



Green, Social & Sustainability Bonds Overview

February 2018

HSBC 

RESTRICTED

What are Green, Social and Sustainability Bonds?

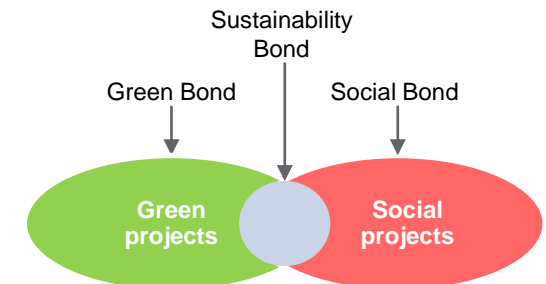
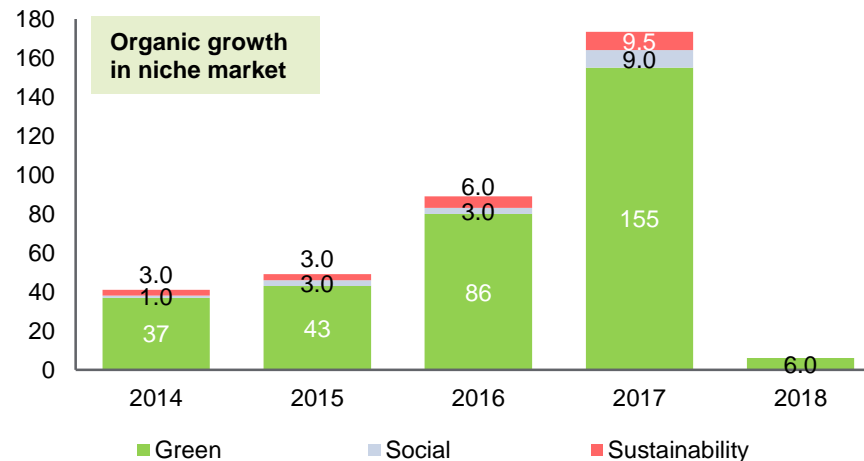
Green Bonds are any type of debt instrument where the proceeds will be exclusively applied to finance or refinance, in full or in part, new and/or existing projects with environmental benefits.

Similarly, Social Bonds finance projects with socio-economic objectives, while Sustainability Bonds finance a combination of both environmental and social projects.

This market is based on the voluntary ICMA Green Bond Principles and Social Bonds Principles. Issuers self-label their bonds as 'Green/Social' and may seek an External Review (eg a 2nd Party Opinion) about the expected environmental and social impact of their green projects.

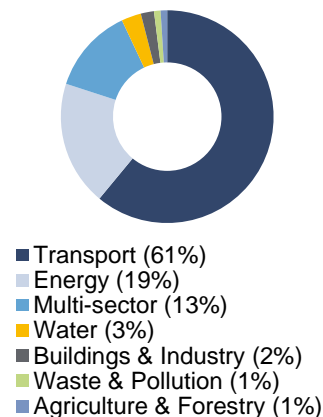
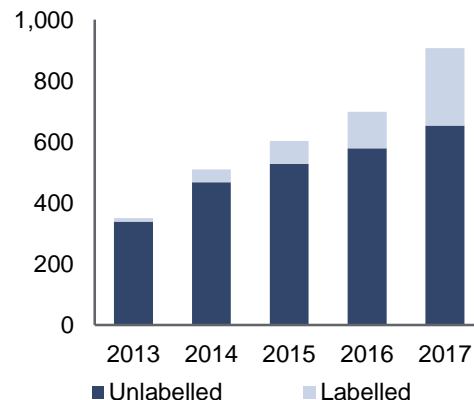
- ✓ Attract dedicated green/socially responsible investors
- ✓ Price in line with comparable conventional bonds
- ✓ Ringfencing is NOT necessary for most issuers
- ✓ Environmental/Social reporting—if practical/feasible
- ✓ No extra covenants for green/social projects

Green, Social and Sustainability Bonds Issuance (USD eq. Billions)

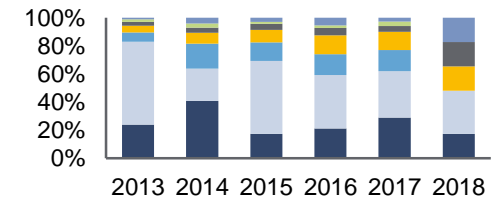


Climate-aligned Bond universe vs Labelled Green Bond market (USD eq. Billions)

Climate-aligned bond universe



Green Bond Use of Proceeds



Source: HSBC Green, Social, Sustainability Bond database – based on Climate Bonds Initiative, Dealogic, Bloomberg, as of 15th Jan 2018.
The data presented above is to the best of our knowledge and may not be fully representative of the SRI market

Green, Social & Sustainability Bond Market to Date (ex-US Munis)

