

Sustainability Bonds

# Green and Social Bond Bulletin

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# Recent Highlights

- **Landmark A2A green bond 'bodes well' for EU GBS issuance**

Italian utility firm A2A has raised €500 million (\$520 million) from the first green bond issued under the EU Green Bond Standard (EU GBS), with investor demand for the ground-breaking deal providing encouraging signs around uptake of the 'gold standard' sustainable fixed income label.

- The inaugural bond using the 'European Green Bond' (EuGB) label follows the EU GBS coming into effect last month.
- Milan-based A2A said the 10-year bond – with a 3.625% coupon – was more than four-time oversubscribed by investors, with the final orderbook standing at €2.2 billion.
- Following the landmark A2A deal, the market is preparing to see further issuance under the EuGB label – in particular from the utility and bank sector. However, Environmental Finance understood from some senior underwriters that several potential issuers were keen to wait until they have seen the market response to initial transactions before moving forward with their own plans.

- **Île-de-France Mobilités issues 'historic' public sector 'European Green Bond'**

French government-owned Île-de-France Mobilités has become the first public sector body issuer to adopt the EU Green Bond Standard (EU GBS).

Île-de-France Mobilités – which operates the public transport network in and around Paris – said the €1 billion (\$1 billion), 20-year transaction was “historic”, because it was the first sovereign, supranational and agency (SSA) to use the 'European Green Bond' (EuGB) label introduced under the EU GBS legislation, which came into effect in December.

- The final orderbook stood at €5.9 billion for the deal after pricing was tightened by six basis points compared with initial guidance to 19bps over the French sovereign OAT curve. Île-de-France Mobilités said this was the “tightest pricing ever achieved versus the OAT curve as well as the largest tightening from guidance” for the issuer.
- The proceeds from the bond will be used to finance projects to “modernise” the transport network, including by “renewing the electric rolling stock (trains, metros, tram-trains, trams), deploying low-emission buses and electric bicycles, while also developing the necessary supporting infrastructure”.
- The EU GBS has been described as the ‘gold standard’ for the green bond market. In addition to the EU Taxonomy criteria for 'substantial contribution' to sustainability objectives, EU Taxonomy-aligned activities under the EU GBS must also demonstrate they meet the 'do no significant harm' (DNSH) and 'minimum safeguard' (MS) requirements. It is the onerous DNSH and MS requirements which have often been cited as the main challenges to widespread uptake of the EU GBS by issuers.

## Recent Highlights

- **Moody's Predicts \$1 Trillion Sustainable Bond Market in 2025 Despite Political Headwinds**

Global issuance of labelled sustainable bonds – including green, social, sustainability, sustainability-linked, and transition bonds – is anticipated to again reach around \$1 trillion in 2025, according to a new forecast released by Moody's Ratings, as headwinds including political changes from the new U.S. administration are expected to be offset by a continued focus on sustainable development across many regions, including increased clean energy investments, and growth in climate adaptation and nature-related projects.

If the forecast is achieved, it would mark the fifth consecutive year of sustainable bond issuance at around the \$1 trillion level. While 2024 issuance remained flat year-over-year at \$1 trillion, however, sustainable bond volumes underperformed strong growth in the overall bond market in the year, with share of global issuance declining to 11% from 15% in the prior year.

By bond type, green bonds are anticipated to continue to dominate, with Moody's forecasting record issuance in 2025 of \$620 billion, up slightly over 2024. Green bond issuance is expected to be driven by climate mitigation initiatives, with policy support, private sector pledges and cost declines in clean energy supporting climate investment through the year.

Among the key themes driving green investments, Moody's noted greater demand for financing of energy- and water-efficient data centers, and related investments in nuclear energy projects to help meet increased low carbon energy demand from data centers, as well as investments in emerging green technologies to provide low carbon solutions for hard-to-abate industrial sectors.

- **Landmark Austrian Swiss franc green bond issued as 2025 programme kicks-off**

Austria has raised CHF350 million (\$387 million) from a ground-breaking Swiss franc-denominated green bond.

