GBP/SBP Research Working Group

Summary of the Survey of GBP/SBP Members - Issuers

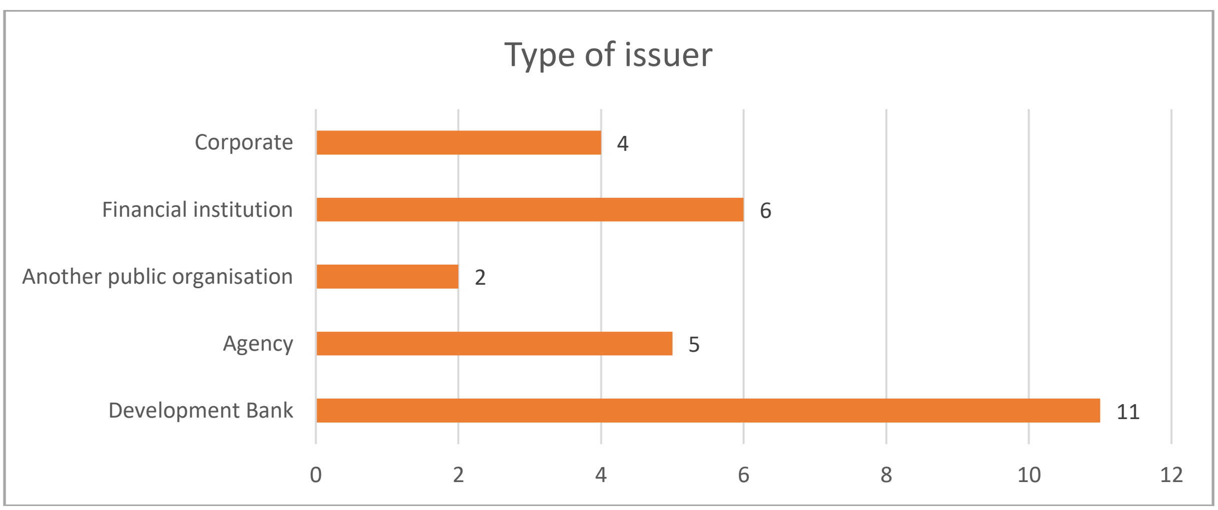
July 2019 – August 2019

Acknowledgements

On behalf of the Research Working Group, coordinated by BNP Paribas, EBRD and Natixis, the GBP SBP Secretariat conducted a survey from 16 July to 21 August 2019 among GBP SBP Members to evaluate the benefits of the Green, Social or Sustainability (GSS) Bond Market and to get a better understanding of the related organisational changes and strategies pursued by the issuers, the investors and the underwriters.

Among the **28 respondents**, the following kindly agreed to have the name of their company listed:

Access Bank PLC	Export Development Canada
African Bank Development	Hypo Vorarlberg Bank AG
Banco Nacional de Obras y Servicios Públicos	Iberdrola
Bancolombia	ICO
Caisse des Dépôts	KBN
Caja Rural de Navarra	Kommuninvest
Council of Europe Development Bank	NIB
Deutsche Kreditbank (DKB)	Ontario Financing Authority
Development Bank of Japan Inc.	Ørsted A/S
EBRD	Raiffeisen Switzerland Cooperative
EIB	SNCF Réseau
Enel Spa	World Bank
Eurofima	



Survey Highlights

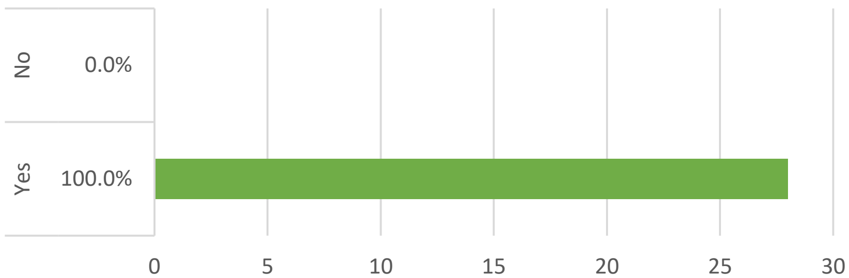
1. **Alignment with GBP/SBP**: All respondents (100%) indicate that their issues aligned with the Principles, that they obtained an external review of their GSS Bond issue and/or framework, and that they intend to be a repeat issuer of GSS Bonds.
2. **Involvement of internal teams:** GSS bond issuance, 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 joint 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.).
3. **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.
4. **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 organisation which are otherwise not present in a plain vanilla bond issuance.
5. **Impact of GSS bond issuance on the organisation:** 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 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%). Additionally, the respondents indicate that GSS issuance has enhanced internal awareness on sustainability as part of 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.