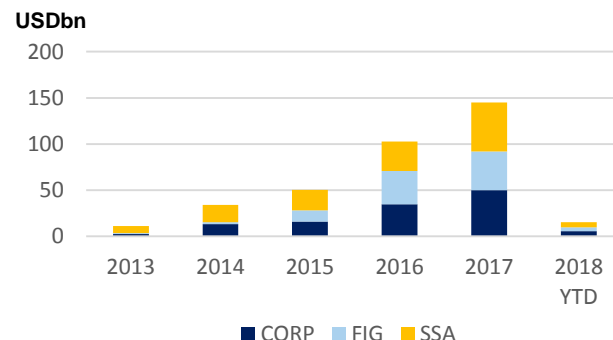
Green/Social/Sustainability Bond issuance for 2017FY reached c.USD145bn vs USD103bn in 2016, representing a YoY increase of 39% in terms of number of deals, and 41% increase in terms of issuance volume

2017FY sector split is: SSA (37%), Corp (34%) and FIG (29%)

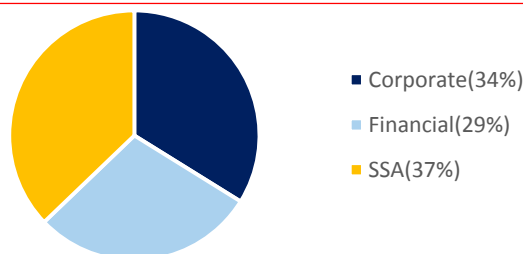
2017FY predominant currencies are: EUR (45%), USD (28%), CNY (15%), SEK (3%), with issuance from 32 different countries including:

Argentina, Australia, Austria, Brazil, Canada, China, Colombia, Denmark, Finland, France, Germany, Hong Kong, India, Italy, Japan, Luxembourg, Mexico, Netherlands, Norway, Philippines, Singapore, South Korea, Spain, Sweden, Taiwan, Turkey, United Arab Emirates, United Kingdom, United States, Venezuela, Switzerland, Lithuania

Issuance progression by sector

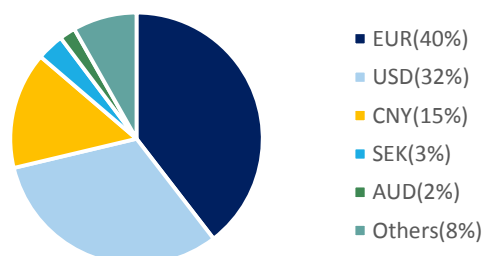


Issuance by sector (2017FY)

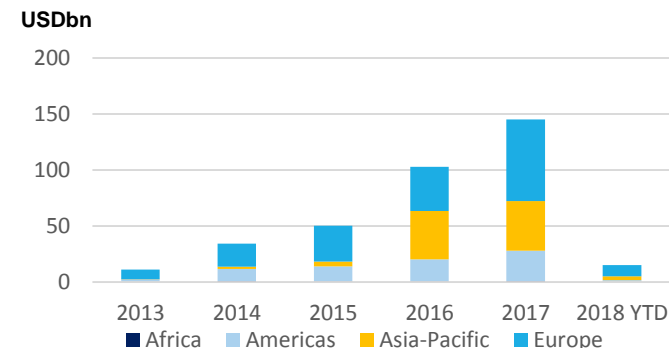


Issuance by currency

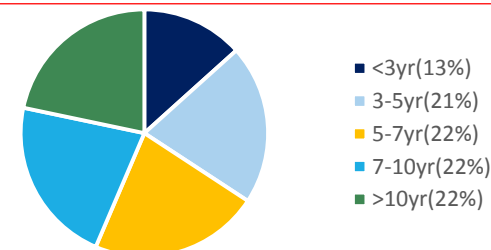
ALL years Green, Social, Sustainability Bonds



Issuance progression by region

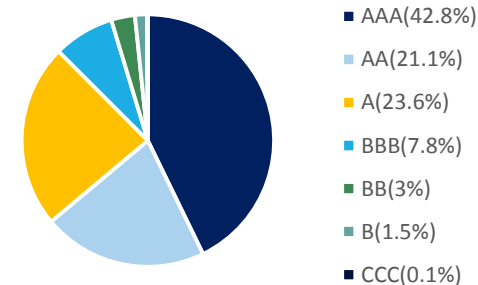


Issuance by Tenor (2017FY)



