This product is based overseas and is not subject to UK sustainable investment labelling and disclosure requirements.

CT (Lux) European Social Bond Fund

Annual Social Impact Report
July 2023 – June 2024

Summary

CT (Lux) European Social Bond Fund (the Fund) was launched in May 2017 and this year celebrates its seven-year anniversary. The fund targets bonds aiming to deliver both financial and social returns. After 2 years of growth in the labelled bond market, mainly due to the will of investors and organisations to mitigate the negative outcomes from Covid in 2022, the issuance of new labelled bonds decreased in 2023. However, given the gloomy economic perspective of the market, the proportion of labelled bonds actually increased. In 2023, the labelled bond market resumed its growth **(+5% in 2023[1])** even though it still remains below the level of 2021. The Fund's AUM reached €505m[2] in June 2024. This represents a steady growth **(+27% in 2023)** far above the rise of the market. More than 80% of the outcomes are located in Europe.

3 labels and awards

TOWARDS SUSTAINABILITY

Art. SFDR 9

Innovation Award
European Pensions Investment Awards 2018

Over the year, the Fund has invested to support organisations and bonds delivering social outcomes, bonds held within the fund have contributed towards several impact highlights[3]:

- **152 ISSUERS** through **236 BONDS** including Social Bonds, Sustainable bonds, Transition bonds, Green bonds with social benefits and General bonds with social benefits
- Financing more than **150,000 HOSPITAL BEDS**
- Financing the renovation or creation of **201,168 SOCIAL HOUSES**
- Supporting more than **3,100,000 STUDENTS** through professional or academic education
- Supporting the creation or preservation of more than **1,200,000 JOBS**
- Financing loans to **1,551 PUBLIC HOSPITALS**
- **55 MILLION TONS** of CO_2 emissions avoided
- Equivalent of closing **14 COAL-FIRED POWER STATIONS**
- **19 MILLION MWH** of renewable energy produced

1 Bloomberg as at 30th June 2024
2 Source of all data unless specified otherwise: Columbia Threadneedle Investments, as at 30 June 2024.
3 Please go to our Calculations section (p.60-61) to have more details about how we calculated these data

SDG alignments

The 4 most impacted SDGs were:

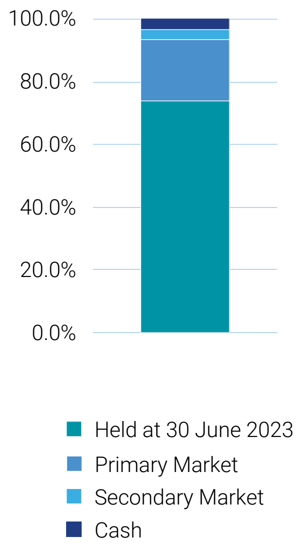
Pursuing additional contribution

As of the 30th June 2024, just over 20% of the Fund's AUM was invested in bonds which had been purchased during the reporting year. The Fund mainly focused on investing in primary purchases (20.0%) with only a few investments in secondary market (2.8%). The Fund has a strong preference for purchasing bonds on the primary market as this pushes the capital directly through to the issuer & social projects, rather than purchasing on the secondary market where capital is not sent directly to the issuer.

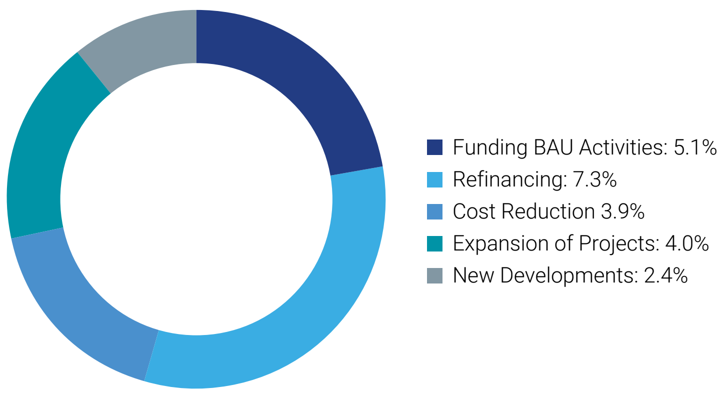
Furthermore, owing to the scoring process that each individual bond goes through, it is possible to track the additional contribution (additionality) of each bond. This is an important part of the process to understand the social intensity, whereby bonds which are funding new projects or expanding activities will be given higher additional contribution scores, and bonds which are purchased on the secondary market, funding business as usual activities of the issuer or which are refinancing existing projects, are awarded lower additional contribution scores.

The below graphs show the percentage of the Fund invested in new bonds over the year, clearly indicating the preference for primary market investment which makes up 63.5% of new purchases in the year (-4pts vs last year).

