legal circumstances.

SDG	SBP Project Categories (SDG target)	GBP Project Categories ⁶ (SDG target)	Example Indicators ⁷
	<ul style="list-style-type: none"> Access to Essential Services (Target 1.4) Affordable Housing (Target 1.4) Socioeconomic Advancement and Empowerment (Targets 1.1, 1.2, 1.3, 1.4, 1.5) 	<ul style="list-style-type: none"> Climate Change Adaptation (Target 1.5) 	<ul style="list-style-type: none"> Number of low-income people provided with basic service Number of low-income clients receiving microfinance loans Number of low-income people benefitting from measures to mitigate the consequences of climate change such as natural disasters Number of people affected by discontinued energy related industries as part of a climate transition agenda benefitting from safety nets or other activities aimed at a "just transition"
	<ul style="list-style-type: none"> Access to Essential Services (Target 2.3) Affordable Basic Infrastructure (Target 2a) Food Security (Targets 2.1, 2.2, 2.3, 2c) Socioeconomic Advancement and Empowerment (Targets 2.3, 2.5, 2a, 2c) 	<ul style="list-style-type: none"> Climate Change Adaptation (Target 2.4) Environmentally Sustainable Management of Living Natural Resources and Land Use (Target 2.4) 	<ul style="list-style-type: none"> Number of people provided with safe, nutritious and sufficient food Number/type of products with certified improvements in nutritional value Number of small-scale farmers with increased productivity
	<ul style="list-style-type: none"> Access to Essential Services (Targets 3.1, 3.2, 3.3, 3.4, 3.5, 3.7, 3.8, 3b, 3c) Affordable Basic Infrastructure (Target 3.6) 	<ul style="list-style-type: none"> Pollution Prevention and Control (Target 3.9) Renewable Energy (Target 3.9) 	<ul style="list-style-type: none"> Number of people reached with improved health care Cost reduction for standard treatments and medicines Amount of wastewater treated before being disposed of and/or amount of wastewater reused Amount of raw/untreated sewage sludge that is treated and disposed of

⁵ For the full list of the 169 SDG targets, see <https://sdgs.un.org/goals>.





⁶ For a comprehensive overview of impact metrics for Green Bonds, please refer to the *Handbook Harmonised Framework for Impact Reporting*.




⁷ Several indicators included as reference below are from the SDG Impact Indicators: A Guide for Investors and Companies by the Sustainable Finance Platform. The Sustainable Finance Platform is a cooperative venture of De Nederlandsche Bank (chair), the Dutch Banking Association, the Dutch Association of Insurers, the Federation of the Dutch Pension Funds, the Dutch Fund and Asset Management Association, the Netherlands Authority for the Financial Markets, the Ministry of Finance, the Ministry of Infrastructure and the Environment, and the Sustainable Finance Lab. We have given 3 to 4 examples of indicators per category. This means that the table is not exhaustive.