Issuance by credit rating

ALL years Green, Social, Sustainability Bonds



Latam Green, Social & Sustainability Bonds

>USD13.5bn Issuance to Date

Pricing Date	Issuer	Country	Currency	Amt (m)	Amt (USDm)	Coupon	Maturity date	Format	External Review
19-Sep-17	Government of Mexico City	Mexico	MXN	2000	106	7.6%	7-Mar-2028	Cebure (Sustainability Bond)	Sustainalytics
14-Sep-17	Province of Jujuy	Argentina	USD	210	210	8.625%	20-Sep-22	Reg S	Sustainalytics
13-Sep-17	Mexico City Airport Trust	Mexico	USD	1000	1000	3.875%	30-Apr-28	144A/Reg S	Sustainalytics, Moody's, S&P
13-Sep-17	Mexico City Airport Trust	Mexico	USD	3000	3000	5.500%	31-Jul-47	144A/Reg S	Sustainalytics, Moody's, S&P
13-Sep-17	Klabin	Brazil	USD	500	500	5.375%	NA (5yr)	144A/Reg S	Sustainalytics
5-Sep-17	Suzano Papel e Celulose	Brazil	USD	200	200	5.750%	14-Jul-26	144A/Reg S	Sustainalytics
31-Aug-17	Banobras	Mexico	MXN	6000	339	FRN	31-Aug-20	Cebure(Sustainability Bond)	Sustainalytics
31-Aug-17	Banobras	Mexico	MXN	4000	226	7.27%	26-Aug-24	Cebure(Sustainability Bond)	Sustainalytics
09-Aug-17	Bancoldex	Colombia	COP	200000	67	NA	NA (5yr)	NA	Sustainalytics
21-Jul-17	Nacional Financiera SNC – Nafinsa	Mexico	MXN	4000	226	FRN	15-Jul-22	Cebure(Social Bond)	Sustainalytics
28-Jun-17	Grupo Rotoplas	Mexico	MXN	600	33	FRN	28-Jun-20	Cebure(Sustainability Bond)	Sustainalytics
28-Jun-17	Grupo Rotoplas	Mexico	MXN	1400	78	8.65%	28-Jun-27	Cebure(Sustainability Bond)	Sustainalytics
16-Jun-17	Itarema Geração (Rio Energy)	Brazil	BRL	112	34	7.8067%	15-Dec-2028	Debentures (Certified Climate Bond)	SITAWI/Vigeo Eiris
15-May-17	Omega Energia	Brazil	BRL	42	14	7.3754%	15-Dec-2026	Debentures (Certified Climate Bond)	SITAWI/Vigeo Eiris
2-May-17	BNDES	Brazil	USD	1000	1000	4.8%	9-May-24	144A/Reg S	Sustainalytics
25-Apr-17	Davivienda	Colombia	COP	433000	151	IBR + 213bps	Not Available	Private Placement	None
30-Mar-17	Empresas CMPC	Chile	USD	500	500	4.375	04-Apr-27	144A/Reg S	Sustainalytics
17-Feb-17	Province of La Rioja	Argentina	USD	200	200	9.75%	24-Feb-25	144A/Reg S	S&P
11-Jan-17	Fibria Celulose	Brazil	USD	700	700	5.50%	17-Jan-27	SEC Registered	Sustainalytics
7-Dec-16	Government of Mexico City	Mexico	MXN	1,000	49	FRN	3-Dec-21	Cebure	Sustainalytics
5-Dec-16	Bancolombia	Colombia	COP	350000	115	Not Available	Not Available	Private Placement	Deloitte
1-Dec-16	Suzano Papel e Celulose	Brazil	BRL	1,000	294	Not Available	Not Available	Agribusiness Receivables Certificates	SITAWI/Vigeo Eiris
4-Oct-16	CPFL Energias Renováveis	Brazil	BRL	200	61	Not Available	28-Sep-21	Debentures (Certified Climate Bond)	SITAWI/Vigeo Eiris
22-Sep-16	Mexico City Airport Trust	Mexico	USD	1,000	1,000	4.25%	31-Oct-26	144A/Reg S	Sustainalytics, Moody's, S&P
22-Sep-16	Mexico City Airport Trust	Mexico	USD	1,000	1,000	5.50%	31-Oct-46	144A/Reg S	Sustainalytics, Moody's, S&P
6-Sep-16	Nacional Financiera SNC – Nafinsa	Mexico	MXN	2,000	106	6.05%	9-Jan-23	Certificados Bursatiles	Sustainalytics
1-Aug-16	Central American Bank – CABEL	Supranational	ZAR	1,032	72	8.40%	13-Aug-20	Uridashi bond	None
7-Jul-16	Suzano Papel e Celulose	Brazil	USD	500	500	5.75%	14-Jul-26	144A/Reg S	Sustainalytics
20-Apr-16	Banco Nacional de Costa Rica	Costa Rica	USD	500	500	5.88%	25-Apr-21	144A/Reg S	Moody's
6-Jan-16	Corporacion Andina de Fomento - CAF	Supranational	ZAR	590	38	9.00%	22-Jan-20	Uridashi bond	None
6-Jan-16	Corporacion Andina de Fomento - CAF	Supranational	TRY	192	65	10.73%	22-Jan-20	Uridashi bond	None
29-Oct-15	Nacional Financiera SNC – Nafinsa	Mexico	USD	500	500	3.38%	5-Nov-20	144A/Reg S (Certified Climate Bond)	Sustainalytics
2-Jun-15	BRF SA	Brazil	EUR	500	551	2.75%	1-Jun-22	144A/Reg S	Sustainalytics
15-Dec-14	Energia Eolica	Peru	USD	204	204	6.00%	30-Aug-34	144A/Reg S Project Bond	None

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Source: HSBC analysis, Bloomberg, Climate Bonds Initiative as of Feb 12, 2018

Green Bond Principles (GBP) & Social Bond Principles (SBP)



Four Pillars of the Green Bond Principles / Social Bond Principles* – Update as at June 2017