Portfolio ventilation

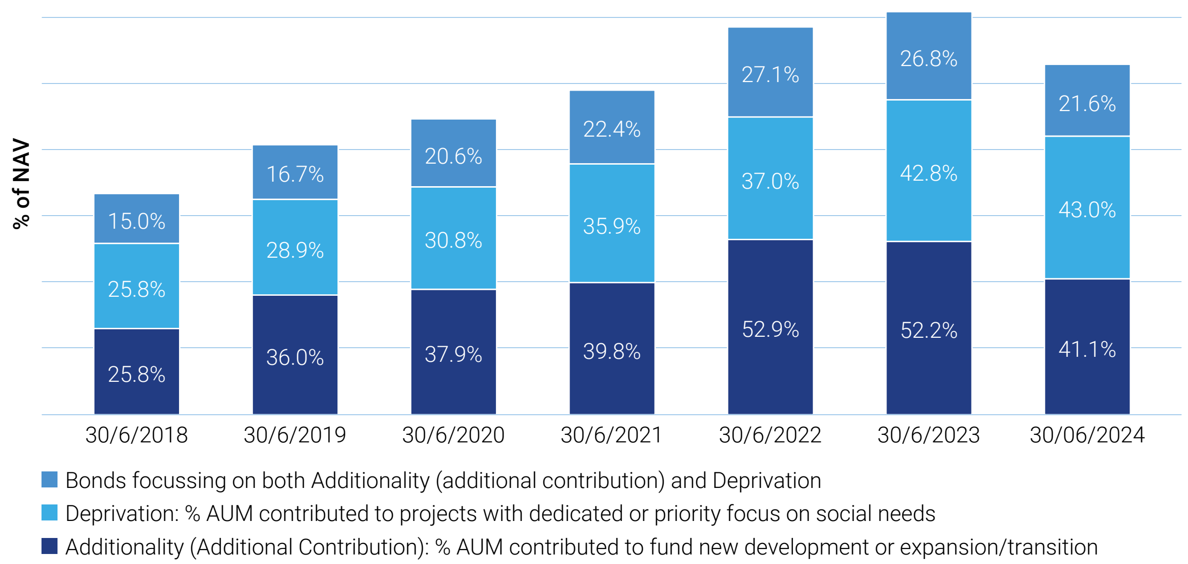


Primary Purchases: Breakdown of Additionality



The Fund, in its primary social aims, targets the populations that are most in need. Since its inception the percentage of the fund which targets high additionality (additional contribution) and high deprivation mitigation has continually increased[4]. In 2024 the Fund has slightly increased the proportion of AUM focusing on deprived populations, particularly as the cost-of-living crisis unfolded.

% of Fund focussing on Additionality and Deprivation Mitigation



[4] 'Additional Contribution' and 'Socio-economic focus to tackle deprivation' are two of nine component scores within the Social Intensity Scoring, and therefore not mutually exclusive; nor intended to add to 100% in isolation.

Social categorisation and scoring

Above and beyond the ICMA label that factually defines the bonds, the fund performs its own scoring of each investment opportunity, evaluating the social characteristics and expected impact of each bond.

This categorisation model is designed to differentiate the nature of the investments in terms of their focus on achieving the Fund's social aims. It is made up of 2 parts, one with a letter grade assessing the intentionality of the bond **(Impact Category, from A to C),** and the other with a numbered grade assessing the quality and depth of the response **(Intensity score, from 0 to 31, which translates into an Intensity rating ranging from 1 to 4:**

1: Strong

2: Good

3: Moderate

4: Minor

For each intentionality category, the grades relate to the following:

Category A – Social impact intention

Funding is designed specifically to generate positive social impact, development and/or change.

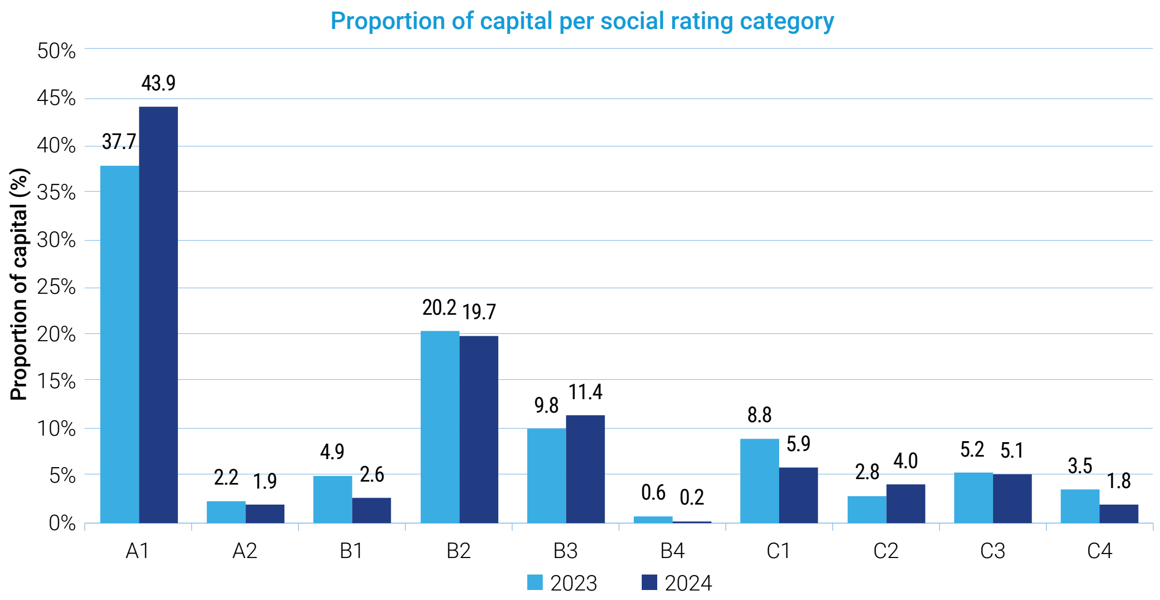
Category B – Investment with social impact