SDG	SBP Project Categories (SDG target)	GBP Project Categories ⁶ (SDG target)	Example Indicators ⁷
	<ul style="list-style-type: none"> Access to Essential Services (Targets 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4a, 4c) Socioeconomic Advancement and Empowerment (Targets 4.4, 4.5) 		<ul style="list-style-type: none"> Number of students enrolled Number of students attaining standard for education level Education facilities for inclusive and effective learning environments Disposal of portfolio companies (~EUR2bn)
	<ul style="list-style-type: none"> Socioeconomic Advancement and Empowerment (Targets 5.1, 5.5, 5a, 5b) 		<ul style="list-style-type: none"> Level of pay equity between men and women at each level of the organisation (in % terms) Share of men/women/other or prefer not to say at each level of the organisation (in % terms) Number of women using technology products (e.g. mobile phones or other technology that enables communication and information sharing) Increased ownership of assets of women (e.g. land and property)
	<ul style="list-style-type: none"> Affordable Basic Infrastructure (Targets 6.1, 6.2, 6.3, 6.4, 6b) 	<ul style="list-style-type: none"> Sustainable Water and Waste Water Management (Targets 6.1, 6.2, 6.3, 6.4, 6.5, 6a, 6b) Terrestrial and Aquatic Biodiversity Conservation (Target 6.6) 	<ul style="list-style-type: none"> Number of people provided with safe and affordable drinking water Number of people provided with adequate and equitable sanitation Volume of wastewater treated for reuse Area covered by sustainable land and water resources management practices
	<ul style="list-style-type: none"> Affordable Basic infrastructure (Targets 7.1, 7b) 	<ul style="list-style-type: none"> Energy Efficiency (Targets 7.3, 7a) Renewable Energy (Targets 7.2, 7a) 	<ul style="list-style-type: none"> Number of people with access to affordable clean/efficient energy products/services (e.g. clean cooking stoves) Renewable energy produced Avoided greenhouse gas emissions (tonnes CO₂eq) % of sales from energy efficient products
	<ul style="list-style-type: none"> Access to Essential Services (Targets 8.3, 8.6, 8.10) Employment Generation (Targets 8.2, 8.3, 8.5, 8.6, 8.9) Socioeconomic Advancement and Empowerment (Targets 8.3, 8.5, 8.6, 8.7, 8.8) 	<ul style="list-style-type: none"> Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes (Target 8.4) Energy Efficiency (Target 8.4) Renewable Energy (Target 8.4) 	<ul style="list-style-type: none"> Number of jobs created/ maintained (can be broken down by gender, race, underrepresented group⁸) Number of employees benefitting from fair wage/reasonable hours/safe work environment/fair treatment Number of new jobs created and/ or supported in green/related supply chains⁹ Number of loans/financial services provided to economically disadvantaged groups (as defined against local references) Number of people affected by discontinued energy related industries as part of a climate transition agenda that are benefitting from re-training and education Number of people benefitting from safety nets

⁸ For example: sex, age, disability, religion, ethnic group, sexual orientation, or rural/developing regions. Please note gathering information on some underrepresented groups (e.g. religion, ethnic group) can be prevented by law in certain jurisdictions.

⁹ Supply chains that benefit the environment or actively conserve natural resources.

SDG	SBP Project Categories (SDG target)	GBP Project Categories ⁶ (SDG target)	Example Indicators ⁷
	<ul style="list-style-type: none"> • Access to Essential Services (Targets 9.3, 9c) • Affordable Basic infrastructure (Targets 9.1, 9a, 9c) • Employment Generation (Target 9.2) 	<ul style="list-style-type: none"> • Energy Efficiency (Target 9.4) • Renewable Energy (Target 9.1) 	<ul style="list-style-type: none"> • Number of mobile subscriptions to underservice populations • Number of hours saved by the introduction of a specific method of transportation • % of sales from environmentally friendly products
	<ul style="list-style-type: none"> • Access to Essential Services (Target 10.2, 10c) • Socioeconomic Advancement and Empowerment (Targets 10.1, 10.2, 10.3, 10.7) 		<ul style="list-style-type: none"> • Number of jobs created in low-income areas, among disadvantaged groups and other target populations • Health equity (e.g. patients served from minority groups) • Number & amount of outstanding microfinance loans
	<ul style="list-style-type: none"> • Affordable Basic infrastructure (Targets 11.1, 11.2) • Affordable Housing (Target 11.1) • Socioeconomic Advancement and Empowerment (Target 11.5) 	<ul style="list-style-type: none"> • Clean Transportation (Target 11.2) • Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes (Target 11b) • Environmentally Sustainable Management of Living Natural Resources and Land Use (Targets 11.7, 11a) • Green Buildings (Target 11c) • Pollution Prevention and Control (Target 11.6) • Renewable Energy (Target 11c) • Sustainable Water and Waste Water Management (Target 11.5) 	<ul style="list-style-type: none"> • Number of people with access to safe, affordable and sustainable housing • Number of people with access to sustainable transport systems • Floor space of green real estate • Waste that is prevented, minimised, reused or recycled before and after the project
	<ul style="list-style-type: none"> • Food Security (Target 12.3) 	<ul style="list-style-type: none"> • Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes (Target 12.5) • Environmentally Sustainable Management of Living Natural Resources and Land Use (Target 12.2) • Pollution Prevention and Control (Targets 12.4, 12.5) • Renewable Energy (Target 12.4) • Sustainable Water and Waste Water Management (Targets 12.2, 12.5) 	<ul style="list-style-type: none"> • Reduction of food losses • % of inputs/materials sourced sustainably/locally • Absolute or % reduction in local pollutants/emissions • Reduction of hazardous materials/waste used
		<ul style="list-style-type: none"> • Climate Change Adaptation (Targets 13.1, 13.2, 13.3, 13b) • Climate Change Mitigation (Targets 13.1, 13.3) 	<ul style="list-style-type: none"> • Water storage capacity • Reduction in weather-related disruption (days p.a.) and/or risk frequency (%) • Flood-resilient floor space • GHG emissions reduced • Number of people affected by discontinued energy related industries as part of a climate transition agenda benefiting from safety nets or other activities aimed at a "just transition"

