

# SUSTAINABLE DEVELOPMENT INVESTMENTS (SDIs) TAXONOMY & GUIDANCE

Includes separate section on covering negative contributions

September 2024

*Available for subscribers and those interested in the SDI AOP (public information)*



# TAXONOMY AND GUIDANCE

The present taxonomy and guidance is the foundation of the mapping of investments to the SDGs. This taxonomy is designed to be a reference point for capital markets practitioners. Users may interpret or select components depending on their mandates, policies, and the asset classes in their portfolio.

Further details at the industry and product category level (rules and product list) builds on this taxonomy & guidance and is available to subscribers to the SDI Asset Owner Platform. The SDI data available to subscribers supports application of the taxonomy covering products and services.

Based on feedback, we have added a separate section (as of page 62) on covering negative contributions to the Taxonomy to provide a more comprehensive picture.

The Sustainable Development Goals were created as an intergovernmental development framework to secure peace and prosperity for people and the planet. The SDI Taxonomy is an interpretation of the Goals from an institutional investor perspective: it aims to be an accessible step towards closing the gap between investing in various asset classes and aligning with the SDGs. Important aspects of the Goals relating to geography, affordability, and vulnerable groups are more challenging to assess and **implement at this scale**. The SDI-AOP is working with our user community to improve how these aspects are addressed.

The mission of the Sustainable Development Investments Asset Owner Platform (SDI AOP) is to help accelerate investments to deliver on the Sustainable Development Goals and thereby support investment outcomes for end beneficiaries.

SDI AOP offers a high-quality investment useful data set created by investors for investors.

It enables subscribers to make investment decisions based on auditable data from an advanced AI approach with human validation.

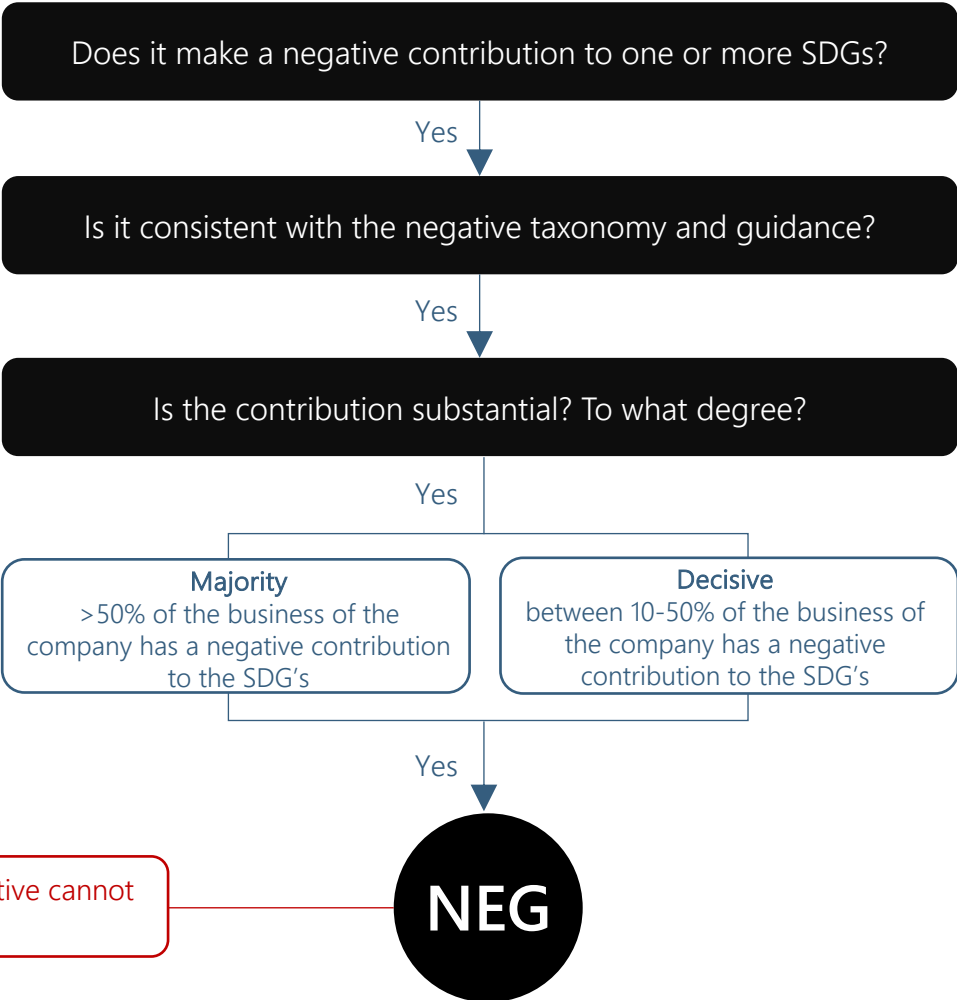
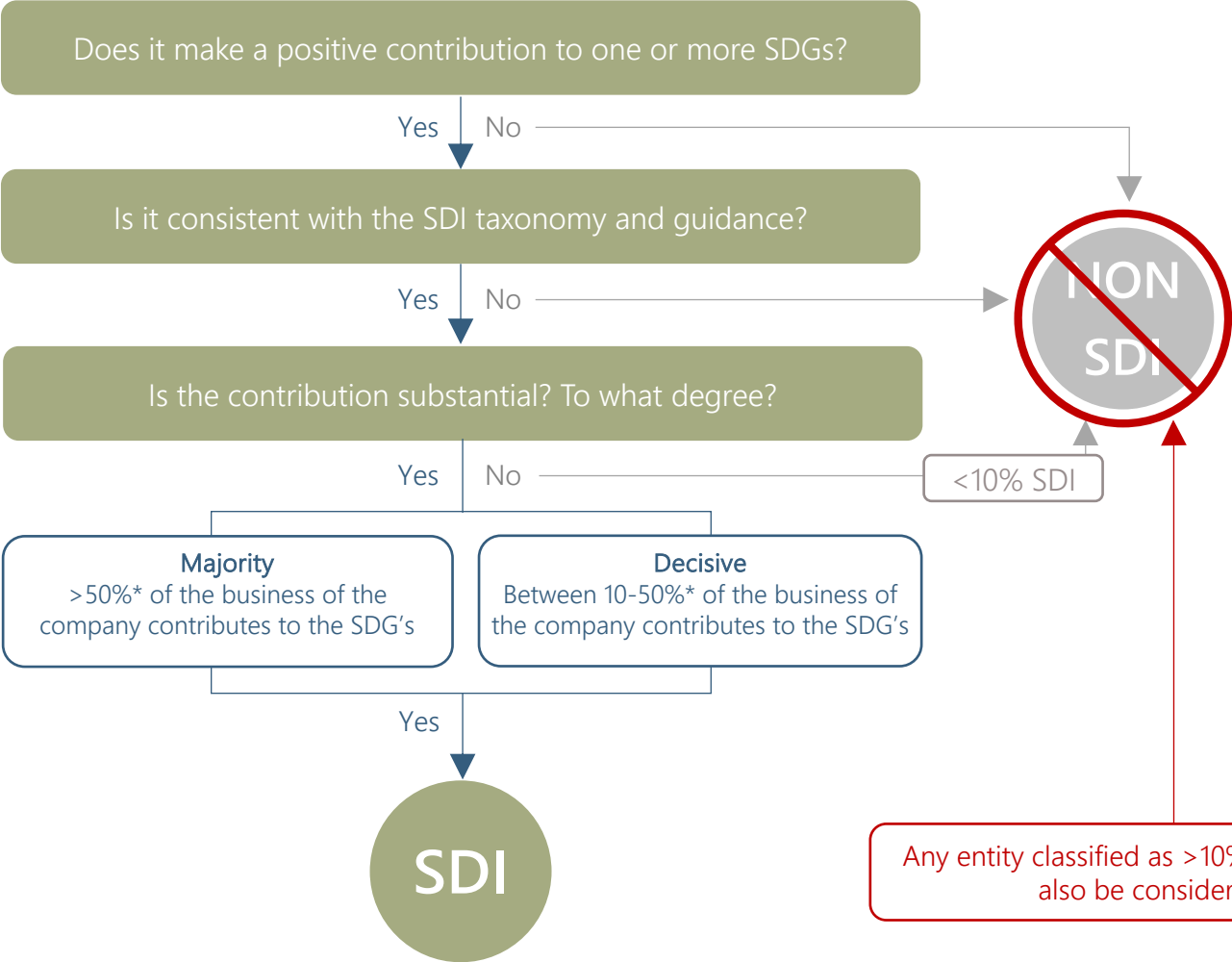


