

PIMCO

Sustainable Development Goal (SDG) Bonds – A Powerful Framework Creating Opportunities for Sustainable Investing in Fixed Income Markets

Objective:

Provide the participants with insights and discuss how the nascent SDG bond market can raise awareness across the broad investment community of the societal challenges we currently face – and actively address those challenges.

Background:

The U.N. Sustainable Development Goals (SDGs) cover a [wide range of sustainability issues](#), across poverty, inequality, access to health and education as well as dealing with the impact of climate change. The 17 SDGs – adopted unanimously by all 193 U.N. member states in 2016 – can be seen as a comprehensive and thorough elaboration of ESG, with the added benefit of targets and even indicators.

Moreover, and crucially, the U.N. estimates that in order to achieve the SDGs by 2030, between \$3 trillion to \$5 trillion annually will be required, with the majority of this investment needing to come from the private sector. The long-term nature of the SDGs – with its arc to 2030 – and the fact that much of the financing will need to relate to long-horizon social and environmental projects and investment means that debt instruments could be ideally suited.

PIMCO firmly believes the SDGs provide the investment community with a [well-structured framework](#) for tackling long-term sustainability challenges. The breadth of the goals should not be a barrier, but instead a tangible opportunity for [investors and issuers](#) alike to come together and address long-term issues in a clear and coherent manner. As investors we believe that bonds issued under the SDGs will be a key part of the fixed income market in the years ahead, and we call on issuers to be at the forefront of this exciting opportunity. In this context, we regard ESG investing is not only about partnering with issuers who already demonstrate a deeply integrated approach to ESG, but also [engaging](#) with those who want to improve their own initiatives and are willing to work with lenders to achieve their goals.

Gavin Power

Mr. Power is an executive vice president and chief of sustainable development and international affairs. Prior to joining PIMCO in 2018, Mr. Power was the deputy executive director of the United Nations Global Compact, the platform used to advance sustainability and responsible investment in more than 160 countries. There he advised U.N. secretaries-general and oversaw sustainability initiatives with the private sector in both developed and emerging markets. He was also a co-founder of the Principles for Responsible Investment, directly supporting the U.N. secretary-general in their development and launch in 2006. Mr. Power also led government affairs for the U.N. Global Compact, interacting at ambassadorial and ministerial levels. In addition to his U.N. work, Mr. Power held senior positions at Ketchum and Levi Strauss and worked as a financial journalist for the San Francisco Chronicle. He holds a degree in economics from the University of California, as well as U.N. accreditation in leadership and ethics, human rights, and security in the field.

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