SDG	SBP Project Categories (SDG target)	GBP Project Categories ⁶ (SDG target)	Example Indicators ⁷
 <p>14 LIFE BELOW WATER</p>	<ul style="list-style-type: none"> Socioeconomic Advancement and Empowerment (Target 14b) 	<ul style="list-style-type: none"> Environmentally Sustainable Management of Living Natural Resources and Land Use (Targets 14.4, 14.6, 14a) Terrestrial and Aquatic Biodiversity Conservation (Targets 14.1, 14.2, 14.3, 14.5, 14.6, 14a) 	<ul style="list-style-type: none"> Avoided or reduced marine and freshwater pollution (ecotoxicity, eutrophication) Biodiversity loss avoided or reduced (# of species) Support blue economy livelihoods (e.g. fair pay to small-scale artisanal fishers, blue ecotourism, mangrove replantation, etc.)
 <p>15 LIFE ON LAND</p>	<ul style="list-style-type: none"> Socioeconomic Advancement and Empowerment (Target 15.6, 15.c) 	<ul style="list-style-type: none"> Environmentally Sustainable Management of Living Natural Resources and Land Use (Targets 15.7, 15.8, 15a, 15c) Terrestrial and Aquatic Biodiversity Conservation (Targets 15.1, 15.2, 15.3, 15.4, 15.5, 15b) 	<ul style="list-style-type: none"> Avoidance or reduction of land pollution (ecotoxicity, acidification, salinisation, transformation) Avoidance or reduction of biodiversity loss (# of species) Area covered by sustainable land and water resources management practices Number of individuals from local communities transitioned to sustainable/alternative livelihood opportunities
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<ul style="list-style-type: none"> Socioeconomic Advancement and Empowerment (Target 16.1, 16.3) 		<ul style="list-style-type: none"> Reduced incidence of gender-based violence (GBV) Number of victims of violence/conflict provided with access to affordable legal representation Proportion of population that report feel safe walking alone around the area they live

Annex I – Pandemics and COVID-19

In light of pandemics such as COVID-19, which came to the fore in early 2020, the SBWG identified the following SDGs as particularly relevant for issuers who wish to map their pandemic related social or sustainability bonds to SDGs. As any pandemic is expected to have far-reaching effects across various aspects of sustainable development, this list is not exhaustive.

- **SDG 3:** Good Health and Well-Being – Pandemics can overwhelm the health systems with those suffering severe symptoms seeking treatment. Also, delayed care may impact many around the world. The secondary effects of a pandemic crisis, for example on loneliness or depression related complaints, are also relevant.
- **SDG 4:** Quality Education - According to the United Nations Educational, Scientific and Cultural Organization (UNESCO), roughly 1.25 billion learners were affected by the COVID-19 pandemic.
- **SDG 5:** Gender Equality – A pandemic and its economic fallout may have a regressive effect on gender equality. Women were estimated to be 1.8 times more likely to lose their livelihoods compared to their male counterparts¹⁰, due to the COVID-19 pandemic, owing to a larger number of women in unpaid care work and traditional expectations on women to spend more time on family responsibilities. This may result in an estimated \$1 trillion in losses by 2030. Additionally, one in three women worldwide are subject to gender-based violence – exacerbating factors linked to pandemics include reduced financial security, reduced mobility and isolation with abusers.¹¹
- **SDG 6:** Water and Sanitation – Combatting the spread of the virus is founded on good hygiene which is reliant on access to clean water and sanitation.
- **SDG 8:** Decent Work and Economic Growth - The International Labour Organization (ILO) has projected that almost 25 million people could lose their jobs due to a coronavirus-induced economic and labour crisis.
- **SDG 10:** Reduced Inequalities - The world's most vulnerable, especially women and children, people with disabilities, the marginalised and the displaced, experience even more adverse effects of socio-economic crises.