# GUIDING PRINCIPLES AND DEFINITIONS

1. The SDI taxonomy is the common reference point for the SDI family of products, which includes the SDI classification focused on revenues or equivalent, and the SDI Outlook which focuses on forward looking metrics such as patents.
2. The SDI classification focuses on companies' product and service-related contributions to the SDGs, and is based on **financial metrics**, most often revenues. For some sectors, alternative metrics will be used where appropriate such as volumes of products or lending activity.
3. For some asset classes, users may choose to add alternative metrics include standards like the Carbon Risk Real Estate Monitor, Green Bond Principles, etc. The taxonomy reflects a broad approach which may also be applied to private markets, but not all aspects can currently be translated into SDI data for capital markets.
4. Similar themes, products and services are brought together under the most pertinent SDG, for example, water services under SDG6 (water), not SDG9 (infrastructure)
5. For those SDGs where companies' contributions stem first and foremost from their operations or conduct (rather than products and services) users may develop SDG-specific indicators and references to capture these contributions by so-called Acknowledged Transformational Leaders (ATLs).
4. General ESG performance is out of scope, also with respect to ATLs. **ESG factors** will only be considered if
  - They imbed critical attributes of the final product or service (for example, FSC-certified biomass, or circular economy principles)
  - They could potentially undo the positive contribution. In those cases, 'ESG warning flags' are included in the report but do not affect the classification. This is to support integration in individual investors' investment processes.
5. The taxonomy identifies two types of warnings which are designed to help users balance the complexity of sustainable development issues:
  - ✘ Activities that are no go for SDI due to being contrary to the SDGs
  - ! Activities that can be controversial
6. Companies with **intermediate products or services** in a supply chain may qualify as SDIs if these are (i) explicitly dedicated to the final product and associated SDG, and (ii) essential for the use of the final product. Or if possible, some degree of proportionality may be applied to reflect market share.
7. Continuous research will be conducted to maintain the SDI taxonomy as evolving performance standards, practices and regulations require the **regular re-assessment** of some products and services.
8. Some but not all product or service-related revenues can be segmented to underserved markets or people to address notions of affordability and equitability. We will invest in broadening the scope and also on measuring outcomes related to specific SDGs.
9. Negative contributions which are contrary to achieving the SDGs have also been added in a separate section. Similar metrics are applied as for the SDI classification. The negative aspects have deliberately been kept separate from SDI classification. This reflects the SDI AOP view that simple netting of positive and negative is often an oversimplification, especially when different SDGs are involved.
10. Products and services which are clearly dedicated or focused on negatively classified industries are also classified as negative as they primarily exist to support those industries.



# SDI AND NEGATIVE DECISION TREES



Any entity classified as >10% negative cannot also be considered SDI

\* Percentage of business as determined by a relevant metric (e.g. revenue, capex etc)



# SUSTAINABLE DEVELOPMENT GOALS



- P Contribution through product & services (solutions)
- O Contribution through operations & conduct



# SUSTAINABLE DEVELOPMENT INVESTMENTS



# SDG 1: NO POVERTY

End poverty in all its forms everywhere

## Investable Targets

- 1.4 Ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance
- 1.5 Build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters



# SDG 1: NO POVERTY

End poverty in all its forms everywhere



**1.4** Access to basic services, natural resources, appropriate new technology and financial services, including microfinance

**1.5** Reduce exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters

Specific financial services institutions

Climate-related events, economic, social and environmental disasters

Development banks and lending to microfinance & SMEs which enable countries and industries to improve on various SDGs

Covered under SDG 13





# SDG 1: NO POVERTY

End poverty in all its forms everywhere



## Guidance

### 1.4 Access to basic services, natural resources, appropriate new technology and financial services, including microfinance

#### Specific financial services institutions, microfinance and development banks:

- Financial service providers that aim specifically at access for the poor and vulnerable
- Lending to micro, small & medium enterprises and underserved groups in markets with high levels of economic inequality
- Development banks with a clear purpose to support countries and/or industries in their development and contribution to the SDGs



# SDG 2: ZERO HUNGER

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

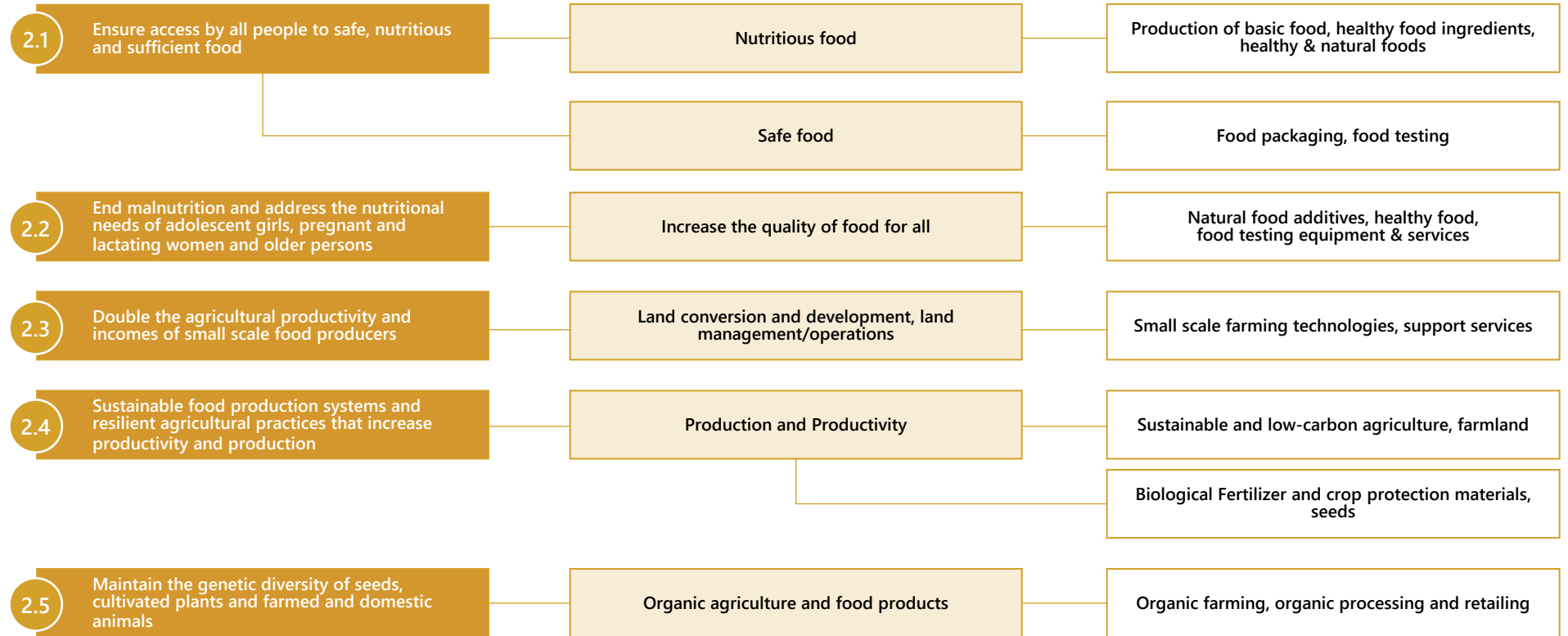
## Investable Targets

- 2.1 End hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round
- 2.2 End all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons
- 2.3 Double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment
- 2.4 Ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality
- 2.5 Maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge



# SDG 2: ZERO HUNGER

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



# SDG 2: ZERO HUNGER

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



## Guidance

### 2.1 Access to safe, nutritious and sufficient food

#### Nutritious food

Investible entities that:

- produce basic food products (as defined by Choices International excluding meat, fish, poultry, tea, coffee, ready made meals, deep fried, foods, breakfast cereals containing high levels of sugar, spreads containing fat, all cheese, mixed salads, sandwiches, lunch meals and the likes and palm oil for food production).
- produce organic food products

#### Safe food

- Producers of packaging, testing, natural additives that contribute to food product safety



# SDG 2: ZERO HUNGER

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



## Guidance

### 2.2 End all forms of malnutrition

#### Increased quality of food

Investible entities that:

- produce healthier, more nutritious or natural food products
- produce healthy food ingredients (notably natural flavours, herbs, spices and substitutes for sugar from natural sources, sodium & fat)
- provide food quality testing services or certificates

✗ food supplements not contributing to basic nutritional needs (e.g. lifestyle products)

### 2.3 Double agricultural productivity of small-scale food producers

#### Land conversion and development, land management/operations

Investible entities that:

- provide agricultural equipment or support services to small scale farmers



# SDG 2: ZERO HUNGER

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



## Guidance

### 2.4 Sustainable food production systems and resilient agricultural practices

#### Production and productivity

Farmland and investible entities that:

- increase the quantity of food produced in a resource-efficient way
  - increase productivity by using biobased agrochemicals
  - increase crop productivity (e.g. improved seeds)
  - contribute to regenerative or low carbon agriculture, (e.g. biochar)
  - manufacture equipment, instruments and materials or provide agricultural support services for resource-efficient farming (e.g. high precision farming techniques, IT)
- 
- ✗ production of beef as the most resource-inefficient animal protein (with exception of grass-fed beef for its lower conversion rate)
  - ! Genetically modified/edited seeds are highly controversial
  - ! Overly aggressive protection of patented seeds and market consolidation may harm farmer interests
  - ! Excessive use of anti-biotics may harm animal health and lead to resistance



# SDG 2: ZERO HUNGER

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



## Guidance

### 2.5 Maintain genetic diversity

Investable entities that:

- practice organic farming, or process or retail organic food
- provide products and services that focus on maintaining genetic diversity