Funding is likely to generate expected and identifiable social impact for individuals, either indirectly or without specifically disclosed intentionality.

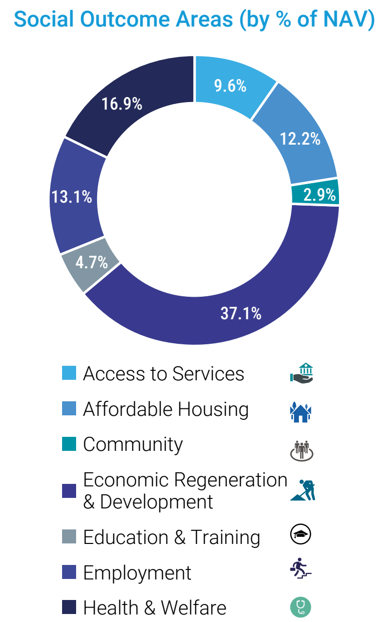
Category C – Development finance and global impact

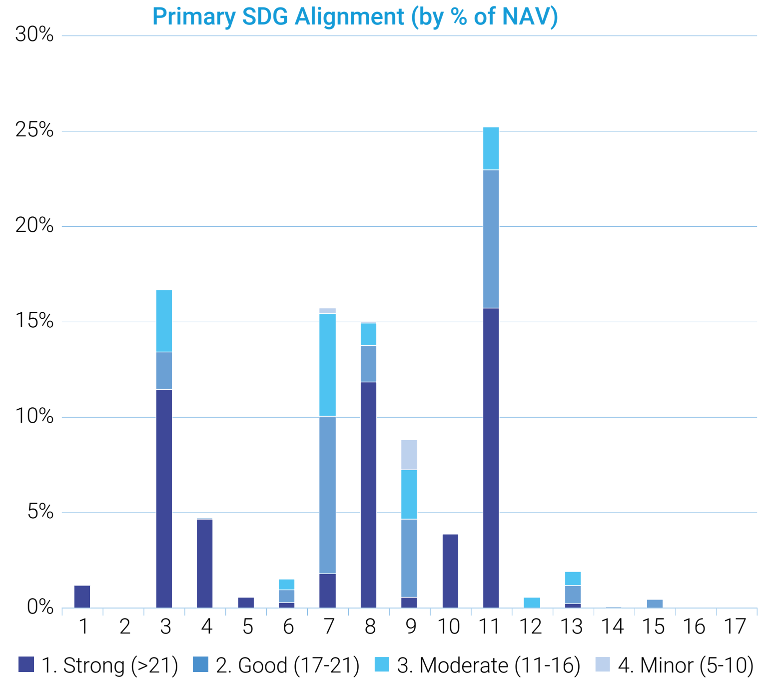
Investments in capacity, infrastructure and other projects that generate social externalities, contributing to positive social and/or economic growth and development, or investments in higher-impact bonds i.e., would be A or B rated, but where the main scope of the outcome is outside Europe.

Over the 12-month period covering the report, the Fund continued to adjust its portfolio to improve the social impact of the bonds in which it invests. It has increased the amount of capital invested in bonds with a strong social focus, ranked A1-A2 and accounting for 45.8% of the fund value, which is well above the fund's target of 30% and a 6% increase vs last year. Investment in Lower Social outcomes ranked C3-C4 decreased from 8.8% to 6.9% compared to last year.