¹⁰ McKinsey Global Institute. 2020. COVID-19 and gender equality: Countering the regressive effects. [online] Available at: <https://www.mckinsey.com/featured-insights/future-of-work/covid-19-and-gender-equality-countering-the-regressive-effects>.

¹¹ UN Women. 2021. The Shadow Pandemic: Violence against women during COVID-19. Available at <https://www.unwomen.org/en/news/in-focus/in-focus-gender-equality-in-covid-19-response/violence-against-women-during-covid-19>.










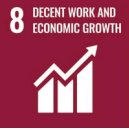

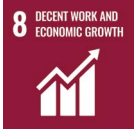
Annex II – SDG-linked externalities


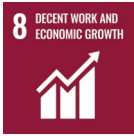






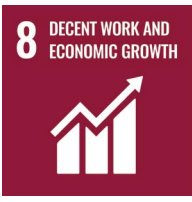












The Principles indicate that issuers should seek to clarify:

- (1) any related eligibility and exclusion criteria, as well as
- (2) any other policies or processes by which the issuer identifies and manages perceived social and environmental risks associated with the relevant project(s). This can include evaluating potentially adverse impacts of projects financed by GSS.

One way to evaluate potentially adverse impacts, at a high level at the beginning of the screening stage, is within the context of the United Nations Sustainable Development Goals. Some projects that have a positive impact aligned with a specific SDG could also have adverse impacts that hinder sustainable development in other areas outlined by the UN SDGs, i.e. the project might contribute towards the achievement of one SDG while hampering progress towards another SDG.

Below is a proposed high-level framework that outlines some SDG-linked externalities that can be taken into account when considering adverse impacts to a project. This list is not exhaustive, and it simply aims at highlighting potential negative impacts. Negative externalities ultimately depend on actual project parameters, geography, target populations, etc. However, issuers are encouraged to seek through their processes to identify mitigants to known and likely risks of material negative social and/or environmental impacts from the project(s), which may include relevant trade-off analysis and monitoring undertaken where the issuer assesses the potential risks to be meaningful.

SDG	SDG Linked Externalities	Comments	Examples
	  	<p>Addressing No Poverty should be strongly considered against the potential for environmental degradation or negative impacts to climate action</p> <p>Climate goals should be taken into account when considering basic needs of communities and populations</p>	<p>Building a coal fired power plant to address energy needs</p>
	    	<p>Global food supply needs to be managed responsibly paying attention to the availability of resources and the welfare and rights of food producers</p>	<p>Project aimed at providing food supply in a non-sustainable manner (e.g. non-sustainable agricultural practices that negatively impact the environment and workers)</p>
		<p>It is important to pay attention to needs of vulnerable workers such as caregivers and nurses paying attention to health & safety and fair working conditions</p>	

SDG	SDG Linked Externalities	Comments	Examples
 <p>4 QUALITY EDUCATION</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Project to support quality education should pay attention to needs and welfare of educators</p>	
 <p>6 CLEAN WATER AND SANITATION</p>	  <p>15 LIFE ON LAND</p> <p>14 LIFE BELOW WATER</p>	<p>Local environmental impact should be taken into account</p>	<p>Building a non-energy efficient desalination plant</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	  <p>15 LIFE ON LAND</p> <p>14 LIFE BELOW WATER</p>	<p>Energy projects should take into account impacts on surrounding marine and terrestrial environments</p> <p>Projects that address the phasing out of fossil fuels should consider the negative socio-economic impacts on communities, livelihoods, and the clean-up and repurposing of land</p>	<p>Decommissioning of coal mines/oil and gas production facilities</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	 <p>1 NO POVERTY</p>	<p>Job creation should ensure it considers the “decent work” aspect and take into account poverty risks of those being employed</p>	<p>Projects aiming at creating or maintaining jobs should entail fair compensation and benefits (with a particular focus on the needs of the most vulnerable workers)</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	   <p>15 LIFE ON LAND</p> <p>13 CLIMATE ACTION</p> <p>14 LIFE BELOW WATER</p>	<p>Infrastructure projects should take into account local environmental and climate constraints as well as social impacts including job loss and retraining/relocation</p>	<p>Large transportation infrastructure projects that support largely fossil fuel-based transportation such as new roads/airports/ports and/or projects at risk of accelerating environmental degradation and biodiversity loss in ecologically sensitive regions</p> <p>Infrastructure projects that displace populations without free, prior and informed consent, and/or appropriate compensation</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	    <p>15 LIFE ON LAND</p> <p>13 CLIMATE ACTION</p> <p>1 NO POVERTY</p> <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Urban development projects should consider potential environmental impacts and climate constraints</p> <p>Urban development projects should ensure the welfare of workers and local communities</p>	<p>In affordable housing projects, energy efficiency should be considered</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Innovations to combat waste need to take into account health and product safety</p>	