# SDG 3: GOOD HEALTH AND WELL-BEING

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

## Investable Targets

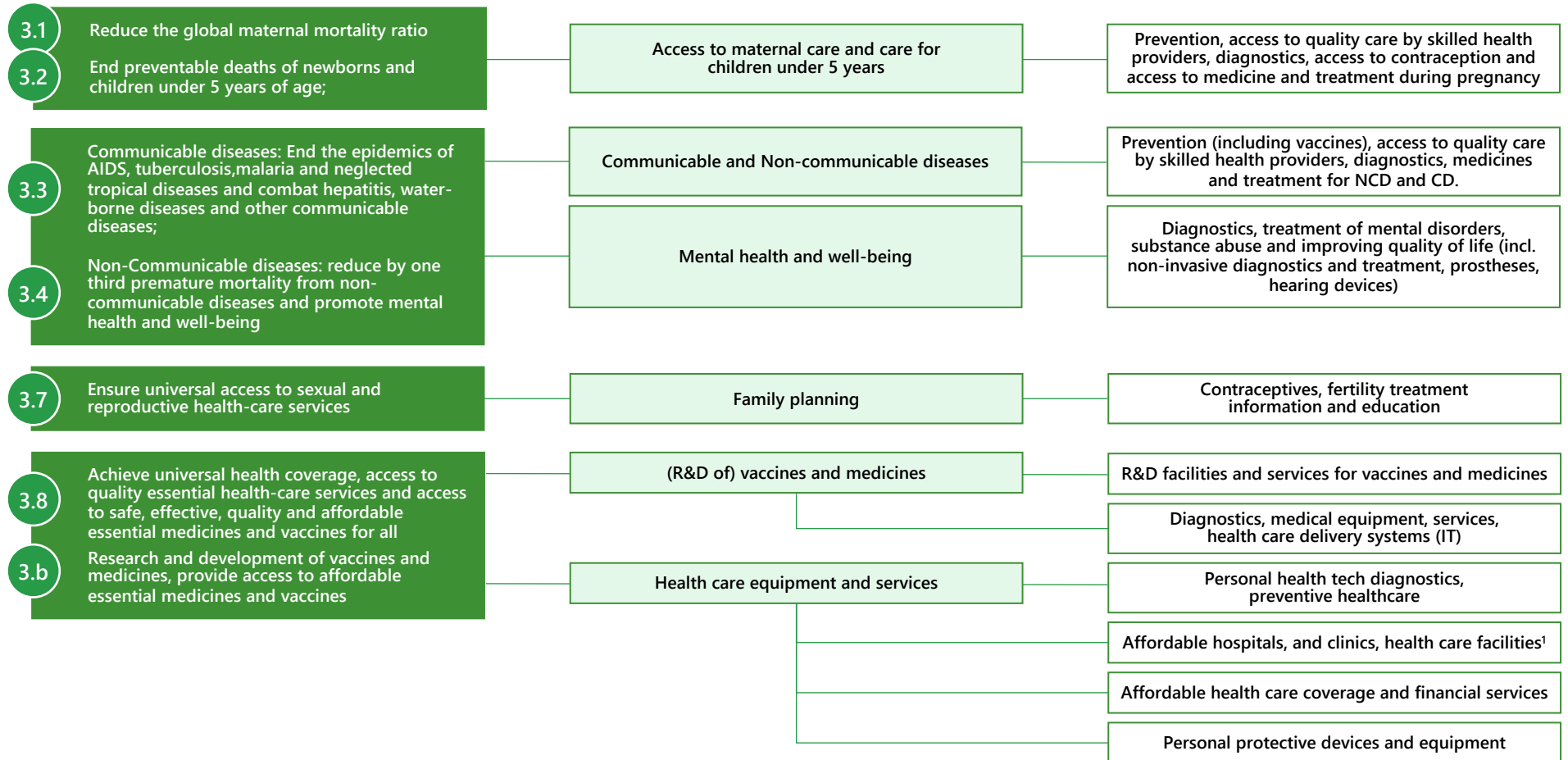
- 3.1 Reduce the global maternal mortality ratio
- 3.2 End preventable deaths of newborns and children under 5 years of age
- 3.3 End the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases
- 3.4 Reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being
- 3.7 Ensure universal access to sexual and reproductive health-care services, including for family planning, information and education
- 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.
- 3.b Research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines for all





# SDG 3: GOOD HEALTH AND WELL-BEING

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



1. Covered under SDG 9



# SDG 3: GOOD HEALTH AND WELL-BEING

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



## Guidance

### 3.1 Reduce the global maternal mortality ratio

### 3.2 End preventable deaths of newborns and children under 5 years of age

Investible entities that:

- provide access to maternal care, diagnostics, medicines or treatment relating to maternal disorders (such as high blood pressure, blood-poisoning or infections during pregnancy, bleeding after childbirth)
- provide health care to prevent and manage preterm births
- provide health care for ill and small newborn babies, including management of severe infections
- provide access to vaccines and/or treatment of, in particular, diarrhea and lower respiratory diseases (such as pneumonia)
- provide access to solutions for nutritional deficiencies



# SDG 3: GOOD HEALTH AND WELL-BEING

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



## Guidance

- 3.3 Communicable diseases – end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases
- 3.4 Non-communicable diseases – reduce by one third premature mortality from non-communicable diseases and promote mental health and well-being

### Communicable and non-communicable diseases

Investible entities that:

- provide access to prevention (incl. vaccines), diagnosis, treatment, medicine and breakthrough innovation for communicable diseases in particular AIDS, tuberculosis, malaria, neglected diseases, hepatitis, water borne diseases
- provide diagnostics, medicine and treatment for non-communicable diseases relating to neoplasms (cancer), cardiovascular diseases, diabetes, neurological disorders, chronic respiratory diseases, cirrhosis and other chronic liver diseases, digestive diseases, urogenital, blood and endocrine diseases, and musculoskeletal disorders
- provide increased access to generic medicine

### Mental and Substance use disorders

Providers of diagnostics, medicine and treatment for mental and substance use disorders such as depression, anxiety and substance abuse

### Well-being

Providers of products and services that substantially improve the quality of life of patients and the elderly, incl. non-invasive diagnostics and treatment, prostheses, hearing devices



# SDG 3: GOOD HEALTH AND WELL-BEING

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



## Guidance

### 3.7 Ensure universal access to sexual and reproductive health-care services

Investible entities that:

- provide access to sexual and reproductive health-care services (family planning, education)
- provide contraceptives

### 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all

#### Healthcare services

Investible entities that:

- provide affordable access to quality essential health-care services (e.g. public hospitals, affordable private clinics)
- produce medical equipment or provide services for more immediate and more accurate diagnoses and treatment
- produce equipment or software (incl. IT) for more efficient health care delivery systems
- provide personal protective devices and equipment (e.g. gloves)
- provide key preventive health care services (incl. sports and sports-related products and services)
- provide clinical nutrition and/or highly specialized diets for medical purposes
- ✗ Not luxury private healthcare and wellness facilities

Investible entities that:

- provide transport services (e.g. ambulance)
- specialise in healthcare related real estate
- provide employment services for health care personnel
- provide consulting services to the sector that are intended to improve health care services (excluding administrative services).



# SDG 3: GOOD HEALTH AND WELL-BEING

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



## Guidance

### 3.9 Research and development of vaccines and medicines, provide access to affordable essential medicines and vaccines

#### R&D of vaccines and medicines

Investible entities that:

- provide R&D services and facilities
- provide access to affordable essential medicines and vaccines

- ! Providers of care, diagnostics, treatment or medicine that increase prices to a level much higher than is considered reasonable or fair
- ! Pharma pricing practices and interference with government healthcare policy can be controversial
- ! Healthcare/pharma companies must be assessed for the alignment between company strategy and access to affordable health care
- ! Some pharma companies reformulate existing patents leads to no added benefit other than the extension of patent rights



# SDG 4: QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities

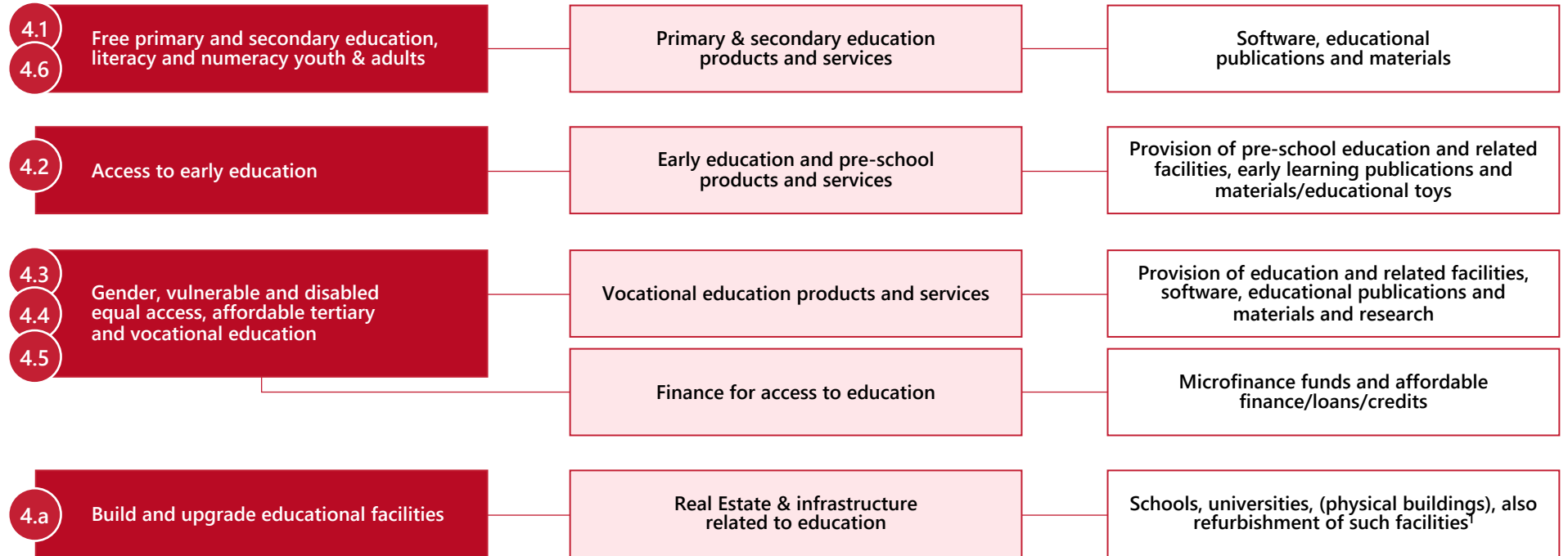
## Investable Targets

- 4.1 Ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes
- 4.2 Ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education
- 4.3 Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university
- 4.4 Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
- 4.5 Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations
- 4.6 Ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy
- 4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all



# SDG 4: QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities



1. Covered under SDG 9



# SDG 4: QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities



## Guidance

4.1

### Free primary and secondary education

4.6

Providers of equitable and quality access to educational materials and services (software etc.)

