

Sustainable Finance instruments

Analysis of main stakes and trends

October 2022



The green bond market and sustainable products trends

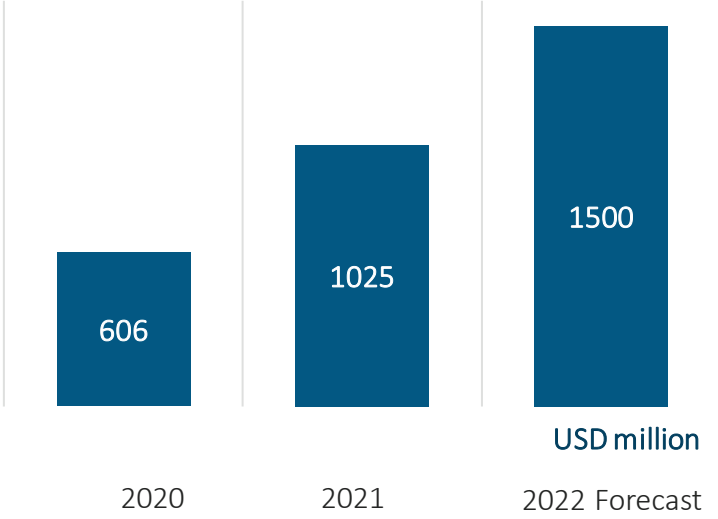
Green, Social and Sustainability (GSSS) bonds issuance increases, and the trend is growing



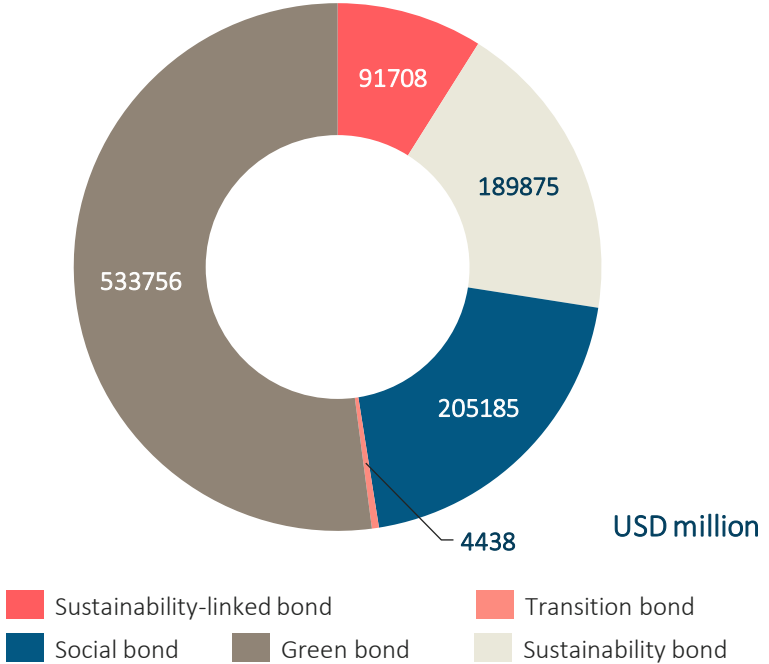
+ 247% increase in 2 years



Bond issuance reached 1.024 USD Trillion in 2021



Breakdown in 2021










Source: Sustainable Bond Insight 2022 – Environmental Finance



Overview of sustainable finance instruments available on the market

ICMA: International Capital Market Association

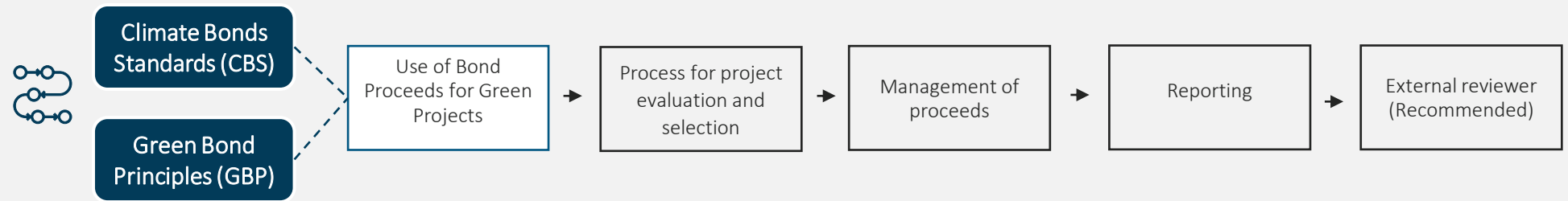
	Criteria	Main standards	Publication of review	External review requirement
 Green Bond	Use of proceeds Project	ICMA Green Bond Principles (“GBP”) Climate Bond Initiative – Climate Bonds Standards (“CBS”) EU Green Bond Standard	Recommended for GBP and CBS Required for EU GBS	Required for CBS and EU GBS Recommended for GBP
 Social Bond		ICMA Social Bond Principles (“SBP”)	Recommended	Recommended
 Sustainability Bond		ICMA Sustainability Bond Guidelines (“SBG”)	Recommended	
 Sustainability Linked Bond	Sustainability KPIs Company	ICMA Sustainability Linked Bond Principles (“SLBP”)	Mandatory Verification of the performance against the Sustainability Performance Targets	Required
 Sustainability Linked Loan		LMA Sustainability-Linked Loan Principles (“SLLP”)	Recommended	
 Social Loan		LMA Social Loan Principles (“SLP”)		Recommended
 Green Loan		LMA Green Loan Principles (“GLP”)		



