



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

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Since the 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 a momentum within the global capital markets to establish a link between investments and achieving the SDGs. In response to this growing momentum, 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 \(GBP\)](#), [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 Executive Committee of the Green and Social Bond Principles such as the *Handbook* [Harmonised Framework for Impact Reporting 2020](#). 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.

## *Background*

A tremendous amount of financing is required to realise 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.<sup>1</sup> 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.<sup>2</sup>

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 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 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, eco-efficient

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<sup>1</sup> Intergovernmental Committee of Experts on Sustainable Development Financing, 2014

<sup>2</sup> The Future of Global Debt Issuance: 2025 Outlook, Aite Group, September 2017

and/or circular economy adapted products, production technologies and processes, green buildings, terrestrial and aquatic biodiversity conservation, clean transportation etc.<sup>3</sup>

- 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, or socioeconomic advancement and empowerment.<sup>4</sup>
- 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.

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

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 Bond, Social Bond, 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 Sustainable Development Goals 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 Green, Social, or Sustainability bond. As such, the Social Bond SDG Mapping Working Group<sup>5</sup> 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 alignment with the 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. 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).

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<sup>3</sup> Green Bond Principles 2018




<sup>4</sup> Social Bond Principles 2020

<sup>5</sup> Updates to this document in 2020 were led by the SDG Mapping WG: Amundi, Barclays, Goldman Sachs AM, IFC, Nordea, Threadneedle, Union Investment

## 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 Green, Social, and Sustainability 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.<sup>6</sup> Thus far, 15 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.





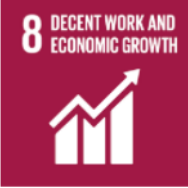
It is important to note that this table is meant to serve as a reference and that projects should be reviewed individually for alignment as not all projects associated with a given project category will align to the SDG or Target indicated. The example indicators are neither comprehensive nor prescriptive.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





SDG	SBP Project Categories	GBP Project Categories <sup>7</sup>	Example Indicators <sup>8</sup>
	<ul style="list-style-type: none"> <li>• Access to Essential Services (Target 1.4)</li> <li>• Affordable Housing (Target 1.4)</li> <li>• Socioeconomic Advancement and Empowerment (Targets 1.1, 1.2, 1.3, 1.4, 1.5)</li> </ul>	<ul style="list-style-type: none"> <li>• Climate Change Adaptation (Target 1.5)</li> </ul>	<ul style="list-style-type: none"> <li>• Number of people provided with basic service</li> <li>• Number of microfinance loans</li> <li>• Number of people benefitting from measures to mitigate the consequences of climate change such as natural disasters</li> </ul>
	<ul style="list-style-type: none"> <li>• Access to Essential Services (Target 2.3)</li> <li>• Affordable Basic Infrastructure (Target 2a)</li> <li>• Food Security (Targets 2.1, 2.2, 2.3, 2c)</li> <li>• Socioeconomic Advancement and Empowerment (Targets 2.3, 2.5, 2a, 2c)</li> </ul>	<ul style="list-style-type: none"> <li>• Climate Change Adaptation (Target 2.4)</li> <li>• Environmentally Sustainable Management of Living Natural Resources and Land Use (Target 2.4)</li> </ul>	<ul style="list-style-type: none"> <li>• Number of people provided with safe, nutritious and sufficient food</li> <li>• Products with certified improvements in nutritional value</li> <li>• Number of small-scale farmers with increased productivity</li> </ul>
SDG	SBP Project Categories	GBP Project Categories	Example Indicators
	<ul style="list-style-type: none"> <li>• Access to Essential Services (Targets 3.1, 3.2, 3.3, 3.4, 3.5, 3.7, 3.8, 3b, 3c)</li> <li>• Affordable Basic Infrastructure (Target 3.6)</li> </ul>	<ul style="list-style-type: none"> <li>• Pollution Prevention and Control (Target 3.9)</li> <li>• Renewable Energy (Target 3.9)</li> </ul>	<ul style="list-style-type: none"> <li>• Number of people reached with improved health care</li> <li>• Cost reduction for standard treatments and medicines</li> <li>• Amount of wastewater treated, reused or avoided before and after the project</li> </ul>




<sup>6</sup> For the full list of the 169 SDG targets, see <https://sustainabledevelopment.un.org/sdgs>.

<sup>7</sup> For a comprehensive overview of impact metrics for Green Bonds, please refer to the *Handbook Harmonised Framework for Impact Reporting*.

<sup>8</sup> 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.