SDG	SDG Linked Externalities	Comments	Examples
		<p>Climate action needs to ensure "just transition"</p>	
		<p>Ocean action needs to take into account livelihood, rights and well-being of local and in particular indigenous groups</p>	
		<p>Biodiversity action needs to take into account livelihood, rights and well-being of local and in particular indigenous groups</p>	<p>Land reclamation/conservation projects need to ensure that they work with indigenous groups and respect rights of free, prior and informed consent</p>

Annex III – Gender Lens Investing: An Approach to Advance ‘SDG 5 Gender Equality’

Gender lens investing is a strategy or approach that seeks to intentionally and measurably use capital to address gender disparities between women and men. Social or Sustainability Bond issuers can consider how their use of proceeds can mitigate gender inequalities and measure and track gender gaps/impact in their reporting. Issuers can also consider gender across their organisation. Section A(c) of the Social Bond Checklist offers an opportunity for issuers to provide information on how the issuance was designed with a gender lens, if relevant. For example,

1. **Use of Proceeds Gender Lens:** the proceeds can be utilised to address social issues that women face and that promote gender equality (on a pro-rata basis). Examples of gender considerations include:
 - (1) Increasing women’s representation in business ownership or senior leadership positions.
 - (2) Creating a substantial improvement of gender diverse and equitable workforce and/or gender inclusive value chain for a given sector or country.
 - (3) Designing or offering products or services that help address, reduce, counter or neutralise gender inequality and benefit clients/consumers/beneficiaries who face discrimination based on their gender.
2. **Impact Reporting Gender Lens:** If the target population includes women, issuers are encouraged to disaggregate data by gender as part of their impact reporting process. For example, by:
 - (1) conducting “impact evaluation” activities with female members of the target population (see Harmonised reporting framework); or
 - (2) tracking women empowerment metrics and/or using sex-disaggregated data to measure substantial movement/progress towards an intentional positive change experienced by women over the lifetime of the bond.

Issuers may also disclose their own institutional efforts or capacity to take gender-based considerations into account by ensuring women’s representation in positions that influence how the Social or Sustainability Bond proceeds were allocated, managed or reported on. This could include:

- (1) women’s ownership; or
- (2) women in senior leadership positions; or
- (3) women on the Issuer’s investment committee or committee responsible for project evaluation and selection.

Issuers are encouraged to elaborate on how their approach(es) will be implemented in their Social or Sustainability Bond framework including how the local context was taken into account depending on regional or cultural nuances. Gender equality should not be accompanied by any form of corruption, nepotism or discrimination towards any group of people (be it by sex, race, religion, age, etc.).

Additional references to gender lens investment initiatives, tools and resources are below¹²:

- [Bonds to Bridge the Gender Gap: A Practitioner’s Guide to Using Sustainable Debt for Gender Equality – ICMA, UN Women & IFC](#)
- [Calvert impact capital: gender equity](#)
- [Equilo: Gender Analysis Toolkits](#)
- [Financial Alliance for Women: best practices](#)
- [GIIN: The Navigating Impact Project - Gender](#)
- [ICRW: Gender materiality maps](#)
- [MEDA: GEM Framework](#)
- <https://iixglobal.com/orange-bond-initiative/>
- [2X Collaborative: Gender-Smart Climate Finance Guide](#)

¹² This list is not deemed to be exhaustive. See industry bodies such as HPSO for additional information <https://indicators.ifipartnership.org/>.



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