4.2

### Access to early education

Providers of quality access to pre-school educational materials and services

4.3

### Access to affordable tertiary and vocational education

4.4

Investible entities that:

4.5

- provide tertiary and vocational education
- provide education loans to small and medium-scale enterprises or underserved groups
- provide research (at universities)

✘ Not high-end, restricted access services if lower-end alternatives exist (e.g. no private schools with high entrance fees)

! Beware of predatory student recruiting and lending, as well as poor value of diplomas

4.6

### Build and upgrade educational facilities

Investible entities that

- focus on education related real estate





# SDG 5: GENDER EQUALITY

Achieve gender equality and empower all women and girls

Users may identify Acknowledged Transformational Leaders whose contribution through operations and/or conduct classifies as SDI



# SDG 6: CLEAN WATER AND SANITATION

Ensure availability and sustainable management of water and sanitation for all

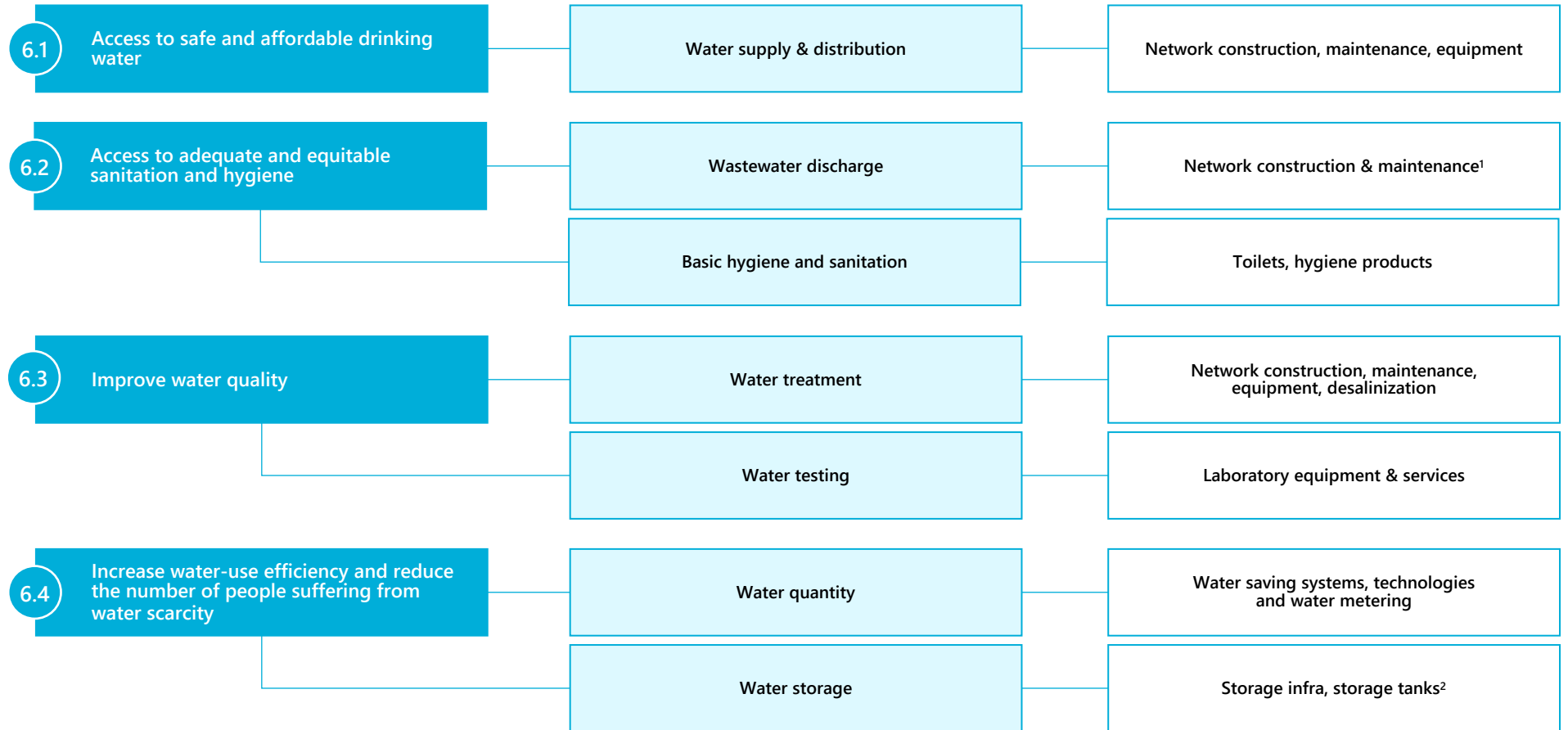
## Investable Targets

- 6.1 Achieve universal and equitable access to safe and affordable drinking water for all
- 6.2 Access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations
- 6.3 Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
- 6.4 Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity



# SDG 6: CLEAN WATER AND SANITATION

Ensure availability and sustainable management of water and sanitation for all



1. Covered under SDG 14  
2. Covered under SDG 13



# SDG 6: CLEAN WATER AND SANITATION

Ensure availability and sustainable management of water and sanitation for all



## Guidance

### 6.1 Access to safe and affordable drinking water

Investible entities that:

- design, construct, maintain or operate infrastructure for water storage, treatment, supply or distribution
- manufacture equipment or materials for water supply or distribution
- provide services for water supply or distribution

✘ Not bottled water

### 6.2 Access to sanitation

Investible entities that:

- manufacture and install toilets and sanitary facilities
- produce sanitary products with a focus on women and girls in vulnerable situations

✘ Not luxury personal hygiene products and cosmetics



# SDG 6: CLEAN WATER AND SANITATION

Ensure availability and sustainable management of water and sanitation for all



## Guidance

### 6.3 Improve water quality

Investible entities that:

- design, construct, maintain or operate infrastructure for wastewater management
- manufacture equipment or materials for waste water treatment or water desalinization
- manufacture water testing equipment or provide water quality testing services

### 6.4 Increase quantity of water

Producers of equipment (incl. meters) or materials that support higher water use efficiency



# SDG 7: AFFORDABLE CLEAN ENERGY

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

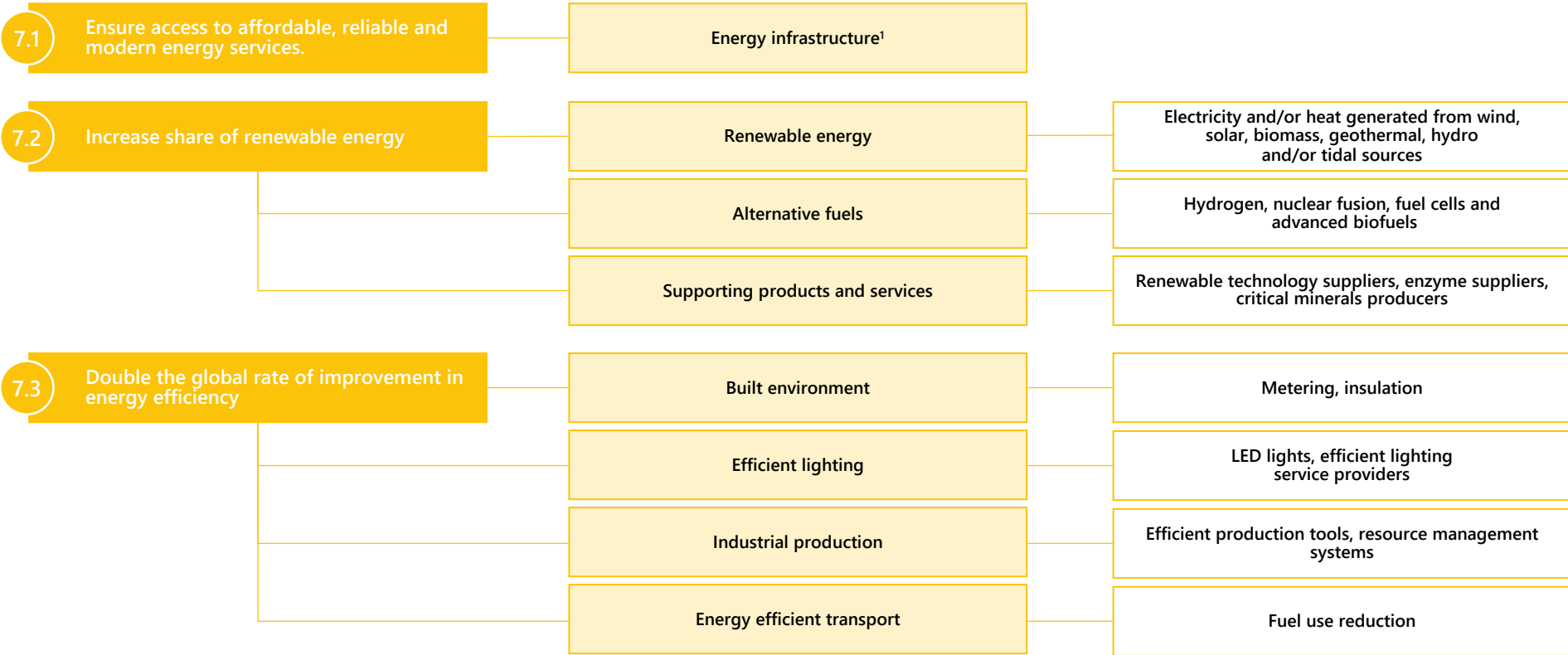
## Investable Targets

- 7.1 Ensure universal access to affordable, reliable and modern energy services
- 7.2 Increase substantially the share of renewable energy in the global energy mix
- 7.3 Double the global rate of improvement in energy efficiency



