



The
Green Bond
Principles



The
Social Bond
Principles



ICMA
International
Capital
Market
Association



Summary of the Survey of GBP/SBP Members – Issuers

Evaluation of the benefits of the Green, Social or Sustainability (GSS) Bond Market

Organisation and strategies pursued by the issuers, the investors and the underwriters in relation to the GSS market

July– August 2019

Survey Highlights

Alignment with GBP/SBP:

All respondents (100%) indicate that their issues aligned with the Principles, that they obtained an external review of their GSS Bond issue and/or framework, and that they intend to be a repeat issuer of GSS Bonds.

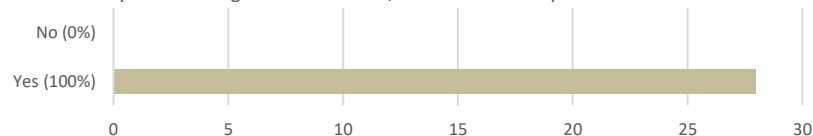
Involvement of internal teams:

GSS bond issuance, which requires various preparatory steps such as the preparation of GSS Bond Framework, selection of projects/assets, bond documentation/use of proceeds clause, investor presentation and framework for reporting, requires significant concerted efforts by various teams within an organisation and brings an increased interaction between ESG/sustainability teams and other departments traditionally involved in bond issuances (funding, treasury, legal, etc.).

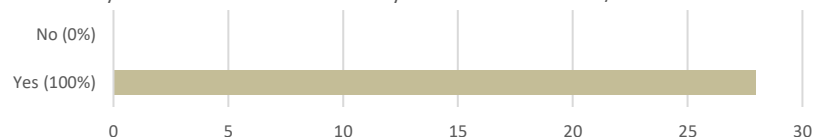
New policies and processes:

The majority of the respondents indicate that the project selection including ESG due diligence and the ring-fencing process for projects/assets led to new policies and processes mostly as new IT tools for flags/tags. Also, GSS issuance leads to revision of IR materials with a view to including allocation and impact reporting. Importantly, a vast majority of the respondents (84%) observed permanent changes within their organisations as a result of such processes.

Was your issue aligned to the Green/Social Bond Principles?



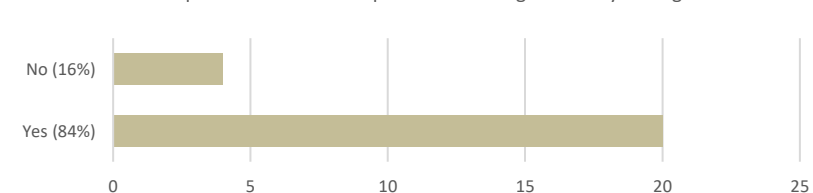
Did you obtain an external review of your GSS Bond issue and/or framework?



Are you or do you intend to be, a repeat issuer of GSS Bonds?



Have such processes resulted in permanent changes within your organisation?

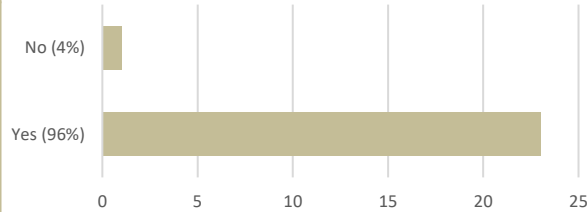


Survey Highlights

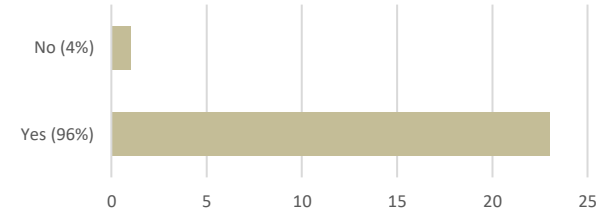
Impact of GSS bond issuance on the organisation (1/2):

Almost all the respondents indicate that GSS bond issuance impacted visibility/engagement within an organisation, internal momentum for green & social issues and relatedly the corporate culture, and the coordination between different entities and/or departments within the company. The majority of the respondents also acknowledged that it has impacted the integration of sustainability considerations into business decision-making (71%), their dialogue with investors regarding overall sustainability strategy (88%), and project monitoring processes and data collection (84%).