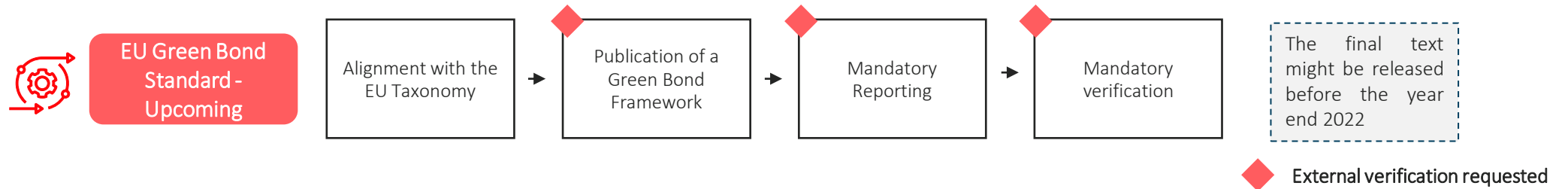
The GBP and the CBS are the two main existing standards

The **Green Bond Principles** are a set of **voluntary guidelines**. They are **non-prescriptive** with a goal to promote integrity in the development of the green bond market by clarifying the approach for issuance of a green bond. **They do not provide specific environmental impact targets** or impose limits on the categories of projects.

The **Climate Bond Standard** is a voluntary certification initiative aligned with the Green Bond Principles. The standard **provides sector-specific eligibility criteria** for asset classes and projects with the aim **to allow investors to screen a bond to assess its environmental impact**.



The upcoming **EU Green Bond Standard** will be a golden standard based on the best practices, and **potentially entry into application between 2023 and 2024**.



Source : Climate bond Initiatives – Website; ICMA : Green bond Principles – Website and EU usability EU Green Bond standard



The main benefits to issue a sustainable product

Benefits for banks



Benefits for companies

Expend lending portfolios & meet firm-wide sustainability financing commitments

Incentivize corporate clients to **improve their sustainability performance**

Support positioning as sustainable finance leader

Assist to meet public commitments made for sustainable finance

Deeper relationships & engagement with customers

Sustainable finance instruments advantages



Access to **discounted rates**

Improve overall sustainability performance

Demonstrate sustainability commitment to stakeholders

Deepen relationship and interactions with banks

Drive **internal alignment** across the business



Aurexia's sustainable finance expertise's on:



- Strategic and product **diagnostic**
- Competitive **Financing Processes** definition
- **Key performance indicators** definition
- **Second party opinions** (pre and post issuance)



- **Impact assessments** assistance
- Selection of **stock exchange**
- **Listing** assistance
- Project follow-up

Why work with Aurexia

- ✓ A **tailored approach**
- ✓ **Expertise** on ESG Regulation and Data
- ✓ Center of **expertise on sustainable finance** products
- ✓ **Communication support** (internal and external) to promote a new culture





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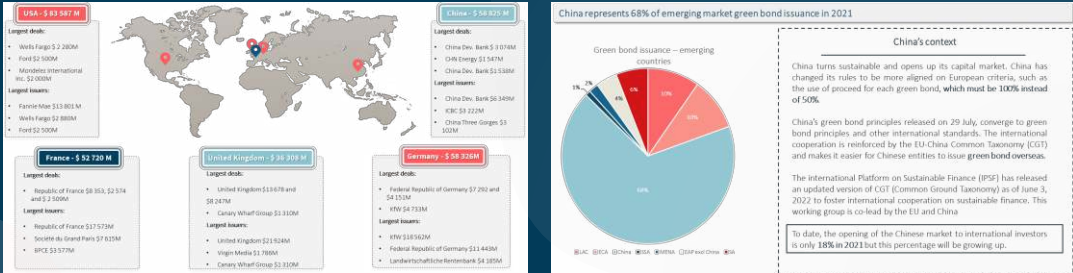
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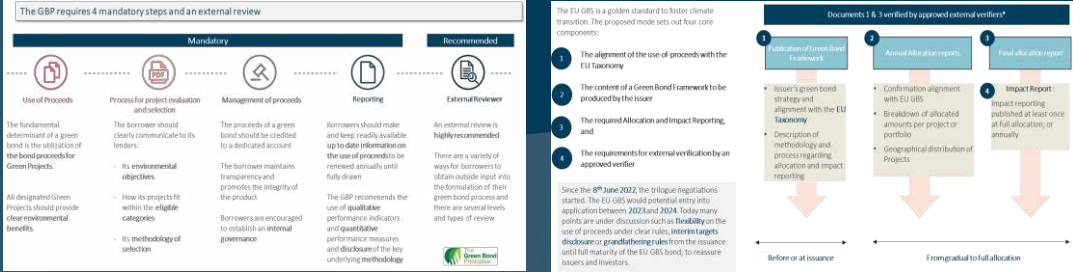
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Green Bond Market Analysis



Detailed steps of GBP and EU GBS





Aurexia

Bringing value, together