- The Austrian Treasury told Environmental Finance the 10-year deal – with a 0.6825% coupon – is the first Swiss franc-denominated green bond issued by a sovereign other than Switzerland. The deal is also the first Swiss franc-denominated bond in any format by Austria since 2009.
- In addition to the Swiss franc-denominated deal, Austria raised €1.5 billion (\$1.6 billion) from a 10-times oversubscribed tap of its existing green bond due in 2049, which it first issued in 2022.
- The €15 billion orderbook for the tap allowed Austria to tighten pricing on this transaction by two basis points (bps) compared to initial guidance, which the Treasury said represented a two to three bps 'greenium'.

## Recent Highlights

- **IFC Issues \$2 Billion Social Bond to Fund Projects in Emerging Markets**

World Bank Group member the International Finance Corporation (IFC) announced today that it has raised \$2 billion in a new social bond offering, with proceeds aimed at funding projects supporting low-income communities in emerging markets.

The offering was more than 5x oversubscribed, with an order book reaching \$11 billion, the largest-ever for a single bond issuance by IFC, enabling the spread on the deal to be tightened from its initial price. The transaction also represented the largest-ever social bond for IFC, as well as the largest US dollar denominated social bond to be issued by a supranational.

The transaction also follows a 1 billion Australian dollar denominated social bond issued by IFC last week.

The new bond issuances follow the publication earlier this month by IFC of its updated social bond framework. IFC has a focus on vulnerable and underserved populations, such as women, low-income populations, underserved communities, refugees and displaced persons, and eligible use of proceeds for IFC social bonds under the new framework target project categories including affordable basic infrastructure such as clean drinking water, sewers, sanitation, transport, energy; access to essential services; affordable housing; employment generation; food security and sustainable food systems, and; socioeconomic advancement and empowerment, such as for women-owned small and medium sized businesses who lack access to finance.