1. Identify use of proceeds

- Determine Eligible Sectors
 - Green
 - Renewable energy
 - Energy efficiency (such as energy storage, smart grids, appliances and products)
 - Pollution prevention and control
 - Environmentally sustainable management of living natural resources
 - Terrestrial and aquatic biodiversity conservation
 - Clean transportation
 - Sustainable water and wastewater management
 - Climate change adaptation
 - Eco-efficient and/or circular economy adapted products, production technologies and processes
 - Green buildings which meet recognised standards or certifications.
 - Social
 - Affordable basic infrastructure (e.g. clean drinking water, sewers, sanitation, transport)
 - Access to essential services (e.g. health, education and vocational training, healthcare, financing and financial services)
 - Affordable housing
 - Employment generation including through the potential effect of SME financing and microfinance
 - Food security
 - Socioeconomic advancement and empowerment
- Identify existing and pipeline projects
- Estimation of new vs. re-financing

2. Develop process for project evaluation & selection

- Determine evaluation and selection process that clearly communicates:
 - Environmental sustainability objectives;
 - the process by which the issuer determines how the Projects fit within the eligible Green Projects categories identified above
 - the related eligibility criteria, including, if applicable, exclusion criteria or any other process applied to identify and manage potentially material environmental and social risks associated with the Projects
- Other considerations:
 - Some issuers define criteria upfront, other issuers ensure a strong internal governance process to review each project as it is identified
 - Some issuers create an internal Green Bond Committee to run the internal governance function of a Green Bond program, others utilize existing Sustainability Committees
 - Some issuers determine /define exclusions of specific sectors
 - Issuers are encouraged to position this information within the context of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability
- The GBP/SBP encourage External Review to supplement this disclosure





















3. Determine strategy for management of proceeds

- Determine method for allocation of funds from net bond proceeds
- Ring-fenced special accounts = tracking method; OR
- Allocating funds to green projects = earmarking method
- Consider volume and timing of allocations to projects
- Consider temporary investment structures and the 'adjusted' balance, rather than the 'unallocated' balance as it is understood that some projects repay early, or get sold and so unallocated balances can go up as well as down
- The GBP encourage a high level of transparency and recommend that an issuer's management of proceeds be supplemented by the use of an auditor, or other third party, to verify the internal tracking method and the allocation of funds from the Green Bond proceeds





4. Develop reporting strategy and commitments

- Issuers should make, and keep, readily available up to date information on the use of proceeds to be renewed annually until full allocation, and as necessary thereafter in the event of new developments
- Consider Project or Portfolio level reporting
 - Include description of Eligible Sectors funded and amounts allocated
 - Include a list of the projects to which proceeds have been allocated, as well as a brief description of the projects and the amounts allocated, and their expected impact where possible
- Communicatevia reports, newsletters, website update etc
- Independent assurance on annual report
- Transparency is of particular value in communicating the expected impact of projects. The GBP recommend the use of qualitative performance indicators and, where feasible, quantitative performance measures




Aligning the Green Bond Principles/Social Bond Principles and the SDGs

		Alignment with GBP?	Primary mapping to ICMA GBP 	Alignment with SBP?	Primary mapping to ICMA SBP 
	No Poverty	✓	Climate Change Adaptation	✓	Socioeconomic Advancement and Empowerment
	Zero Hunger	✓	Climate Change Adaptation and Terrestrial and Aquatic Biodiversity Conservation	✓	Food Security, Socioeconomic Advancement and Empowerment and Access to Essential Services
	Good Health and Well-Being	✓	Pollution prevention and Control	✓	Access to Essential Services
	Quality Education	✗	NA	✓	Access to Essential Services
	Gender Equality	✗	NA	✓	Socioeconomic Advancement and Empowerment
	Clean Water and Sanitation	✓	Sustainable water and wastewater management and Terrestrial and Aquatic Biodiversity Conservation	✓	Affordable Basic infrastructure
	Affordable and Clean Energy	✓	Renewable Energy and Energy Efficiency	✓	Affordable Basic infrastructure
	Decent Work and Economic Growth	✓	Energy Efficiency, Eco-efficient and/or circular economy adapted products, production technologies and processes	✓	Employment Generation, Socioeconomic Advancement and Empowerment and Access to Essential Services
	Industry, Innovation and Infrastructure	✓	Energy Efficiency	✓	Affordable Basic infrastructure and Employment Generation
	Reduced Inequalities	✗	NA	✓	Socioeconomic Advancement and Empowerment and Access to Essential Services
	Sustainable Cities and Communities	✓	Terrestrial and Aquatic Biodiversity Conservation and Pollution prevention and control	✓	Affordable Housing, Affordable Basic infrastructure and Socioeconomic Advancement and Empowerment
	Responsible Consumption and Production	✓	Environmentally sustainable management of living natural resources and land use and Pollution prevention and control	✗	NA
	Climate Action	✓	Climate Change Adaptation	✗	NA
	Life Below Water	✓	Terrestrial and Aquatic Biodiversity Conservation and Environmentally sustainable management of living natural resources and land use	✗	NA
	Life on Land	✓	Terrestrial and Aquatic Biodiversity Conservation and Environmentally sustainable management of living natural resources and land use	✗	NA
	Peace, Justice and Strong Institutions	✗	NA	✗	NA
	Partnerships for the Goals	✗	NA	✗	NA