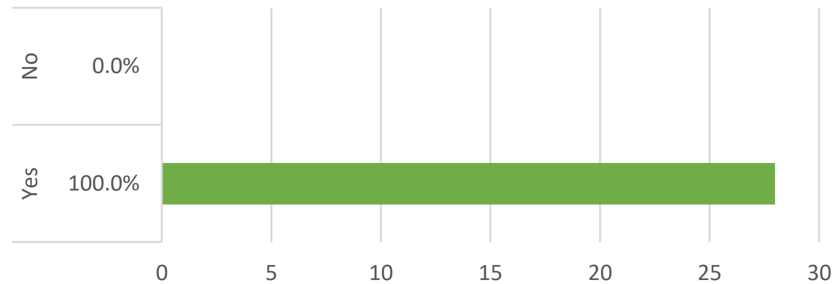
Appendix

Survey Results

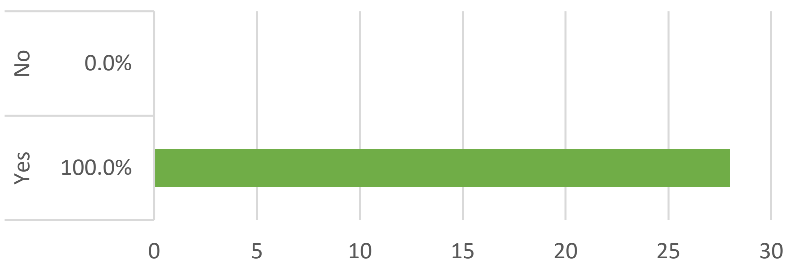
Q1. Was your issue aligned to the Green/Social Bond Principles?



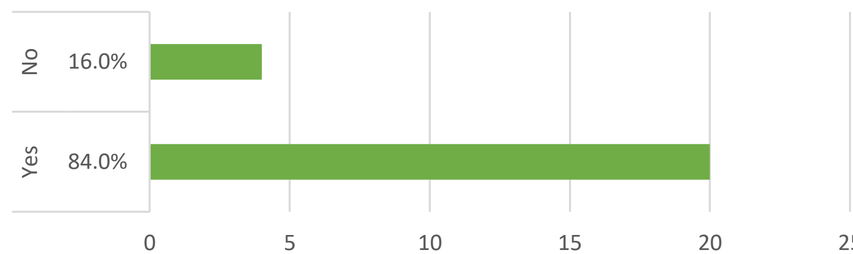
Q2. Did you obtain an external review of your GSS Bond issue and/or framework?



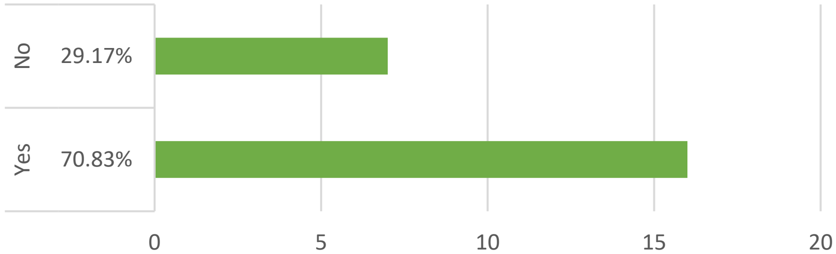
Q3. Are you or do you intend to be, a repeat issuer of GSS Bonds?



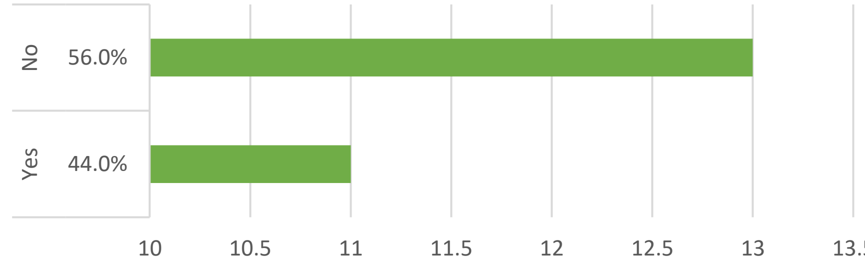
Q4. Have such processes resulted in permanent changes within your organisation?