# SDG 7: AFFORDABLE CLEAN ENERGY

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



<sup>1</sup> Covered under SDG 9



# SDG 7: AFFORDABLE CLEAN ENERGY

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



## Guidance

### 7.2 Increase substantially the share of renewable energy in the global energy mix

#### Renewable energy

- Generators of electricity and/or heat generated from wind, solar, biomass, geothermal, hydro, and/or tidal sources;
- Transmission & Distribution focused utilities which are providing access to electricity markets which are already >80% renewables or are increasing renewables-based generation (by >1% pa over 3 year average).

- ! Additional scrutiny may be required to consider the impacts of nuclear power
- ! Large scale hydro power projects (>25MW) could have significant adverse impacts on biodiversity and local communities.
- ! Scrutinise Biomass sourcing: Biomass should be sustainability certified and not directly compete with food production

#### Alternative fuels

- Producers of alternative fuel technologies including hydrogen, nuclear fusion and advanced/second generation biofuels
- ! Concerns around biofuels should be properly addressed: biofuels should be cleaner than the fossil fuels they replace, should not compete with food production (e.g. biofuels produced from waste materials) and should not be grown in/near protected or contested areas

#### Supporting products and services

Investible entities that:

- Provide products and services for renewable energy generation (e.g. technology, enzymes)
- Provide products or services for storage of renewable energy (e.g. fuel cells, hydrogen, batteries)
- Provide critical minerals that are essential for delivering a low carbon energy transition, (e.g. Lithium, Nickel, Cobalt, Rare earths, Graphite, Manganese, Silicon, Aluminum, Copper)
- 
- ✗ Not batteries for consumer electronics
- ! Additional scrutiny should be applied around companies mining critical minerals.





# SDG 7: AFFORDABLE CLEAN ENERGY

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



## Guidance

### 7.3 Double the global rate of improvement in energy efficiency

#### **Built environment**

Providers of products and services dedicated to improved energy efficiency in buildings (e.g. insulation, smart metering, smart thermostats, energy use monitoring devices)

#### **Efficient lighting**

Providers of products and services for substantial increases in lighting efficiency (e.g. LED)

#### **Industrial production**

Providers of products and services for substantial increases in industrial energy efficiency (production tools, resource management systems, design software etc.)

#### **Energy efficient transport**

Investible entities that:

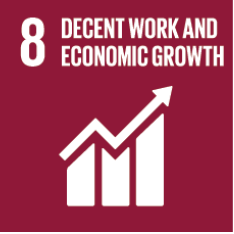
- Provide of products and services for substantial increases in fuel efficiency
- Manufacture pure battery electric vehicles, or alternative fuel vehicles (e.g. hydrogen)



# SDG 8: DECENT WORK AND ECONOMIC GROWTH

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

Users may identify Acknowledged Transformational Leaders whose contribution through operations and/or conduct classifies as SDI



# SDG 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE

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

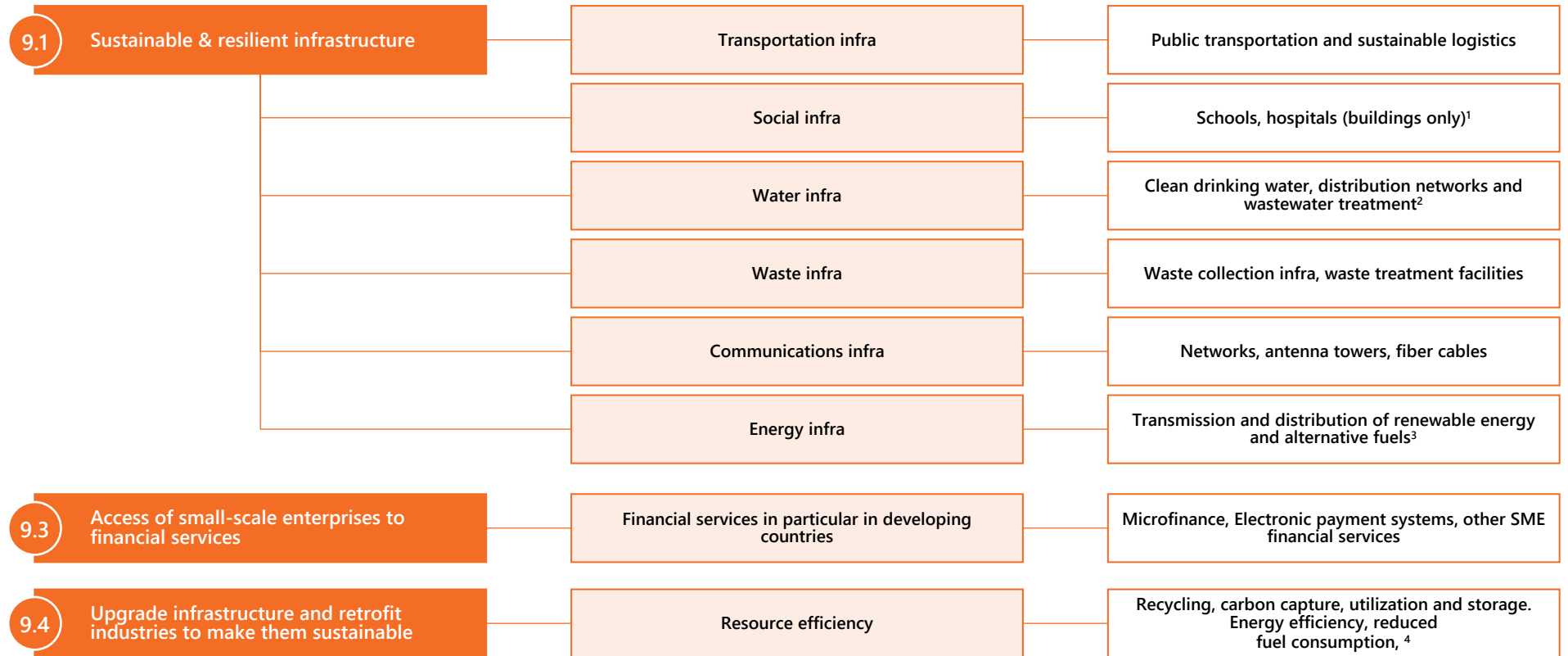
## Investable Targets

- 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all
- 9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets
- 9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes



# SDG 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE

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



1. Housing covered under SDG11  
 2. Covered under SDG 6  
 3. See SDG7 for renewable energy generation & utilities  
 4. Energy and fuel efficiency covered under SDG7



# SDG 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE

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



## Guidance

### 9.1 Sustainable & Resilient infrastructure

#### Transportation infra

Investible entities that:

- construct or operate public transportation infrastructure (train, metro, ferry) with a focus on affordable and equitable access for all
- construct or operate roads, ports, e.g. in highly undeveloped regions

#### Social infra

Investible entities that:

- construct or operate schools, hospitals

#### Waste infra

Investible entities that:

- construct or operate waste collection infrastructure and waste treatment facilities that are aimed at improving resource efficiency (reduce, reuse, recycling)

#### Communications infra

Investible entities that:

- construct or operate networks, antenna towers, fiber cables, internet providers with a focus on affordable and equitable access for all, especially for connecting the unconnected in disadvantaged areas.



# SDG 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE

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



## Guidance

### 9.1 Sustainable & Resilient infrastructure (continued)

#### Energy infra

Investible entities that:

- transmit and distribute electricity with a focus on affordable and equitable access
- transmit and distribute electricity generated from renewable sources (e.g. wind farm power cables) or provide access to electricity markets which are already >80% renewables or are increasing renewables-based generation (by >1% pa over 3 year average)
- provide equipment or services for smart grids, local storage, behind the meter energy storage, energy transition infrastructure (e.g. grid improvements) and electrical transportation (e.g. EV charging stations)
- distribute alternative fuels (including hydrogen, fuel cells and advanced biofuels)

✘ Not transmission and distribution driving the expansion of coal capacity, see SDG7.