			<ul style="list-style-type: none"> <li>Amount of raw/untreated sewage sludge that is treated and disposed of</li> </ul>
	<ul style="list-style-type: none"> <li>Access to Essential Services (Targets 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4a, 4c)</li> <li>Socioeconomic Advancement and Empowerment (Targets 4.4, 4.5)</li> </ul>		<ul style="list-style-type: none"> <li>Number of students enrolled</li> <li>Number of students attaining standard for education level</li> <li>Education facilities for inclusive and effective learning environments</li> </ul>
	<ul style="list-style-type: none"> <li>Socioeconomic Advancement and Empowerment (Targets 5.1, 5.5, 5b)</li> </ul>		<ul style="list-style-type: none"> <li>Number of equal paying jobs created for women</li> <li>Number of women using technology products</li> </ul>
	<ul style="list-style-type: none"> <li>Affordable Basic Infrastructure (Targets 6.1, 6.2, 6.3, 6.4, 6b)</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Water and Waste Water Management (Targets 6.1, 6.2, 6.3, 6.4, 6.5, 6a, 6b)</li> <li>Terrestrial and Aquatic Biodiversity Conservation (Target 6.6)</li> </ul>	<ul style="list-style-type: none"> <li>Number of people provided with safe and affordable drinking water</li> <li>Number of people provided with adequate and equitable sanitation</li> <li>Volume of water saved</li> <li>Volume of wastewater treated for reuse</li> <li>Area covered by sustainable land and water resources management practices</li> <li>Potable water produced</li> </ul>
	<ul style="list-style-type: none"> <li>Affordable Basic infrastructure (Targets 7.1, 7b)</li> </ul>	<ul style="list-style-type: none"> <li>Energy Efficiency (Targets 7.3, 7a)</li> <li>Renewable Energy (Targets 7.2, 7a)</li> </ul>	<ul style="list-style-type: none"> <li>Renewable energy produced</li> <li>Avoided greenhouse gas emissions (tonnes CO<sup>2</sup>eq)</li> <li>Number of people with access to clean energy services</li> </ul>
SDG	SBP Project Categories	GBP Project Categories	Example Indicators
	<ul style="list-style-type: none"> <li>Access to Essential Services (Targets 8.3, 8.6, 8.10)</li> <li>Employment Generation (Targets 8.2, 8.3, 8.5, 8.6, 8.9)</li> <li>Socioeconomic Advancement and Empowerment (Targets 8.3, 8.5, 8.6, 8.7, 8.8)</li> </ul>	<ul style="list-style-type: none"> <li>Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes (Target 8.4)</li> <li>Energy Efficiency (Target 8.4)</li> <li>Renewable Energy (Target 8.4)</li> </ul>	<ul style="list-style-type: none"> <li>Number of jobs created</li> <li>Number of jobs supported</li> <li>Number of SME or microfinance loans</li> </ul>

	<ul style="list-style-type: none"> <li>• Access to Essential Services (Targets 9.3, 9c)</li> <li>• Affordable Basic infrastructure (Targets 9.1, 9a, 9c)</li> <li>• Employment Generation (Target 9.2)</li> </ul>	<ul style="list-style-type: none"> <li>• Energy Efficiency (Target 9.4)</li> <li>• Renewable Energy (Target 9.1)</li> </ul>	<ul style="list-style-type: none"> <li>• Number of microfinance or SMEL loans</li> <li>• Number of passengers</li> <li>• Number of fixed data subscriptions</li> <li>• Number of mobile subscriptions</li> </ul>
	<ul style="list-style-type: none"> <li>• Access to Essential Services (Target 10.2, 10c)</li> <li>• Socioeconomic Advancement and Empowerment (Targets 10.1, 10.2, 10.3, 10.7)</li> </ul>		<ul style="list-style-type: none"> <li>• Number of jobs created in low-income areas, among disadvantaged groups and other target populations</li> <li>• Power Distribution Estimation Methodology</li> <li>• Passenger Use (# passengers)</li> <li>• subscriptions)</li> <li>• Patients served</li> <li>• Students enrolled</li> <li>• Number &amp; Amount of Outstanding Microfinance Loans</li> </ul>
	<ul style="list-style-type: none"> <li>• Affordable Basic infrastructure (Targets 11.1, 11.2)</li> <li>• Affordable Housing (Target 11.1)</li> <li>• Socioeconomic Advancement and Empowerment (Target 11.5)</li> </ul>	<ul style="list-style-type: none"> <li>• Clean Transportation (Target 11.2)</li> <li>• Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes (Target 11b)</li> <li>• Environmentally Sustainable Management of Living Natural Resources and Land Use (Targets 11.7, 11a)</li> <li>• Green Buildings (Target 11c)</li> <li>• Pollution Prevention and Control (Target 11.6)</li> <li>• Renewable Energy (Target 11c)</li> <li>• Sustainable Water and Waste Water Management (Target 11.5)</li> </ul>	<ul style="list-style-type: none"> <li>• Number of people with access to safe, affordable and sustainable housing</li> <li>• Number of people with access to sustainable transport systems</li> <li>• Floor space of green real estate</li> <li>• Waste that is prevented, minimised, reused or recycled before and after the project</li> <li>• Number of people benefitting from selective collection of recyclables</li> <li>• Number of electric vehicles deployed</li> <li>• Number of electric vehicle charging points installed</li> </ul>
SDG	SBP Project Categories	GBP Project Categories	Example Indicators
	<ul style="list-style-type: none"> <li>• Food Security (Target 12.3)</li> </ul>	<ul style="list-style-type: none"> <li>• Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes (Target 12.5)</li> <li>• Environmentally Sustainable Management of Living Natural Resources and Land Use (Target 12.2)</li> </ul>	<ul style="list-style-type: none"> <li>• Avoided resource waste</li> <li>• Avoided emissions to air (other than greenhouse gases)</li> <li>• Reduction of food losses</li> <li>• Materials sourced sustainably or recycled</li> <li>• Absolute or % reduction in local pollutants</li> </ul>