Select frameworks from Latam public sector issuers

Issuer	Use of Proceeds	Management of Proceeds	Reporting/ External Review	Bonds issued
 Mexico City Sustainability Bond	Eligible Categories: <ol style="list-style-type: none"> 1. Essential Public Services 2. Sustainable Transport 3. Sustainable Buildings 4. Renewable Energy 5. Energy Efficiency 6. Water Efficiency and Wastewater Management 7. Pollution Prevention and Control 8. Conservation and Biodiversity 9. Climate Change Adaptation 	No ringfencing; proceeds earmarked As required under Mexican regulations, the projects financed by the net proceeds will be registered with the Mexican Secretariat of Finance and Public Credit prior to bond issuance.	Second Opinion: Sustainability (English and Spanish) Within one year of Sustainability Bond issuance, the Mexico City Finance Ministry will publish a CDMX Sustainability Bond Report; Where feasible, the CDMX Sustainability Bond Report will include qualitative and (if reasonably practicable) quantitative environmental performance indicators on the eligible projects.	MXN2bn 10.5yr Sep-17
 Banobras Sustainability Bond	Eligible Criteria <ol style="list-style-type: none"> 1. Affordable basic infrastructure to vulnerable segments of the population, 2. Public services infrastructure, 3. Disaster recovery, 4. Sustainable transport, 5. Renewable energy, 6. Energy efficiency, 7. Water efficiency and wastewater management, 8. Pollution prevention and control. Source: Sustainability Bond Framework	No ring-fencing; proceeds earmarked Net proceeds will be allocated prior to the maturity date of the bond to Eligible Projects that maybe: <ol style="list-style-type: none"> 1. Originated and disbursed after the bond issuance. 2. Originated before the issuance of the bond and disbursed after the issuance 3. Originated and disbursed up to five (5) years prior to the issuance of the bond and only considering the current amount of outstanding debt. The BanobrasTreasury has appointed a Sustainability Bond Proceeds Tracking Unit that will prepare a monthly report detailing the Sustainability Bond use of proceeds that will be presented periodically to the BanobrasFinance Committee. This information will be disclosed to the public investors annually.	Second Opinion: Sustainability (English and Spanish) Sustainability has reviewed the use of proceeds and numerous projects implemented by Banobras, and is of the opinion that the proceeds from the sustainability bonds will have social and environmental benefits that contribute to some of Mexico's most pressing national sustainability priorities.	MXN6bn 3yr Aug-17 MXN4bn 7yr Aug-17
 Bancoldex Green Bond	Eligible Categories: <ol style="list-style-type: none"> a) Pollution control and resource efficiency b) Sustainable Transportation c) Energy efficiency d) Renewable energy e) Sustainable construction Projects may be originated from 2013 onwards, or after the issuance. Source: Green Bond Framework (English and Spanish)	No ringfencing; proceeds earmarked Proceeds will be managed by the Bancoldex Treasury Department and will be used to finance existing or new loans. The resources pending disbursement will be exclusively held in cash or other instruments with high liquidity and low risk, and in any case will not be used to finance projects other than eligible green projects.	Second Opinion: Sustainability (English and Spanish) Bancoldex will publish an annual report on the use of proceeds from the issue, indicating the number of beneficiaries, the average value of the loans, the disbursement by green category and the regional distribution of resource use. The report will be audited by an external party and include up to 4 representative cases of projects and environmental impact.	COP200bn 5yr Aug-17
 BNDES Green Bond	Expenditures related to the development, construction, or expansion of facilities for new and existing solar and wind projects that (i) have had a disbursement made during the twenty-four months preceding the issue date of the Notes or (ii) will be financed following the issue date of the Notes and before the maturity date of the Notes.	No ringfencing; proceeds earmarked Prior to the allocation to eligible green projects, the Net Proceeds will be tracked by BNDES and will be held in cash, cash equivalents or Brazilian government securities. Proceeds will be labelled as 'green bond financing', to be used only for eligible projects.	Second Opinion: Sustainability BNDES will provide annual reporting including: <ul style="list-style-type: none"> - Amounts allocated to eligible green projects and brief descriptions of the projects; - Where feasible, relevant estimated impact metrics related to the eligible projects, including Net annual production of renewable energy in GWh; Tonnes of CO2 equivalent avoided. Reporting will include assurance by BNDES auditors	USD1bn 7yr May-17

