GREEN BONDS

International developments
Green Bonds growth driven by investor demand

Benefits
- New investors
- Pricing
- Halo

Plus
- Visibility
- Demonstration
- Mkt liquidity
Global corporate and sovereign issuance is growing
Green bonds: Use of proceeds is diversifying
EU issuance is strong but Asia is growing

![Graph showing issuance by region from 2014 to 2018](Image)

- **Global**
- **Europe**
- **North America**
- **Asia-Pacific**
- **Latin America**
- **Africa**

*Climate Bonds*
US, China & France dominated 2018 issuance

USD Billions

2018

Cumulative issuance (RHS)

USA
China
France
Supranational
Germany
Netherlands
Belgium
Sweden
Spain
Canada
Australia
Japan
UK
Ireland
Norway
Italy
Other
But there’s room for so much more!!

The $484bn labelled green bond market
Outstanding, end Dec 2018

$1.06tn other climate-aligned bonds
Outstanding, end June 2018

$1tr labelled green bonds by 2020
(Christiana Figueres)

The $90t+ global bond market
Consistent rules support market growth

Regulators now providing guidance

Voluntary rules drove early market growth, allowed global consistency
Taxonomy: a list of activities & assets that qualify

Aims
- Reduce greenwashing risk
- Keep transaction costs down through simplification
- Foundation for potential incentives

Objectives
- Climate change mitigation
- Climate change adaptation & resilience
- Healthy natural habitats
The core principles of the EU taxonomy

- Rapid change, not incremental
- Science based
- Support transition from brown to green
- Leverage existing labelling
- Dynamic flexible tool
- Make it easy to use
- Environmental system perspective
- Make the process clear (now and after)
Integration SDG with green bonds