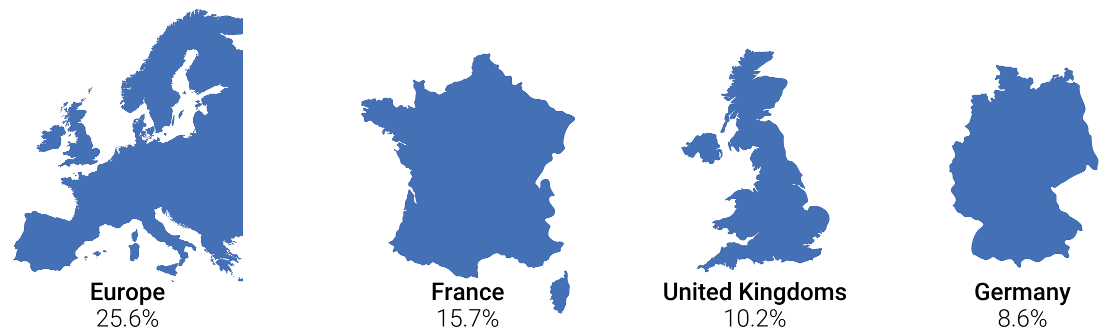


A diversified portfolio targeting seven outcome areas, aligned with the UN sustainable development goals:





Within the portfolio, 84.7% of the value has an impact within geographical Europe. The top 4 regions in terms of geographical outcomes within Europe are Europe as a whole[5], France, Germany and the UK.



[5] Some investment outcomes are not aimed to a specific European country but have an impact across multiple countries, or Europe as a whole. Where this occurs, the geographic footprint is "Europe". These bonds represent 20.9% of the Net Asset Value of the fund.

Glossary

This glossary is intended to assist you in reviewing the ESG technical reports by defining terms used throughout the report. The definitions represent understood meanings shared by the International Capital Market Association and Oxford Business Group and Columbia Threadneedle.

GENERAL SOCIAL BENEFIT BONDS: General corporate purpose bonds which generate positive social outcomes are labelled by Columbia Threadneedle as General Social Benefit. Their use of proceeds is not specific, however demonstrable positive social impact is created through the issuer. Examples include general corporate purpose issues from a housing association or university.

GREEN BONDS[6]: Green bonds enable capital raising to fund new and existing projects with environmental benefits. The Green Bond Principles (GBP) seek to support issuers in financing environmentally sound and sustainable projects that foster a net-zero emissions economy and protect the environment. Within the Green Bond nexus, where the use of proceeds is exclusively focusing on water related projects, these will typically be labelled "Blue" Bonds.

SOCIAL BONDS[7]: Social bonds enable capital raising to fund new and existing projects with positive social outcomes. The Social Bond Principles (SBP) seek to support issuers in financing socially sound and sustainable projects that achieve greater social benefits. Examples of these include "Pandemic Bonds" which allocated capital to Covid-19 alleviation projects during 2020 and 2021 and "Gender Bonds" which allocate capital to overcome gender imbalances across society..

TRANSITION BONDS[8]: Transition bonds are a relatively new class of debt instrument used to fund a company's transition towards reduced environmental impact or lower carbon emissions. They are often issued in fields that would not normally qualify for green bonds, such as large carbon-emitting industries like oil and gas, iron and steel, chemicals, aviation and shipping.

SUSTAINABILITY BONDS[9]: Sustainability bonds use proceeds to finance or re-finance a combination of both green and social projects.

SUSTAINABILITY LINKED-BONDS[10]: Sustainability-Linked Bonds ("SLBs") are any type of bond instrument that proceeds are technically used for general purposes, but where the financial and/or structural characteristics may vary depending on whether the issuer achieves predefined Sustainability/ ESG objectives.

6 https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/
7 https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/
8 https://oxfordbusinessgroup.com/news/transition-bonds-new-tool-fund-shift-towards-climate-sustainability
9 https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-bond-guidelines-sbg/
10 https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Sustainability-Linked-Bond-Principles-June-2020-171120.pdf

List of Contents

Foreword

Jean-Michel Lécuyer, Chair of the Social Advisory Board

Welcome to the CT (Lux) European Social Bond Fund Impact Report 2023/2024! This 2023/2024 financial year was expected to be a second year of "return to normal" after the strong disruptions marked by the COVID pandemic in 2020 and 2021, but also the outbreak of the war in Ukraine, price inflation and interest rates increase in early 2022.

The Fund's AUM performed very well, ending the period with assets under management of €505m (vs €396m a year earlier), up 27.5%. During this year, the fund management team continued to work on intensifying the social impact of the fund:

45.8% of the fund was invested in Social Impact Investments (rated A) at the end of the period, vs 39.8% a year earlier - the target set by the social advisory panel being a minimum of 30%.

Simultaneously, the percentage of the fund invested in lower social outcomes (rated C3 or C4) decreased to 6.6%, vs 8.8 % a year earlier – the target set by the Social Advisory panel being a maximum of 20%.

The outcomes of the projects financed by the bonds subscribed to by the fund are still impressive. The 236 bonds subscribed to by the fund during this year have contributed to the financing of more than 150,000 hospital beds, the renovation or creation of 201,168 social houses, supported more than 3,100,000 students in their academic or professional training, and avoided the emission of 55 million tonnes of CO_2, among other things.

On behalf of the Social Advisory Board of the European Social Bond Fund, I am delighted with the continued increase in the size of the fund and its ever-growing impact over the years, and I encourage the management team and the investors to continue their efforts in this direction!

