

Investing in Emerging Markets: The Importance of Alignment with UN Sustainable Development Goals

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At PineBridge, we aim to balance sustainability with our fiduciary responsibility to clients to optimize capital preservation and investment returns.

Within emerging markets (EM), there is a need to further balance global environmental needs with the economic and industrial needs of the region, which represents roughly 85%¹ of the world's population, much of which lives below Western poverty standards. The issue of climate change is universal, and nearly all the world's governments have made commitments to limit global warming and mitigate its impacts. However, to ensure a just transition to a net-zero global economy, investment must also consider the roughly one of eight people¹ living in EM without access to reliable electricity, help finance sustainable infrastructure and industry in EM, and ensure that communities dependent on revenue from fossil fuels can adapt and participate in the new global economy.

The UN's Sustainable Development Goals (SDGs) were adopted by all United Nations member states in September 2015 as part of the organization's 2030 Agenda for Sustainable Development and provide an established framework for best practices in sustainable investment. They provide a framework of 17 goals for countries and multinational organizations to pursue, ranging from ending poverty and hunger to taking climate action and protecting life on land and in the water.

As corporate bond investors, our objective in promoting SDGs focuses on those goals for which corporate actions are measurable and the contributions can be meaningful: specifically, SDG 8, Decent Work and Economic Growth; SDG 9, Industry, Innovation and Infrastructure; SDG 12, Responsible Consumption and Production; and SDG 13, Climate Action. These SDGs also help us maintain a balanced view of sustainability issues.

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