Select frameworks from Latam public sector issuers

Issuer	Use of Proceeds	Management of Proceeds	Reporting/ External Review	Bonds issued
 NAFIN Social Bond	<p>Existing and future NAFIN programmes under one or more of the following Social Objectives:</p> <ol style="list-style-type: none"> Enhancing access to essential services including education, vocational training, and financing and financial services for low-income and underserved populations including young entrepreneurs and students; Employment generation through microfinance and financing targeted at micro, small and medium enterprises (MSMEs); Socio-economic advancement and empowerment of women by providing credit to women entrepreneurs who want to expand their businesses; Enhancing cost-savings through resource efficiency (e.g. energy, water) for low-income households by financing the installation of high-efficiency products and technologies; Supporting the economic recovery of individuals and MSMEs impacted by natural disasters. <p>Financing maybe funded or disbursed after the issuance of the bond, or during the year prior to bond issuance.</p>	<p>No ringfencing; proceeds earmarked</p> <p>Net proceeds from the bond will be allocated prior to the bond maturity date within NAFIN's treasury liquidity portfolio and used to fund eligible programs</p> <p>While any NAFIN Social Bond is outstanding, NAFIN's Treasury team will maintain internal records to show the allocation of the net proceeds, records will be regularly updated until full allocation</p>	<p>Second Opinion: Sustainability (English and Spanish)</p> <p>Within one year of issuing any Social Bond, NAFIN will publish a NAFIN Social Bond Report on its investor relations website that will include a list of NAFIN programs financed, in whole or in part, by net proceeds of the NAFIN Social Bond.</p> <p>NAFIN will also publish an annual report by Sustainability (or another qualified third party) reviewing the lending financed by each NAFIN Social Bond.</p> <p>Where feasible, the NAFIN Social Bond Report will include qualitative and quantitative environmental and social performance indicators</p>	<p>MXN4bn 5yr Jul-17</p>
 Mexico City Airport Trust Green Bond (Sponsor is a state-owned company)	<p>Eligible Categories:</p> <ol style="list-style-type: none"> Sustainable Buildings Renewable Energy Energy Efficiency Water and Wastewater Management Pollution Prevention and Control Conservation and Biodiversity <p>Source: Green Bonds Framework</p>	<p>No ringfencing; proceeds earmarked</p> <p>Mexico City Airport Trust will issue Green Bonds and transfer the net proceeds of the issuance to GACM. These net proceeds serve as payment for the assignment of passenger charges from the airport sponsors to the Mexico City Airport Trust. GACM will use these net proceeds for financing the design, construction, development, and operation of NAICM in accordance with the NAICM Green Bond Framework.</p> <p>Pending the allocation, the net proceeds may be used to repay amounts of outstanding debt.</p> <p>Source: Offering Memorandum</p>	<p>Second Opinion: Sustainability</p> <p>External Review: Moody's Green Bond Assessment: GB1 S&P Green Evaluation</p> <p>An updated Green Bond Report will be published on a quarterly basis until the net proceeds are fully allocated. Where feasible, the NAICM Green Bond Report will include qualitative and (if reasonably practicable) quantitative environmental performance indicators on the eligible green projects. GACM will engage an appropriate external reviewer to annually review the allocation of net proceeds and provide a report opining on its conformity with the NAICM Green Bond Framework</p> <p>Green Bond Report: Sep 2017 (English and Spanish)</p>	<p>USD4bn 1yr & 30yr Sep-17</p> <p>USD2bn 10yr & 30yr Sep-16</p>
 IDB EYE Bond (Social Bond)	<p>Education, Youth, Employment (EYE) programs that build human capital through early childhood care and education, formal education, and labour market placement.</p> <p>Education: focus on effective teaching and learning among youth by supporting high standards, investing in early childhood development, enhancing teacher training, ensuring adequate resources for learning, improving school infrastructure etc.</p> <p>Youth: focus on the acquisition of practical life skills</p> <p>Employment: These projects assist the design, implementation and evaluation of policies to improve job opportunities and develop workforce skills.</p>	<p>Ring-fenced in separate sub-account;</p> <p>Funds shall be reduced from the account on a semi-annual basis by amounts matching disbursements to eligible projects</p>	<p>Second Opinion: Nil EYE Bond Fact Sheet</p> <p>Project information is available on the IDB website and includes documents, such as the semi-annual Progress Monitoring Report (PMR). In addition, a list of Eligible Projects (including web-links to the relevant documentation) funded by the EYE Bond program will be published annually on a dedicated section of the IDB website.</p>	<p>Multiple issuance over Sep-14 to Jul-16 >USD1bn.eq</p>

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Source: Climate Bonds Initiative, Issuers' public documents, HSBC Analysis

Growing establishment of Green bond and SRI bond funds and investment pledges

European Green Bond Funds

	Fund name	Size now (m)	Launch
1	Affirmative IM	< \$ 300	2017
2	Allianz Global Investments	< \$ 100	2015
3	Amundi Asset Management	< \$ 50	2015
4	Axa IM	< \$ 150	2015
5	Desjardins	< \$ 150	2016
6	Erste AM	< \$ 100	2015
7	Humanis	< \$ 150	2016
8	IFC/Amundi	> \$ 2,000	2017
9	Jupiter Asset Management	< \$ 100	2013
10	KfW	> \$ 2,000	2013
11	Lyxor Asset Management	< \$ 25	2017
12	Mirova / Natixis	< \$ 200	2015
13	Nikko Asset Management	< \$ 100	2010
14	NIB	< \$ 750	2016
15	NN Investment Partners	< \$ 150	2016
16	Norges Bank IM	< \$ 4,000	2014
17	Raiffeisen Bank	< \$ 75	2015
18	SEB	< \$ 150	2015
19	Storebrand	> \$ 400	2014
20	Union Investments	< \$ 25	2017
21	Van Eck	< \$ 25	2017