Tammie Tang, Portfolio Manager

"The 12-month period ending June 2024 has been another eventful year. The Fund had much to navigate to support the dual objectives of financial return and positive social outcomes.

Events of the past year included expectations peaking for central bank rate hikes, a heavy election cycle globally and a cost-of-living that is deteriorating. We also expect to enter a period of significant investment and capex, necessary to sustain and enhance infrastructure and as society grows. These sectors include technology, healthcare, utilities, clean energy and transport. An insufficient pace of investment will have consequences for society.

We remain committed to supporting investment opportunities, via the bond market to improve the allocation of capital to areas of social need. We are focused on our seven outcome areas, including those most primary and basic which include Affordable Housing, Health and Welfare, Education and Employment. However, infrastructure Regeneration and Development may be an area of additional and increased focus in the coming years, acknowledging the significant investment need.

In our engagements, we've been vocal supporters of opportunities via the primary market and particularly where bond proceeds support new investment or new projects and activities, and as a key means to enhance our intention to deliver positive social impact.

We've been encouraged by a growing set of constructive engagements with a wide spectrum of issuers whose bond proceeds support social outcomes and target communities in need.

Lastly, we thank our investment teams including the analysts who facilitate the deep research and engagements. We thank our dedicated social committee members who provide oversight and challenge, and we thank our partner INCO and the team under Jean-Michel Lécuyer for their support in reporting the social outcomes of our investments."

Fund Summary

The Fund, the first of its kind in Europe, aims to deliver both a financial and a social return by investing in high quality, investment grade bonds across Europe. It has a clear focus on supporting positive outcomes for individuals, communities, and society as a whole. 2024 marks the fund's seventh-year anniversary.

Objective

The Fund is designed to balance social outcomes, financial return and liquidity. It strives to offer corporate bond risk/return characteristics, as well as clearly demonstrable positive social outcomes. The Fund aims to deliver at least 80% of outcomes within geographical Europe, the rest being targeted internationally.

Nature of the investments

Bonds in the portfolio are defined by 4 key characteristics:

- Their **"official" nature:** Social (answering ICMA's Social Bond Principles), Green (answering ICMA's Green bond principles), Sustainable (answering ICMA's sustainable Bond Guidelines), Transition (answering the Second Party Opinion guidelines) and General social benefit bonds (Including ICMA's new Sustainability-Linked bond principles).
- The **social needs category** expressing how fundamental to society the served need is: Basic social needs, Primary social needs, Social empowerment, Social enabling, Social enhancement, Social facilitation and Societal development.
- **The population targeted** expressing the degree of need of the people supported through the bonds according to their geography, or vulnerability.
- **The additional contribution** expressing the underlying impact of the bonds on society and environment.

Impact Management Project's ABC Classification

Over the past four years, an alignment has been undertaken between the Fund's own Social Performance Assessment methodology and the method used to classify investments using the Impact Management Norms ABC system[11]. This approach uses a rule-based system providing an approximate classification of all bonds in the portfolio, as either Act to Avoid Harm (A), Benefit Stakeholders (B) or Contribute to Solutions (C).

IMPACT FRONTIERS

In line with our commitment to upholding the highest standards, this report has been developed based on the reporting guidelines published by Impact Frontiers in 2024.

[11] IMP – A Guide to Classifying the Impact of an Investment.
Note that this approach classifies both the impact of the underlying asset (A-C) as well as the investor contribution (1-6). In light of the latest Impact Management Norm guidance, the Fund Team is currently reviewing their Impact Management Norms rating methodology to ensure it is aligned.

Investments and accreditations

€487.9m
is invested in bonds, €17.5m in cash out of €505.4m under management.

236
bonds through 152 issuers

3
labels and awards

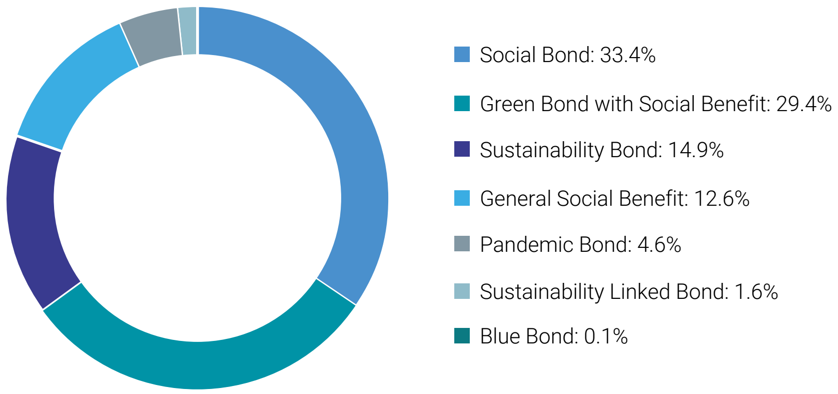
Art. SFDR 9

Innovation Award
European Pensions Investment Awards 2018

Bond type breakdown

Over last year, the portfolio breakdown by type of bonds remains quite stable. But social bonds are now the most prevalent bonds in the portfolio in front of green bonds. The increase of social bonds (+3.2% vs last year), as well as the one of sustainability (+2.6%) and sustainability linked bonds (+1.2%) showcase the efforts of CTI's team to promote these types of bonds. Additionally, almost 30% of the Fund is invested in green bonds with social benefits. These results demonstrate the Fund's commitment to support projects in line with the Paris agreement and that contribute to the achievement of the 17 sustainable development goals (SDGs) set by the United Nations.