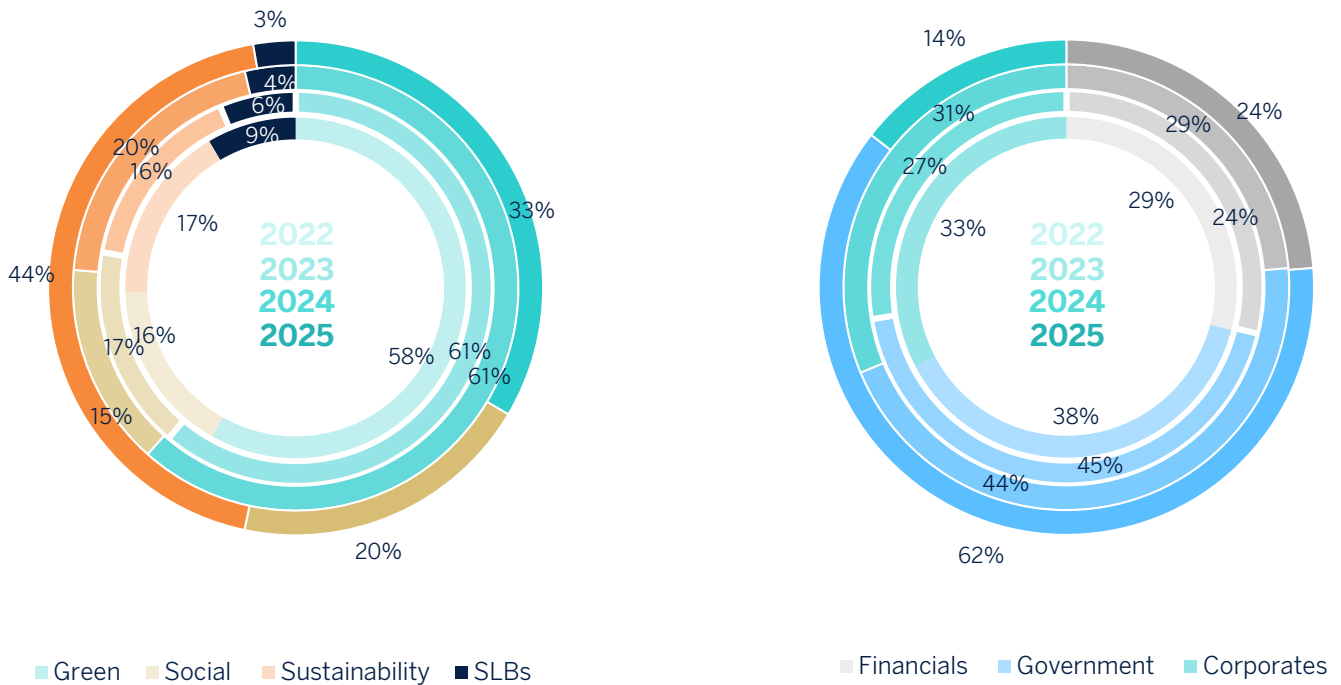
## Top Deals

- **EDP (Baa2 / BBB / BBB)** came back to the Euro market on Monday 13th January 2025, announcing a new 6.5yr EUR 750mn **Green** Senior issuance. This is the first senior transaction from EDP since January 2024 with an EUR 750mn, following the two hybrid transactions in May and September last year. Proceeds of the "Green Bond" will be used to finance or refinance, in whole or in part, EDP's Eligible Green Asset Portfolio as set out in EDP's Green Finance Framework. **Sustainalytics acted as SPO provider. BBVA was Bookrunner.**
- **Inmobiliaria Colonial (- / BBB+ / -)** came back to the Euro market on Wednesday 15th January 2025 announcing a new 5yr EUR 500mn **Green** Senior issuance. This is the first public senior transaction from Colonial since June 2021. Proceeds of the issuance will be used to finance or refinance Eligible Green Assets as further described in Colonial's Green Bond Framework. **Sustainalytics acted as SPO provider. BBVA was Bookrunner.**
- **A2A (Baa2 / BBB / -)** priced the first-ever **EU Green Bond** issuance, launching a new EUR 500mn 10yr bond. A2A came back to the EUR market on Thursday 23rd January 2025, announcing the first-ever EU Green Bond issuance, following the official implementation of the EU Green Bond Regulation on 21 December 2024. The net proceeds of the offering will be fully allocated to activities that are 100% environmentally sustainable under Article 3 of Regulation (EU) 2020/852, across 4 of the 6 UOP categories that are included in the issuer's most recent Framework dated July 2024. **Sustainable Fitch acted as Pre-Issuance Reviewer (European Green Bond Assessment). BBVA was Bookrunner.**

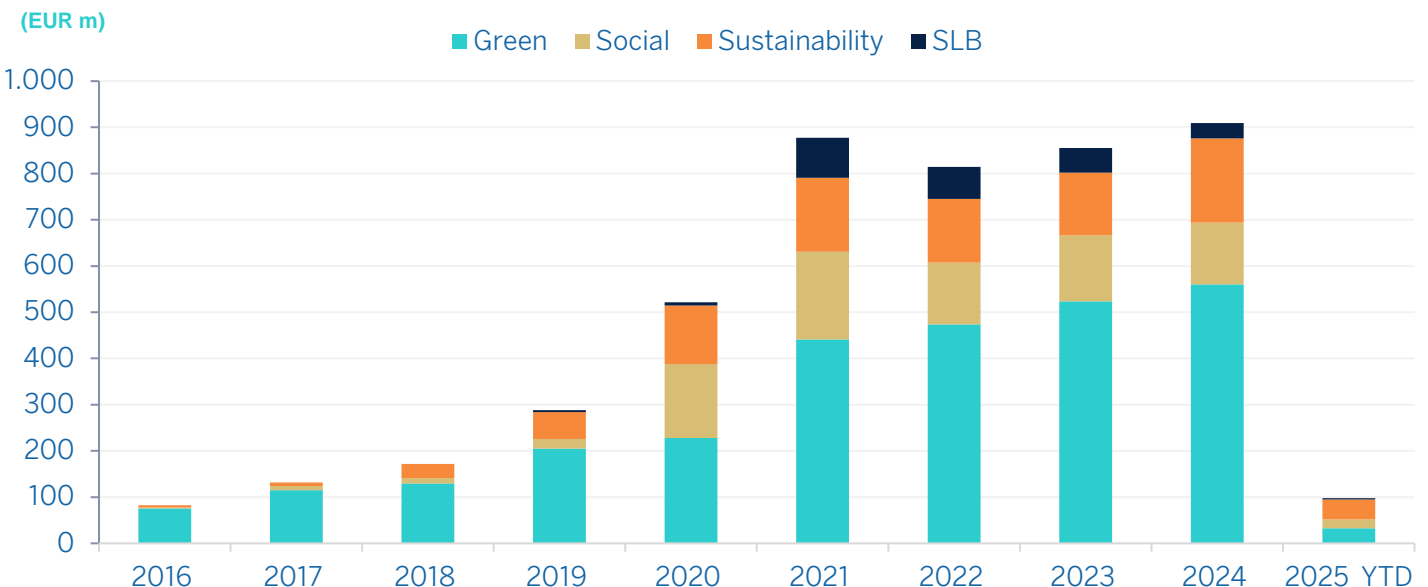
# Green, Social & Sustainable Bond Issuance Stats