### 9.3

#### Access of small-scale enterprises to financial services in particular in developing countries

Investible entities that:

- provide loans are provided to small and medium-scale enterprises
- provide electronic payment systems and other financial services enabling small and medium-scale enterprises to access the traditional finance sector

! Additional scrutiny on high risk and predatory lending practices may be warranted



# SDG 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE

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



## Guidance

### 9.4 Upgrade infrastructure and retrofit industries to make them sustainable

#### Resource efficiency

Investible entities that:

- provide equipment and services that increase resource and energy efficiency (see also SDG 7 and SDG 12)
- provide equipment and services for recycling and utilization of waste and by-products
- supply recycled materials
- provide equipment and services for Carbon Capture, Utilization and Storage



# SDG 10: REDUCE INEQUALITIES

Reduce inequality within and among countries

Users may identify Acknowledged Transformational Leaders whose contribution through operations and/or conduct classifies as SDI





# SDG 11: SUSTAINABLE CITIES AND COMMUNITIES

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

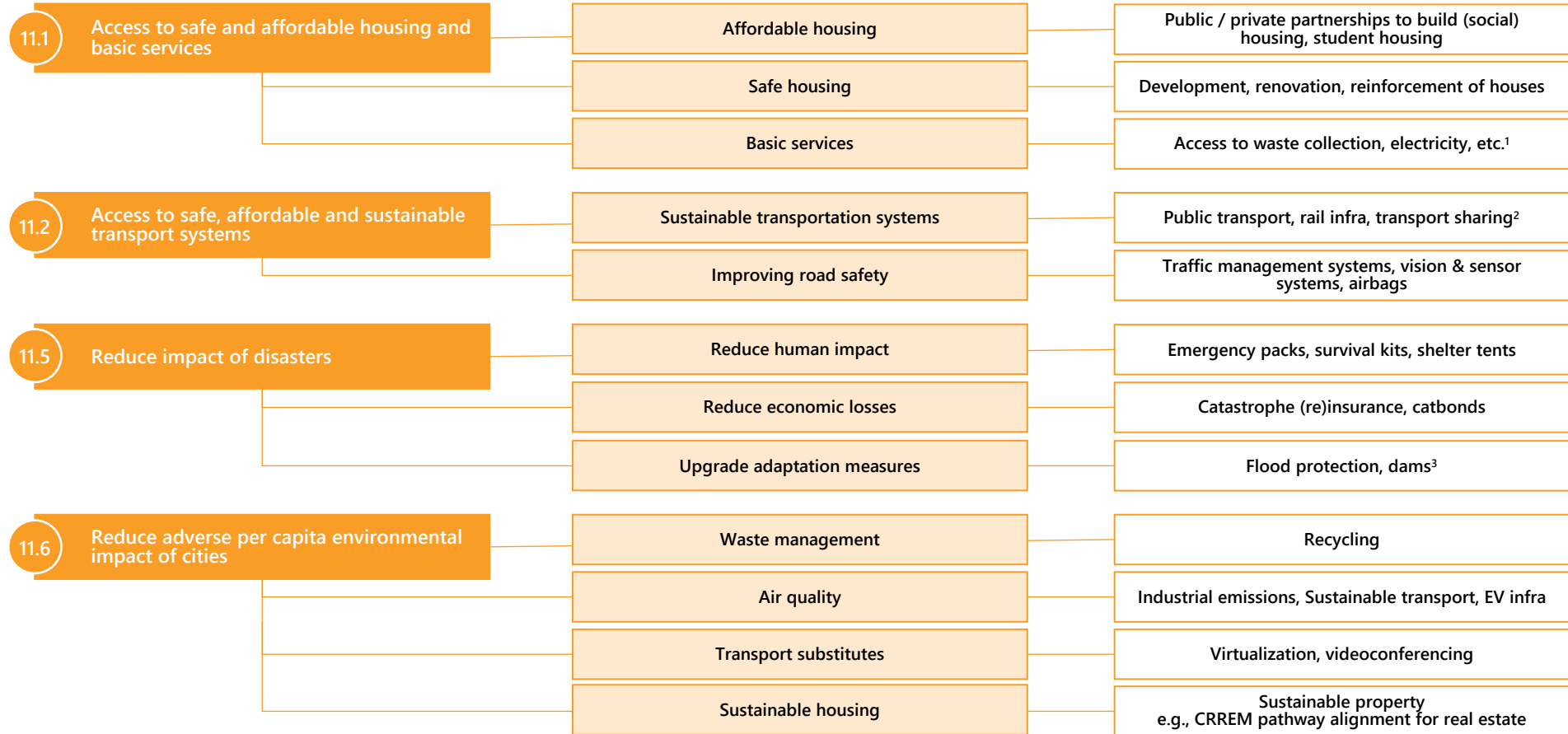
## Investable Targets

- 11.1 Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
- 11.2 Provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
- 11.5 Significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations
- 11.6 Reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management



# SDG 11: SUSTAINABLE CITIES AND COMMUNITIES

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



1. Covered under SDG6, SDG7 and SDG9

2. Transport infrastructure covered under SDG9

3. Covered under SDG13



# SDG 11: SUSTAINABLE CITIES AND COMMUNITIES

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



## Guidance

11.1

### Access to safe and affordable housing and basic services

#### Affordable housing

Investible entities that:

- Build, operate or own social housing, student housing, senior housing with a focus on inclusive, affordable and equitable access

✗ Not luxury retirement homes

#### Safe housing

Investible entities that:

- upgrade/adapt existing housing to address health & safety considerations/regulatory requirements (e.g. asbestos removal, fire safety systems)
- provide services that increase availability of social housing
- ✗ Not security systems for gated communities or other non-essential structures (e.g. sports facilities, swimming pools)



# SDG 11: SUSTAINABLE CITIES AND COMMUNITIES

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



## Guidance

### 11.2 Access to safe, affordable, accessible and sustainable transport systems

#### Sustainable transportation systems

Investible entities that:

- provide equipment or services for public transport

✗ Not: airplanes, taxi companies

! Controversies exist around sharing schemes

#### Improving road safety

Investible entities that:

- provide products and services to improve road safety (e.g. vision & sensor systems, traffic management systems)

! Many improvements become standard components (e.g. airbags)

### 11.5 Reduce impact of disasters

#### Reduce human impact

Investible entities that:

- provide disaster relief products and services (e.g. emergency packs, survival kits, medical equipment), short-term and emergency housing in response to natural disasters/conflicts (e.g. containers, shelter tents)

#### Reduce economic losses

Investible entities that:

- provide financial products and services for disaster relief after earthquakes, floods, hurricanes or conflicts (e.g. catastrophe insurance)



# SDG 11: SUSTAINABLE CITIES AND COMMUNITIES

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



## Guidance

11.6

### Reduce adverse per capita environmental impact of cities

#### Air quality

Investible entities that:

- provide products and services for air pollution control (e.g. filters for industrial or vehicle exhaust emissions)

#### Transport substitutes

Investible entities that:

- provide products and services that offer alternatives for transport (e.g. virtualisation, video-conferencing)

#### Sustainable housing

- Real estate which has energy intensity and GHG intensity aligned with the Carbon Risk Real Estate Monitor CRREM 1.5deg pathway for its property type/location in 2030, (ie does not strand before 2030)



# SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns

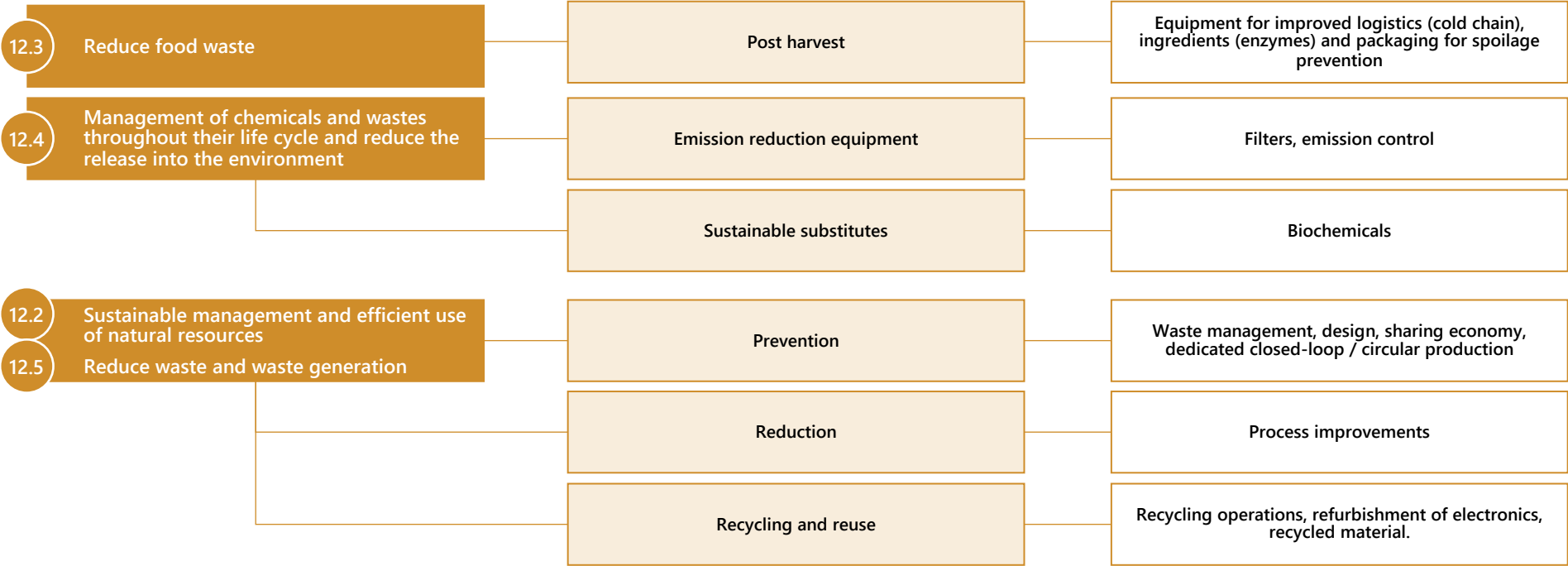
## Investable Targets

- 12.2 Achieve the sustainable management and efficient use of natural resources
- 12.3 Halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses
- 12.4 Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment
- 12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse



# SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns



# SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns



## Guidance

### 12.3 Reduce food waste

#### Post-harvest

Investible entities that:

- produce ingredients and enzymes that prevent or delay food spoilage
- build or operate storage facilities
- manufacture equipment for improved logistics, incl. cold chain
- produce packaging materials for upholding freshness and nutritional quality of food products

### Management of chemicals and all wastes throughout their life cycle and reduce the into the environment

12.4

#### Emission reduction equipment

- Producers of filters, process software, catalysts specifically targeting emission control

#### Sustainable substitutes of chemicals

- Producers of biochemicals that provide safe and environmentally sound alternatives
- ✗ Not: synthetic or biochemicals when natural alternatives exist





# SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns



## Guidance

### 12.2 Sustainable management and efficient use of natural resources

### 12.5 Reduce waste generation

#### Prevention, reduction, recycling/reuse

Investable entities that:

- provide products and services for prevention, reuse, recycling of waste (e.g. product design, waste management, and materials recovery)
- provide products and services for the 'sharing economy' that reduce the need for natural resources
- provide products and services for process improvements contributing to reducing waste
- provide refurbished electronics products and services or apply closed-loop production systems or circular production systems



# SDG 13: CLIMATE ACTION

Take urgent action to combat climate change and its impacts

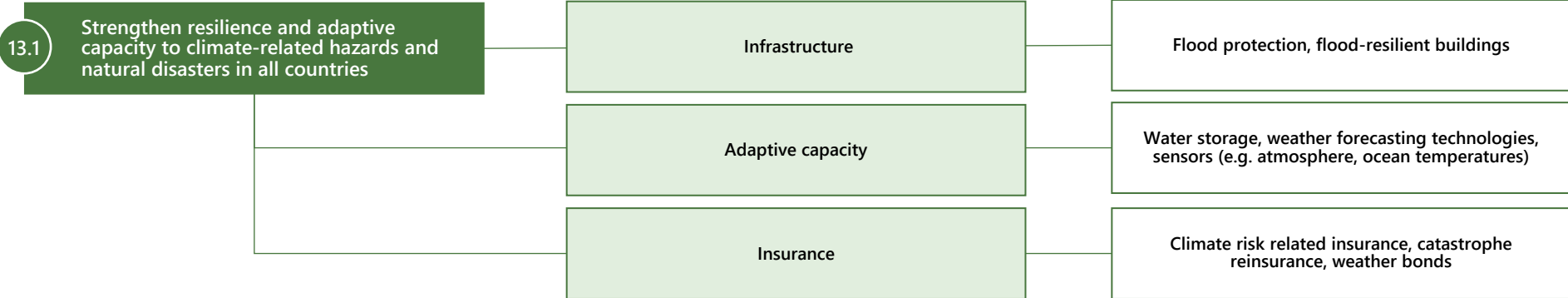
## Investable Targets

- 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries



# SDG 13: CLIMATE ACTION

Take urgent action to combat climate change and its impacts



# SDG 13: CLIMATE ACTION

Take urgent action to combat climate change and its impacts



## Guidance

### 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

#### Infrastructure

Investable entities that:

- Build or operate infrastructure offering protection to climate-related hazards (e.g. flood protection dams and dikes, flood-resilient buildings)
- ! Beware of infrastructure that are harmful to the natural environment or energy-inefficient

#### Adaptive capacity

Investable entities that:

- Build or operate water storage infrastructure
- Provide weather forecasting services and technologies (e.g. sensors)
- Provide equipment and services for natural disaster warning systems
- Produce products and services for climate adaptation (e.g. fire retardant materials)

#### Insurance

- Climate risk related insurance, catastrophe reinsurance, weather bonds



# SDG 14: LIFE BELOW WATER

Conserve and sustainably use the oceans, seas and marine resources for sustainable development

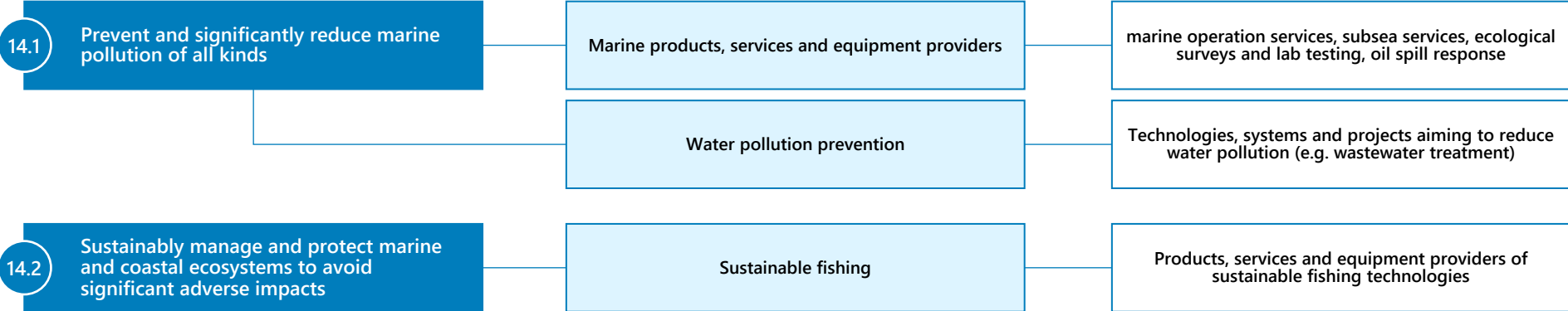
## Investable Targets

- 14.1 Prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution
- 14.2 Sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans



# SDG 14: LIFE BELOW WATER

Conserve and sustainably use the oceans, seas and marine resources for sustainable development



# SDG 14: LIFE BELOW WATER

Conserve and sustainably use the oceans, seas and marine resources for sustainable development



## Guidance

### 14.1 Prevent and significantly reduce marine pollution of all kinds

#### Marine products, services and equipment providers

Investible entities that:

- provide products and services with focus on reducing marine pollution (e.g. ecological surveys and lab testing, oil spill response)

#### Water pollution prevention

Investible entities that:

- provide products and services with focus on preventing water pollution (through agricultural run-off, discharge of nutrients and pesticides, untreated sewage)

### 14.2 Sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts

#### Sustainable fishing

Investible entities that:

- provide products and services with focus on sustainable fishing (e.g. surveillance equipment, sustainable fishing technologies, nets for lower by-catch, certification)
- provide products and services for fish farming in ponds or indoor basins

! Beware of trawlers for indiscriminate industrial fishing.

! Fish farming or aquaculture with open connection to open sea is controversial



# SDG 15: LIFE ON LAND

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss

## Investable Targets

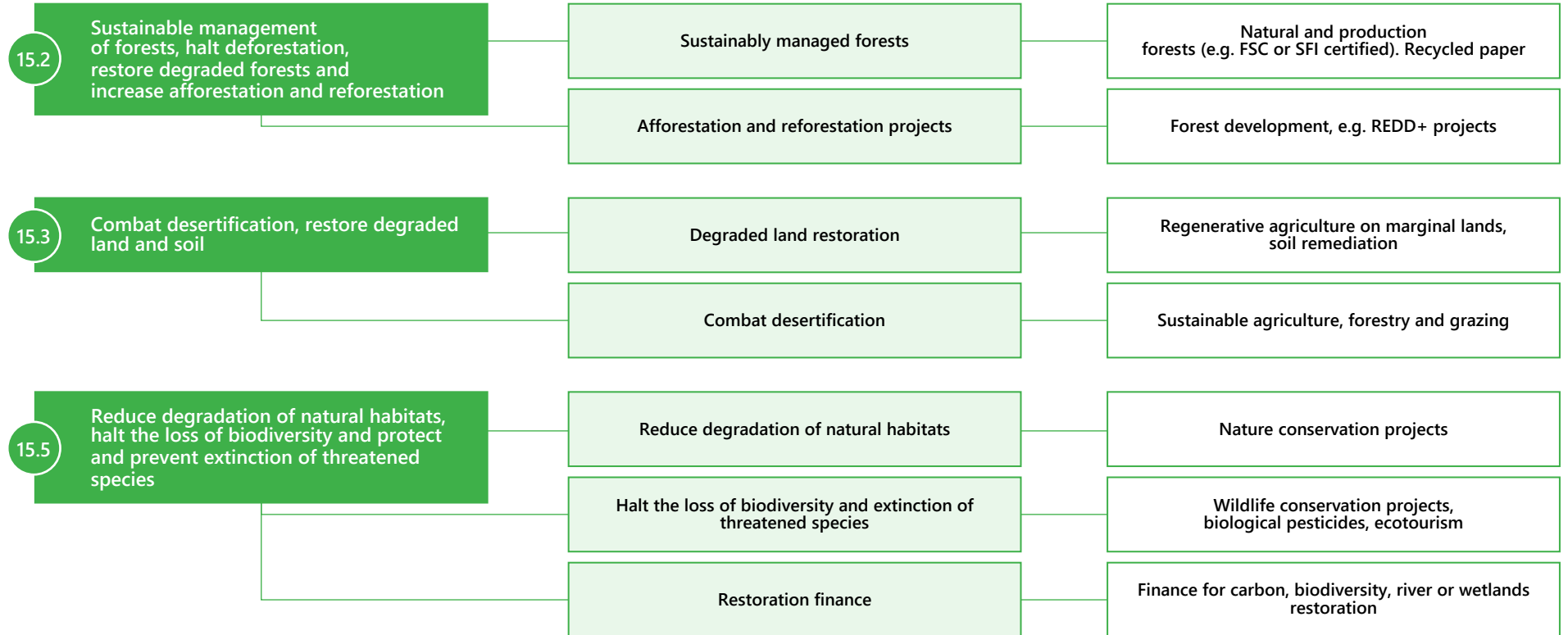
- 15.2 Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally
- 15.3 Combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world
- 15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species