Portfolio value per bonds type breakdown (by % of NAV)



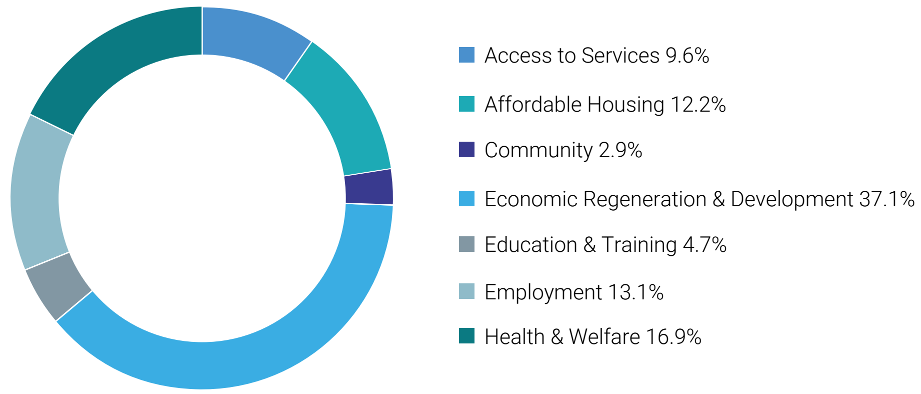
Targets set by the Social Advisory Panel

Social Advisory Panel Target	Achievement 2023-2024	Achievement 2022-2023
Over 30% of the fund invested in Social Impact Investments (rated A)	45.8%	39.8%
Under 20% of the fund invested in Lower Social Outcomes (rated C3 or C4).	6.9%	8.8%
Raising the Average Social Intensity Score	20.6	20.8

The first two objectives have been successfully achieved with continuous progress over the years. The third objective has been missed for the time. This slight decline is due to evolving best practice and higher expectations for bond transparency and impact clarity, as well as an already high Average Social Intensity Score.

The prominent outcome area is Economic regeneration and development with 37.1% (-1.6% vs last year) of the portfolio allocated to this opportunity. Bonds linked to this category are promoting sustainable development by financing renewable energy, agriculture and public transport development. In proportion, this category is lower than last year due to the strong focus of the fund to finance bonds with higher direct social impact (noting 73% of the bonds within this category are green bonds).

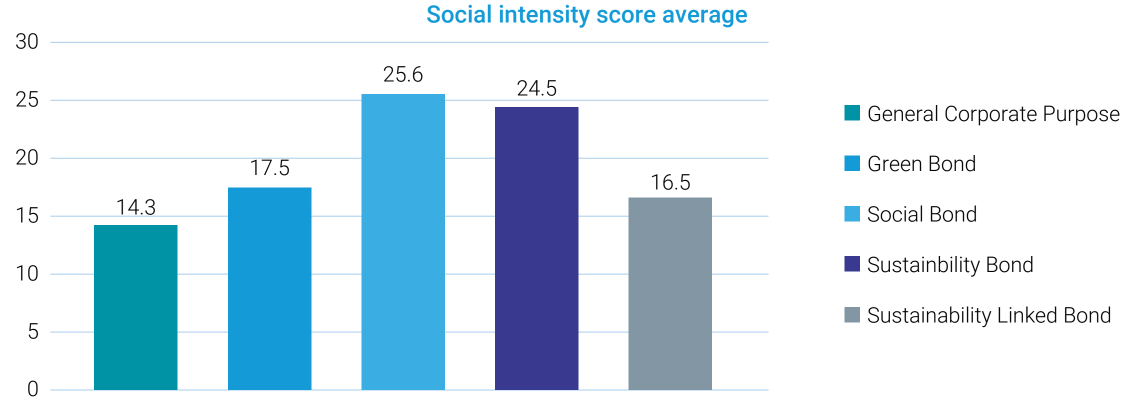
Social Outcome Areas (by % of NAV)



Average social intensity score per bonds type

The intensity score of a bond enables us to evaluate the level of its impact. As shown on the graphic below, social and sustainability bonds present the highest average score. The scoring model of this social intensity score ranks lower bonds with a strong but indirect social impact such as Green Bond or General Corporate Bond[12].