		<ul style="list-style-type: none"> <li>• Pollution Prevention and Control (Targets 12.4, 12.5)</li> <li>• Renewable Energy (Target 12.4)</li> <li>• Sustainable Water and Waste Water Management (Targets 12.2, 12.5)</li> </ul>	<ul style="list-style-type: none"> <li>• Reduction of hazardous materials used</li> </ul>
		<ul style="list-style-type: none"> <li>• Climate Change Adaptation (Targets 13.1, 13.2, 13.3, 13b)</li> <li>• Climate Change Mitigation (Targets 13.1, 13.3)</li> </ul>	<ul style="list-style-type: none"> <li>• Water storage capacity</li> <li>• Reduction in weather-related disruption (days p.a.) and/or risk frequency (%)</li> <li>• Flood-resilient floor space</li> <li>• High-risk assets with climate insurance cover</li> <li>• GHG emissions reduced</li> </ul>
	<ul style="list-style-type: none"> <li>• Socioeconomic Advancement and Empowerment (Target 14b)</li> </ul>	<ul style="list-style-type: none"> <li>• Environmentally Sustainable Management of Living Natural Resources and Land Use (Targets 14.4, 14.6, 14a)</li> <li>• Terrestrial and Aquatic Biodiversity Conservation (Targets 14.1, 14.2, 14.3, 14.5, 14.6, 14a)</li> </ul>	<ul style="list-style-type: none"> <li>• Avoided or reduced marine and fresh water pollution (ecotoxicity, eutrophication)</li> <li>• Biodiversity loss avoided or reduced (# of species)</li> </ul>
	<p>Socioeconomic Advancement and Empowerment (Target 15.6, 15.c)</p>	<ul style="list-style-type: none"> <li>• Environmentally Sustainable Management of Living Natural Resources and Land Use (Targets 15.7, 15.8, 15a, 15c)</li> <li>• Terrestrial and Aquatic Biodiversity Conservation (Targets 15.1, 15.2, 15.3, 15.4, 15.5, 15b)</li> </ul>	<ul style="list-style-type: none"> <li>• Avoidance or reduction of land pollution (ecotoxicity, acidification, salinization, transformation)</li> <li>• Avoidance or reduction of biodiversity loss (# of species)</li> <li>• Certified afforested or reforested land</li> <li>• Area covered by sustainable land and water resources management practices</li> <li>• Expenditure on conservation and sustainable use of biodiversity and ecosystems</li> </ul>

## Annex I

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

- SDG 3: Good Health and Well-Being – Millions of people around the world have been infected with the coronavirus and health systems overwhelmed with those suffering severe symptoms seeking treatment
- SDG 4: Quality Education - According to the United Nations Educational, Scientific and Cultural Organization (UNESCO), roughly 1.25 billion learners, or 72.9 per cent of total enrolled learners, worldwide have been affected by the coronavirus outbreak
- 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, including women and children, people with disabilities, the marginalized and the displaced, experience even more adverse effects of socio-economic crises.



## **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.*



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