U.S. / Canada Green Bond Funds

	Fund name	Size now (m)	Launch
1	BlackRock	< \$ 50	2016
2	Calvert Investments	< \$ 100	2013
3	State Street ETF	< \$ 25	2015

SRI Bond Funds

	Fund name	Size now (m)	Launch
1	Actiam	< \$ 1,500	2015
2	Aegon Asset Management	< \$ 4,000	2011
3	AG2R La Mondiale	N/A	N/A
4	APG	< \$ 400	2012
5	BMO / F&C	< \$ 150	2007
6	BNP Paribas IM	< \$ 500	2013
7	CDC	\$ 100	2017
8	Columbia Threadneedle	< \$ 50	2015
9	Eurizon Capital SGR	N/A	N/A
10	Everence / Praxis	< \$ 500	1999
11	Green Century	< \$ 250	1992
12	Gutmann	N/A	N/A
13	Liontrust	< \$ 3,000	2001/2014
14	Mainstreet Partners	< \$ 300	N/A
15	PIMCO	N/A	2017
16	Pioneer IM	< \$ 150	2017
17	RBC Global AM	< \$ 750	2008
18	Swedbank Robur	< \$ 1,500	1999
19	TIAA-CREF Asset Management	< \$ 1,000	2012
20	Triodos	< \$ 1,500	1990

SRI Bond Investment Pledges

	Investor	Commitment (m)
1	AP1/AP2/AP3/AP4/AP7	> €3,000
2	Barclays	> £2,000
3	California State Treasury	> \$1,100
4	Credit Agricole	> €2,000
5	Deutsche Bank	> \$1,000
6	HSBC	> \$1,000
7	Zurich Insurance	> \$2,000

Green, Social & Sustainability bond investors

Committed/ Priority Investors	Country	Green	Green	Social	Committed/ Priority Investors	Country	Green	Green	Social
ABP	Benelux	Dark Green	☑	☑	KfW	Germany	Dark Green	☑	☑
ACTIAM	Benelux	Dark Green	☑	☑	Nord LB AM	Germany	Dark Green	☑	☑
Aegon	Benelux	Dark Green	☑	☑	AP1/2/3/4/7	Nordic	Dark Green	☑	
APG Asset Management	Benelux	Dark Green	☑	☑	Church of Sweden	Nordic	Dark Green	☑	
BNG	Benelux	Dark Green	☑		Kommuninvest	Nordic	Dark Green	☑	☑
Dexia Asset Management	Benelux	Dark Green	☑	☑	Munifin	Nordic	Dark Green	☑	☑
Dexia Bank	Benelux	Dark Green	☑	☑	Nordea	Nordic	Dark Green	☑	☑
EIB	Benelux	Dark Green	☑	☑	SEB	Nordic	Dark Green	☑	☑
FMO	Benelux	Dark Green	☑	☑	Storebrand	Nordic	Dark Green	☑	☑
ING Groep N.V.	Benelux	Dark Green	☑	☑	Zurich Insurance Group	Switzerland	Dark Green	☑	☑
MN	Benelux	Dark Green	☑	☑	Affirmative Investment Management	UK	Dark Green	☑	☑
NN Investment Partners	Benelux	Dark Green	☑	☑	Barclays	UK	Dark Green	☑	☑
NRW Bank	Benelux	Dark Green	☑	☑	Columbia Threadneedle	UK	Dark Green	☑	☑
PGGM Investment Management	Benelux	Dark Green	☑	☑	EdenTree Investment Management	UK	Dark Green	☑	
Rabobank	Benelux	Dark Green	☑	☑	HSBC	UK	Dark Green	☑	☑
RobecoSAM	Benelux	Dark Green	☑	☑	Joseph Rowntree Charitable Trust	UK	Dark Green	☑	☑
ABN AMRO Investment Solutions	France	Dark Green	☑	☑	Jupiter AM	UK	Dark Green	☑	☑
Allianz Global Investors France	France	Dark Green	☑	☑	Legal & General Investment Management	UK	Dark Green	☑	☑
Amundi Asset Management	France	Dark Green	☑	☑	M&G Investments	UK	Dark Green	☑	☑
AXA Group	France	Dark Green	☑	☑	PIMCO	UK	Dark Green	☑	☑
Credit Agricole	France	Dark Green	☑	☑	Pioneer IM	UK	Dark Green	☑	☑
Humanis	France	Dark Green	☑	☑	Threadneedle	UK	Dark Green	☑	☑
Natixis Asset Management	France	Dark Green	☑	☑	Unilever	UK	Dark Green	☑	
Deutsche Bank	Germany	Dark Green	☑	☑	BlackRock Inc	US	Dark Green	☑	☑
DWS	Germany	Dark Green	☑	☑	Morgan Stanley	US	Dark Green	☑	☑
DZ Bank	Germany	Dark Green	☑	☑	Investment with Impact	US	Dark Green	☑	
Erste Sparinvest (Asset Management)	Germany	Dark Green	☑	☑	Pax World Mutual Funds	US	Dark Green	☑	
Frankfurter Sparkasse	Germany	Dark Green	☑	☑	Standish Mellon Asset Management	US	Dark Green	☑	☑
IFB Hamburg	Germany	Dark Green	☑	☑	State Street Global Advisors	US	Dark Green	☑	☑
					TIAA-CREF Asset Management	US	Dark Green	☑	