	Volume issued (EUR m)					Total
	Green	Social	Sustainability	SLB		
2025 YTD	32,777	19,323	42,926	2,687		<b>97,714</b>
2024	560,055	133,828	182,364	33,329		<b>909,576</b>
2023	523,247	143,294	135,350	53,525		<b>855,415</b>
2022	473,426	133,852	137,957	68,967		<b>814,203</b>
2021	441,005	190,071	159,486	86,559		<b>877,121</b>
2020	227,591	159,942	126,919	6,827		<b>521,279</b>

## ESG-LABELED BOND PRIMARY MARKET BREAKDOWN



## ESG-LABELED BOND ISSUANCE HISTORY



## Selected ESG- Labeled Bond Issuance | Recent Deals

Pricing Date	Issuer	Rating (M/S/F)	Country	Industry	Currency	Amount Issued	Maturity	Instrument Type
29-ene	Caisse D'Amort Dette Soc	Aa3/AA-/AA-	France	Government Agencies	EUR	2,500,000,000	may-30	Social
28-ene	Severn Trent Water Util	Baa1/-/A-	Britain	Public services	EUR	850,000,000	ago-35	Green
28-ene	Ile De France Mobilites	Aa3/-/AA-	France	Transportation & Logistics	EUR	1,000,000,000	may-45	Green
28-ene	Berlin Hyp Ag	-/-/AA-	Germany	Consumer Finance	EUR	500,000,000	nov-32	Green
28-ene	Ambipar Lux Sarl	-/-/BB-	Luxembourg	Environmental Services	USD	400,000,000	feb-33	Green
23-ene	Contourglobal Power Hldg	-/BB/-	Luxembourg	Electric	EUR	500,000,000	feb-30	Green
23-ene	A2A Spa	Baa2/BBB/-	Italy	Generación eléctrica	EUR	500,000,000	ene-35	Green
23-ene	Republic Of Philippines	Baa2/BBB+/BBB	Philippines	Sovereigns	USD	1,000,000,000	feb-50	Sustainability
23-ene	Iccrea Banca Spa	-/BBB-/BBB-	Italy	Banks	EUR	500,000,000	ene-30	Green
23-ene	Contourglobal Power Hldg	-/BB/-	Luxembourg	Power Generation	USD	510,000,000	feb-30	Green
23-ene	Republic Of Philippines	Baa2/BBB+/BBB	Philippines	Sovereigns	EUR	1,000,000,000	feb-32	Sustainability
22-ene	Istituto Per Il Credito	-/BBB/-	Italy	Banks	EUR	500,000,000	ene-30	Social
22-ene	Aust & Nz Banking Group	A3/A-/A-	Australia	Banks	EUR	1,000,000,000	jul-35	Sustainability
21-ene	Stoneweg Ereit Lux Finco	-/BBB-/BBB-	Luxembourg	Real Estate	EUR	500,000,000	ene-31	Green
20-ene	Jyske Bank A/S	-/BBB+/NR	Denmark	Banks	EUR	750,000,000	abr-31	Green
17-ene	Carrefour Sa	-/BBB/WD	France	Supermarkets	EUR	500,000,000	jun-30	SLB
16-ene	Norsk Hydro Asa	Baa2/BBB/-	Norway	Metals & Mining	EUR	500,000,000	ene-32	Green
16-ene	Intl Development Assoc	Aaa/AAA/-	Snat	Supranationals	EUR	1,250,000,000	ene-40	Sustainability
16-ene	Caja Rural De Navarra	Aa1/-/-	Spain	Banks	EUR	500,000,000	abr-33	Sustainability
16-ene	Turkcell Iletisim Hizmet	B1/BB/BB-	Turkey	Telecommunications	USD	500,000,000	ene-32	Sustainability