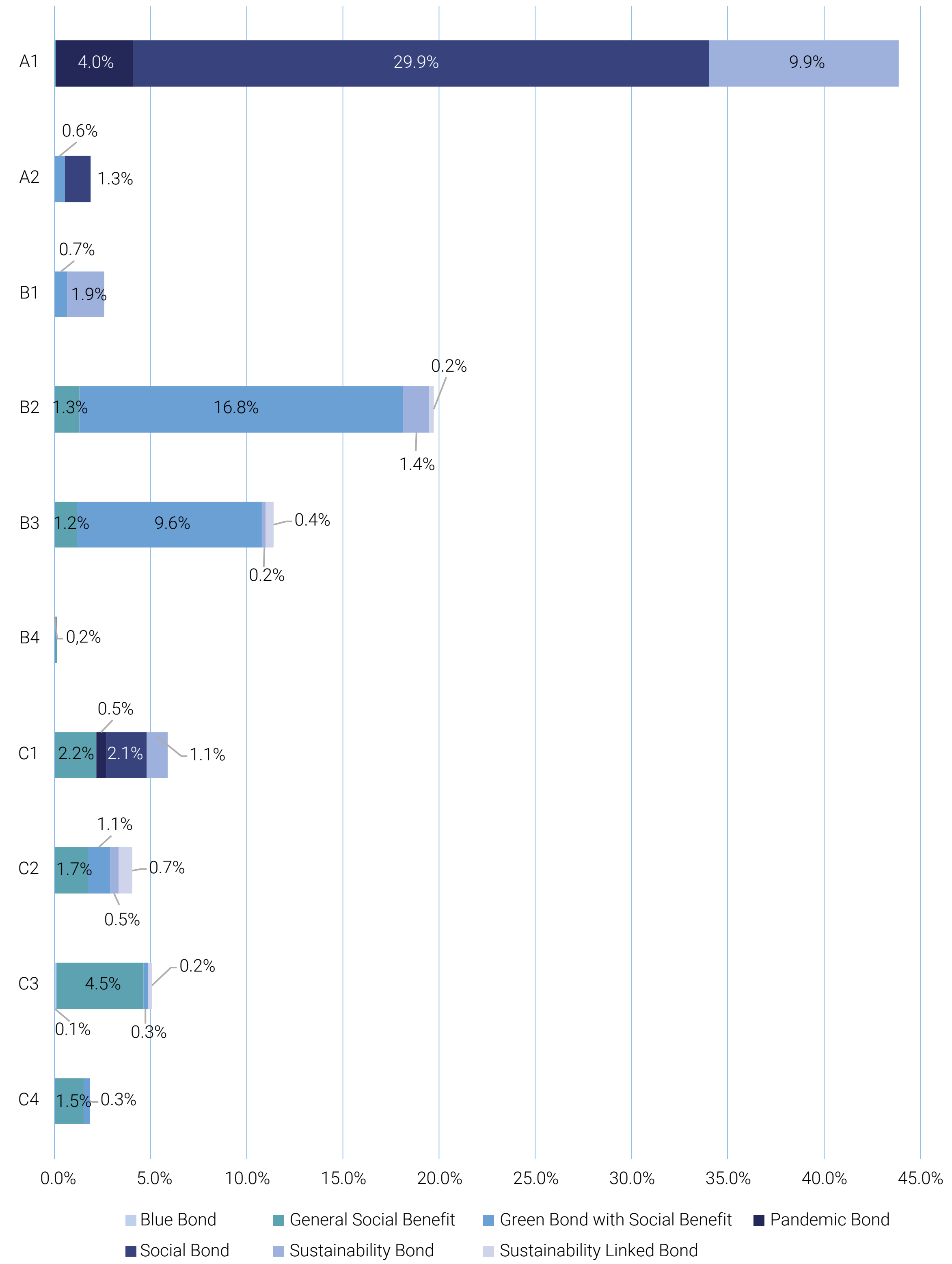
Social intensity score average



[12] Please go to the Social categorisation and scoring section (p.20) for more details

96.5% of social bonds and 74.3% of sustainability bonds are rated A1 or C1[13]. It shows that most of the bonds pursuing a social aim also have a strong focus on their impact. This tends to demonstrate that the issuers of those two types of bonds really try, through financial instruments, to generate a social impact. Green bonds have a lower score (only 2.4% have a '1' social intensity score of which all are 'B' social intentionality rated) due to their indirect social impact. But they do have a strong positive environmental impact which should benefit society in the long run.

Bond type intensity rating score breakdown



[13] C1 rated bonds are included in this analysis, as they usually have an impact as strong as A1 rated bonds but have a global impact not targeting specifically Europe, the geographic focus of this Fund.

Social and green highlights

Over the year, we have invested in issuers and bonds delivering and enabling tangible impact. Highlights are shown below.