Note: HSBC has developed an in-house Green scoring methodology to classify investors as dark green/light green/general. Our methodology reviews investor commitments, including:

- Public statements / disclosures related to climate, sustainability, or sustainable development
- Dedicated Green Bond funds / Green bond investment pledges
- Statements or strategies promoting responsible investment or Green/Social/Sustainable Bonds
- Issuances of a green bond (if they have capacity to do so)

HSBC has pioneered the role of Green Structuring Advisor

HSBC advises clients on a number of areas:

Write Green Bond Framework with technical strategies for:

- Use of Proceeds / Eligibility Criteria – to facilitate optimum green project identification
- Project Selection and Governance Processes – to facilitate Green Bond management
- Management of Proceeds techniques – to facilitate efficient ongoing reporting
- Pre/Post-Issuance Disclosure and Annual Reporting – to build investor confidence and meet GBP

Recommend applicable External Reviewers that best suit clients' needs:

- Using our experience we can guide clients on criteria, enabling selection of the most appropriate reviewer. Alternatively, we can help clients devise a tailored questionnaire / RfP to request information directly from them to then assess
- We can manage every step of this process to ensure timescales are met

HSBC has unrivaled access to global Green/ Social Investor base:

- Support clients in developing an Investor Marketing strategy that aims to diversify conventional investor base and attracts Green/ESG*/SRI investors

Additional services include, but not limited to:

- Complete project management from start to finish, ensuring maximum efficiency to meet execution target
- Suggest amendments to Use of Proceeds language in Offering documentation
- Advise issuers on emerging standards and best practices relevant to their sectors and locations

HSBC has participated in 149 Green/Social/Sustainability bond deals and was the Green / Social Structuring Advisor in 58 (39%) of them.

Of New to Market issuers, HSBC has participated in 74 Green/Social/Sustainability bond deals and was the Green / Social Structuring Advisor in 32 (58%) of them.

Select League Tables: Dealogic 2017


ALL Green bonds ONLY

Rank	Bookrunner	Value USD (m)	No.
1	Credit Agricole CIB	8,275	68
2	HSBC	8,147	54
3	BNP Paribas	6,478	44
4	JPMorgan	6,015	42
5	BAML	5,335	32
6	Citi	5,279	25
7	SG CIB	5,090	23
8	Barclays	4,424	26
9	SEB	4,384	31
10	Natixis	3,781	20
Total market volume		134,345	364

ALL Green, Social, and Sustainability Bonds

Rank	Bookrunner	Value USD (m)	No.
1	Credit Agricole CIB	11,742	91
2	HSBC	11,252	69
3	JPMorgan	7,016	47
4	Citi	6,482	33
5	BNP Paribas	6,478	44
6	BAML	6,011	34
7	SG CIB	5,501	27
8	SEB	5,326	33
9	Barclays	4,904	30
10	Morgan Stanley	4,524	24
Total market volume		153,852	412

Nov 2017
Ferrovie



EUR600m 6yr
Green Bond

Joint Lead Manager

Inaugural
Green Bond

Nov 2017
CDP




EUR500m 5yr
Social Bond

Joint Lead Manager
Green Structuring Advisor

Inaugural Social
Bond in Italy


Nov 2017
City of Paris



EUR320m
due November 2032
Sustainability Bond
Joint Lead Manager
Joint Sustainability
Structuring Advisor

Inaugural
Sustainability Bond


Nov 2017
HSBC Holdings



USD1,000m 6yr
Sustainable Development
Goal Bond
Solo Bookrunner
Solo Structuring Advisor

Inaugural Sustainable
Development Goal bond

Sep 2017
Mexico City




MXN2bn Dec 2021
Sustainability Bond

Joint Lead Manager
Sole Sustainability
Structuring Advisor

First Sustainability Bond by a
city in LatAm


Jul 2017
NAFIN



MXN4bn
due July 2022
Social Bond
Joint Lead Manager

1st Social Bond from Mexico
and Latin America

Jul 2017
CAPCO



USD500m 10yr

Joint Lead Manager
Joint Structuring Advisor

Inaugural Energy Transition
Bond

Sep 2017
ICBC




EUR1.1bn 3yr &
USD850m 5yr & 3yr
Green Bonds

Joint Lead Manager
Joint Structuring Advisor

First Internationally aligned
Green Bond from a Chinese
issuer

Jun 2017
Modern Land




USD130m 1yr

Joint Lead Manager
Joint Structuring Advisor

Issuer's 2nd Green Bond

Jun 2017
Rotoplas




MXN2bn 3yr & 10yr
Sustainability Bonds

Joint Lead Manager
Sole Structuring Advisor

First Sustainability Bond
from a LatAm Corporate

May 2017
NWB




EUR1500m 7yr &
EUR500m 15yr Social
Bonds

Joint Lead Manager

Largest Social Bond

Apr 2017
QBE



USD300m 5yr Green Bond

Joint Lead Manager

First Green Bond from an
Insurance company

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