15-ene	Inmobiliaria Colonial So	Baa1/BBB+/-	Spain	Real Estate	EUR	500,000,000	ene-30	Green
15-ene	Motability Operations Gr	A2/A/-	Britain	Utilities	EUR	750,000,000	ene-33	Social
15-ene	Motability Operations Gr	A2/A/-	Britain	Utilities	EUR	650,000,000	ene-37	Social
15-ene	Hana Bank	-/AAA/AAA	South Korea	Bnaks	EUR	500,000,000	ene-28	Sustainability
15-ene	Central American Bank	Aa3/AA/WD	Snat	Supranationals	USD	1,500,000,000	ene-28	Sustainability
14-ene	Al Rajhi Sukuk Ltd	Baa3/-/A-	Cayman Islands	Banks	USD	1,500,000,000		Sustainability
14-ene	Banco Bpm Spa	Baa2*/BBB/BBB*+	Italy	Banks	EUR	500,000,000	ene-30	Social
14-ene	Region Of Ile De France	Aa3/NR/AA-	France	Regional Government	EUR	1,000,000,000	may-35	Sustainability
14-ene	Intl Finance Corp	Aaa/AAA/-	Snat	Supranationals	USD	2,000,000,000	ene-28	Social
14-ene	Sbab Bank Ab	A1/A+/-	Sweden	Banks	EUR	500,000,000	feb-30	Green
14-ene	Bawag P.S.K.	A1/-/WD	Austria	Banks	EUR	500,000,000	ene-32	Green
14-ene	Cif Capital Markets Mech	Aa1/-/AA+	Britain	Finance Services	USD	500,000,000	ene-28	Green
14-ene	Bng Bank Nv	Aaa/AAA/AAA	Netherlands	Banks	USD	2,500,000,000	feb-30	Social
13-ene	Edp Servicios Fin Esp Sa	Baa2/BBB/BBB	Spain	Public services	EUR	750,000,000	jul-31	Green
13-ene	Agence Francaise Develop	-/AA-/AA-	France	Banks	EUR	2,000,000,000	ene-35	Sustainability
13-ene	Korea Housing Finance Co	Aa2/AA/-	South Korea	Government Agencies	USD	500,000,000	ene-30	Social
09-ene	E.On Se	Baa2/BBB+/A-	Germany	Public services	EUR	900,000,000	ene-40	Green
09-ene	Heathrow Funding Ltd	-/BBB+/A-	Jersey	Transportation & Logistics	EUR	600,000,000	ene-36	SLB
09-ene	Norddeutsche Landesbank	Aaa/NR/-	Germany	Banks	EUR	1,000,000,000	oct-28	Green
09-ene	Intl Bk Recon & Develop	Aaa/AAA/AAAu	Snat	Supranationals	EUR	3,000,000,000	ene-35	Sustainability
09-ene	Asian Infrastructure Inv	Aaa/AAA/AAA	Snat	Supranationals	USD	2,000,000,000	ene-30	Sustainability
09-ene	Neder Waterschapsbank	-/AAA/-	Netherlands	Bnaks	USD	1,500,000,000	ene-30	Social
08-ene	Buoni Poliennali Del Tes	Baa3u/BBBu/-	Italy	Sovereigns	EUR	5,000,000,000	abr-46	Green
08-ene	Inter-American Devel Bk	Aaa/AAA/AAAu	Snat	Supranationals	USD	4,250,000,000	feb-30	Sustainability
08-ene	European Investment Bank	Aaa/AAA/AAA	Snat	Supranationals	EUR	5,000,000,000	ene-35	Green
08-ene	Evonik Industries Ag	Baa2/BBB+/-	Germany	Quemicals	EUR	500,000,000	ene-30	Green
08-ene	Hera Spa	Baa2/BBB+/-	Italy	Public services	EUR	500,000,000	jul-31	Green