# SDG 15: LIFE ON LAND

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss



# SDG 15: LIFE ON LAND

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss



## 15.2 Sustainable management of forests, halt deforestation, restore degraded forests and increase afforestation and reforestation

### Sustainably managed forests

- Real estate or managers of natural forests and production forests (timberland) if certified by FSC, SFI or PEFC

### Recycled paper

- Providers of paper recycling

### Afforestation and reforestation projects

- Managers of forest development and REDD+ projects if certified by FSC, SFI or PEFC

## 15.3 Combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods

### Combat desertification

- Providers of technologies and services that focus on preventing land degradation (e.g. halt overgrazing and deforestation)

### Degraded land restoration

- Providers of sustainable agriculture, forestry and grazing on marginal lands (e.g. Land Degradation Neutrality investments)
- Investible entities that are active in soil remediation



# SDG 15: LIFE ON LAND

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss



15.5

## Reduce the degradation of natural habitats, halt the loss of biodiversity and protect and prevent the extinction of threatened species

### Reduce degradation of natural habitats

- Projects and financing to reduce degradation of natural habitats (e.g. nature conservation projects)

### Halt the loss of biodiversity and extinction of threatened species

- Projects and financing to halt the loss of biodiversity (e.g. eco-tourism, biodiversity enterprise funds, organic pesticides, wildlife conservation projects)

### Restoration finance

- Finance for restoration of ecosystems (e.g. green bonds for restoration of land, biodiversity, rivers, wetlands)



# SDG 16: PEACE AND JUSTICE STRONG INSTITUTIONS

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Users may identify Acknowledged Transformational Leaders whose contribution through operations and/or conduct classifies as SDI



# SDG 17: PARTNERSHIPS FOR THE GOALS

Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Users may identify Acknowledged Transformational Leaders whose contribution through operations and/or conduct classifies as SDI



# NEGATIVE CONTRIBUTIONS

# NEGATIVE CONTRIBUTIONS

Negative contributions which are contrary to achieving the SDGs have been added to the SDI AOP Taxonomy. Similar metrics are applied as for the SDI classification. Negative contributions are not netted off against positive, as the SDI AOP does not believe that this approach reflects the complexity and interrelatedness of the SDGs. Entities with over 10% negative revenues cannot be considered SDI .

- Tobacco products
- Gambling venues and services
- Coal mining/ power capacity
- Oil & Gas exploration, production, supply and related services
- Landfill operations
- Single use plastics
- Controversial weapons



# NEGATIVE SDG 3: GOOD HEALTH AND WELL-BEING

Tobacco products

## Impacted Target

- 3.4 Reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being

Negative contribution to mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease



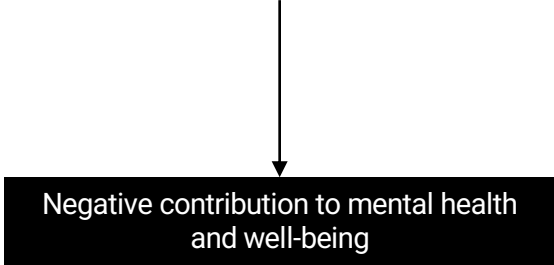


# NEGATIVE SDG 3: GOOD HEALTH AND WELL-BEING

Gambling venues and services

## Impacted Target

3.4 Reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being

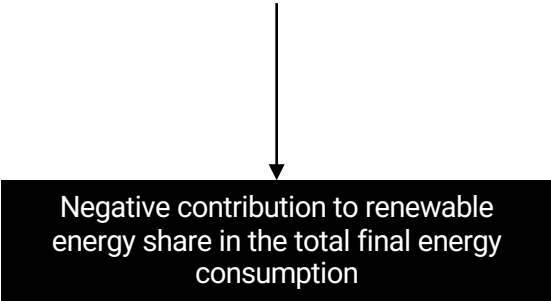


# NEGATIVE SDG 7: AFFORDABLE CLEAN ENERGY

Coal mining

## Impacted Target

- 7.2 Increase substantially the share of renewable energy in the global energy mix

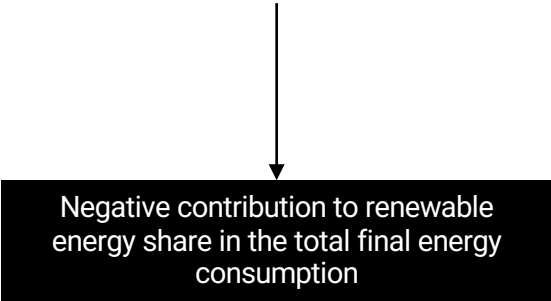


# NEGATIVE SDG 7: AFFORDABLE CLEAN ENERGY

Coal & Oil power capacity

## Impacted Target

- 7.2 Increase substantially the share of renewable energy in the global energy mix

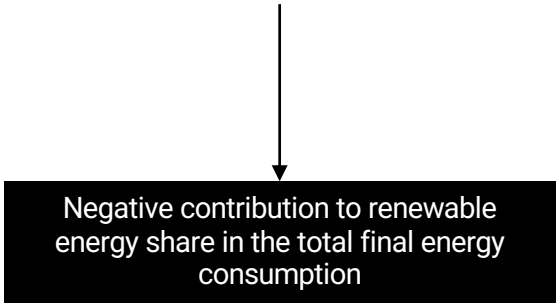


# NEGATIVE SDG 7: AFFORDABLE CLEAN ENERGY

Oil & Gas exploration, production, supply and related services

## Impacted Target

- 7.2 Increase substantially the share of renewable energy in the global energy mix

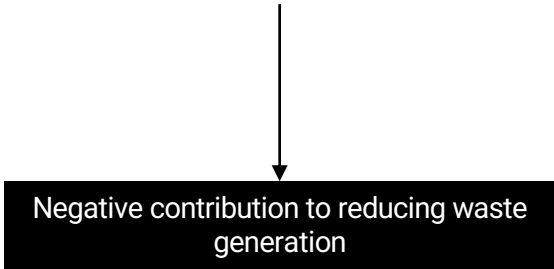


# SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

Single use plastics

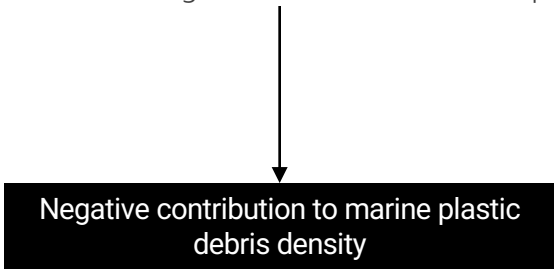
## Impacted Target

- 12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse



## Additional impacted Target

- 14.1 Prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution

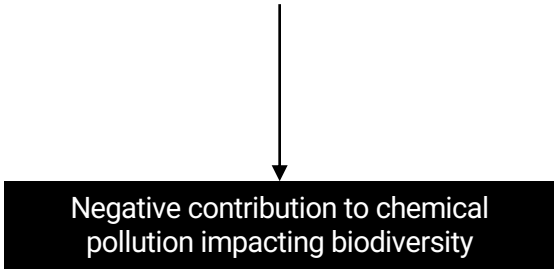


# SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

Production of agrochemicals which are highly hazardous pesticides

## Impacted Target

- 12.4 Management of chemicals and wastes throughout their life cycle and reduce the release into the environment

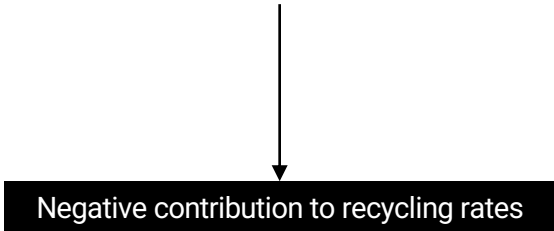


# SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

Landfill operations

## Impacted Target

- 12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse

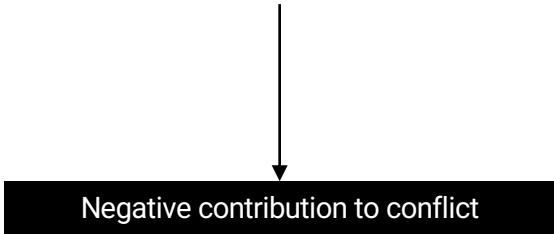


# SDG 16: PEACE AND JUSTICE STRONG INSTITUTIONS

Controversial weapons

## Impacted Target

16.1 Significantly reduce all forms of violence and related death rates everywhere





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