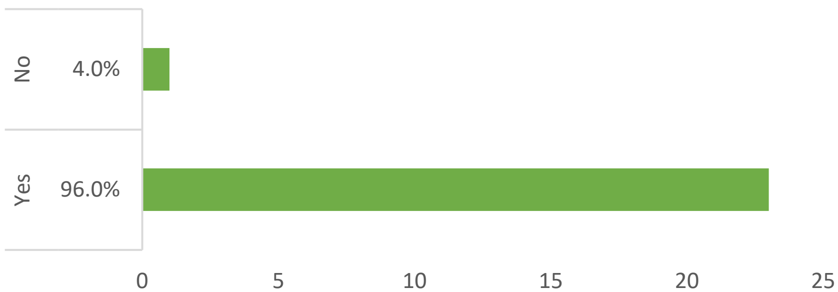
Q5. Has the GSS bond issuance impacted: Integration of sustainability considerations into business decision-making?



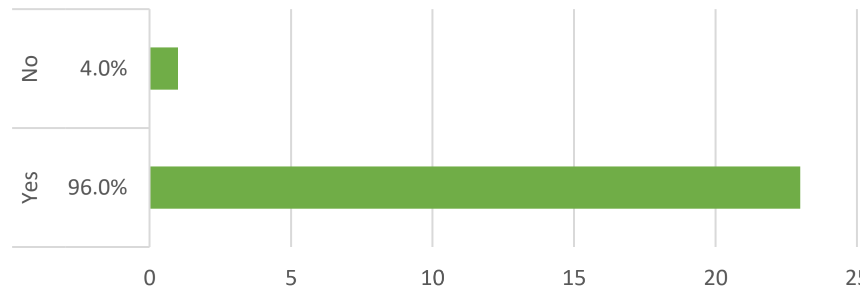
Q6. Has the GSS bond issuance impacted: The pipeline and/or budget for investments tied to eligible project categories?



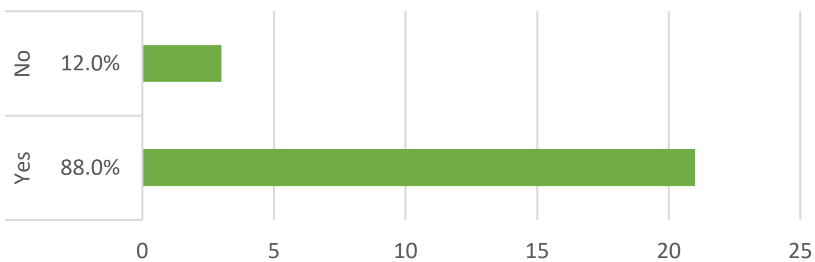
Q7. Has the GSS bond issuance impacted: Visibility/engagement within the organisation?



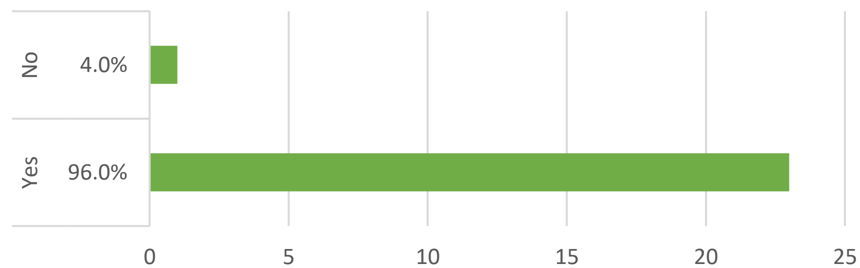
Q8. Has the GSS bond issuance impacted: Internal momentum for green & social issues? Corporate culture?



Q9. Has the GSS bond issuance impacted: Your dialogue with investors regarding your overall sustainability strategy?



Q10. Has the GSS bond issuance impacted: The coordination between different entities and/or departments within your company?



Q11. Has the GSS bond issuance impacted: Your project monitoring processes and data collection?