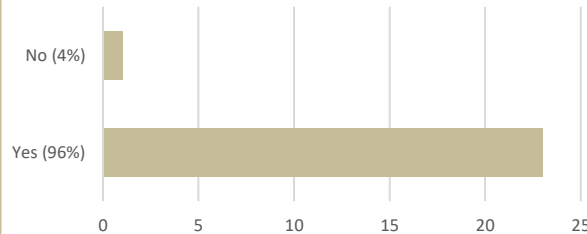
Has the GSS bond issuance impacted: Visibility/engagement within the organisation?



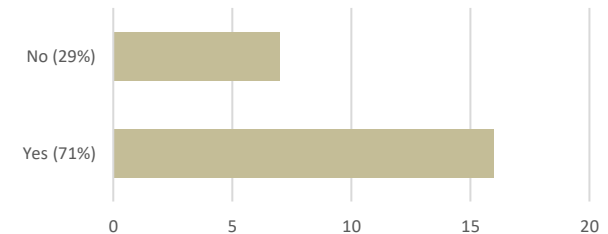
Has the GSS bond issuance impacted: Internal momentum for green & social issues? Corporate culture?



Has the GSS bond issuance impacted: The coordination between different entities and/or departments within your company?



Has the GSS bond issuance impacted: Integration of sustainability considerations into business decision-making?



Survey Highlights

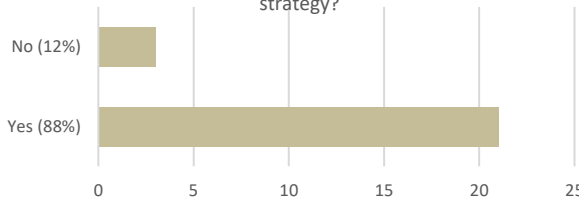
Impact of GSS bond issuance on the organisation (2/2):

The respondents indicate that GSS issuance has enhanced internal awareness on sustainability as part of the business strategy, dialogue with regulators, appetite for green and social projects, and the role of the treasury department within the organisation. However, most of the respondents (56%) indicate that GSS bond issuance has not impacted their pipeline and/or budget for investments tied to eligible green project categories.

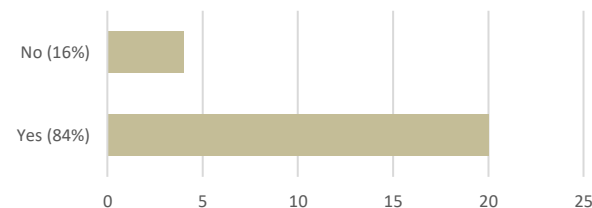
Motivations for issuing GSS bonds:

The prevailing motivations for GSS bond issuance among respondents are (i) investor diversification and access to new markets; (ii) contribution to the growth of GSS markets, promoting sustainability and contributing to the transition to a low carbon economy as well as raising awareness on such matters; and (iii) marketing and reputational gains for the issuer. This shows that GSS bond issuance represents specific advantages for the issuer's organisation which are otherwise not present in a plain vanilla bond issuance.

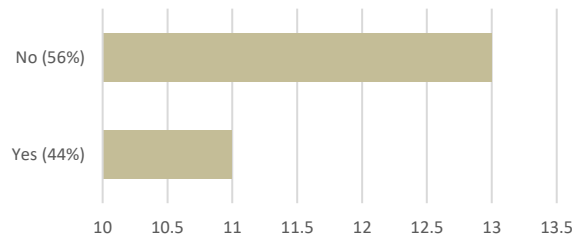
Has the GSS bond issuance impacted: Your dialogue with investors regarding your overall sustainability strategy?



Has the GSS bond issuance impacted: Your project monitoring processes and data collection?



Has the GSS bond issuance impacted: The pipeline and/or budget for investments tied to eligible project categories?



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