Social highlights

Over the year, our investments included 88 issuers through labelled bonds or general corporate bonds mainly focused on social impact (including Social bonds, Sustainability bonds, Sustainability linked bonds and Green Bonds with Social Benefits), representing 67.1% of the Fund.

The contribution of bonds from the portfolio to social impact is listed below[14]:

Housing

- Financing the renovation or creation of 201,168 social houses
- Financing the wastewater disposal of 88,235 inhabitants
- Financing the supply of 521,067 households with 100% renewable energy
- Supporting 1,924 non-profit housing associations
- Financing the creation of 33,014 beds in temporary residence facilities

Health and Welfare

- Financing the creation or modernization of 5,742 places in nursing homes
- Financing the creation of 18,400 childcare places
- Supporting healthcare for almost 50M beneficiaries
- Financing more than 173,384 hospital beds
- Financing loans to 1,551 public hospitals

Education and Training

- Supporting 3,113,936 students
- Financing university building projects that benefited 195,767 students
- Financing the training of 56,913 teachers
- Financing 3,256 educational building projects

Employment

- Supporting more than 410,272 people to be professionally empowered
- Supporting the creation or preservation of more than 1,233,824 jobs
- Supporting 1,250,000 people thanks to return-to-work allowance
- Financing almost 167,316 Micro, Small and Medium Enterprises
- Providing a job opportunity 3,531 disabled people

Community

- Supporting 256,863 inhabitants through urban regeneration projects
- Supporting 997,317 people with enhanced access to transport services

Access to services

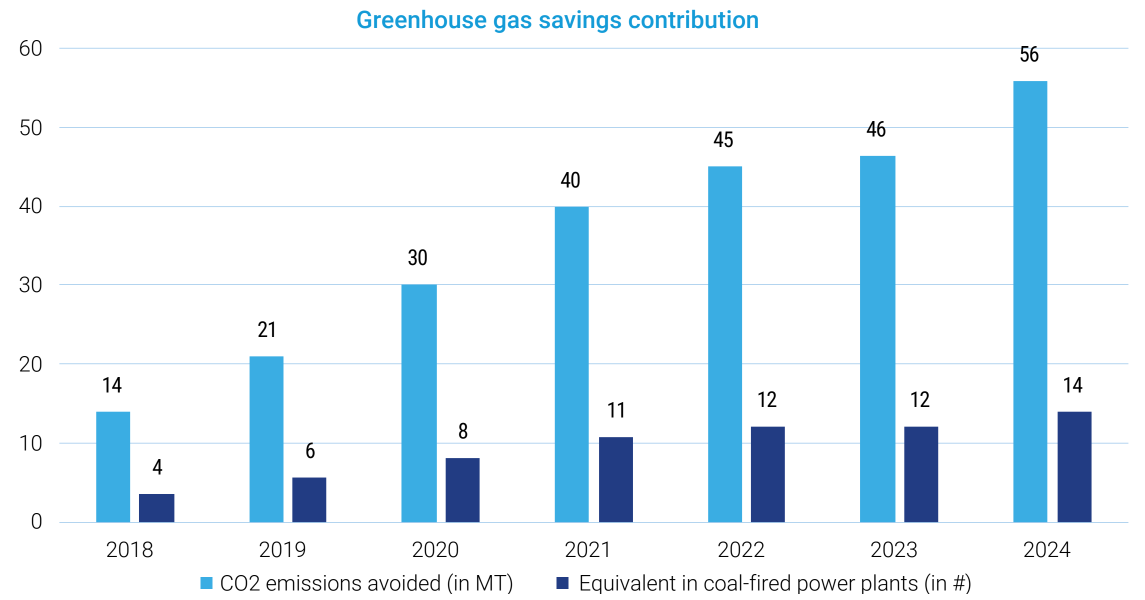
- Supporting 3,293,093 individuals or families through access to social benefits
- Financing loans to 9,769 women
- Supporting a better access to water for 509,833 persons
- Financing 103,414 loans to acquire electric vehicle

[14] Please go to our Calculations section (p.60-61) to have more details about how we calculated these data

Green highlights from Green bonds

Although this fund aims to support social needs in Europe, it also invests in green bonds, because some of these bonds generate positive outcome for society linked to their environmental impact.

Over the year, our investments included 70 issuers through bonds representing 29.4% of the Fund in terms of net asset value. The contribution of bonds from the portfolio to environmental impact is listed below[15] showing a continuous improvement in greenhouse gas savings contribution.



In 2024, 56 million tons of CO_2 emissions were avoided on the basis of 64 reported bonds, equivalent to shutting down 14 coal-fired power plants for one year. Almost 30% of the portfolio is invested in Green and Transition bonds which are targeting green transition outcomes.

In 2024, more than 19 million MWh of renewable energy were produced by the issuers. Energy producers are increasingly investing in renewable energy: in Europe, renewable energy represents 23% of energy consumed[16].

[15] Please go to our Calculations section (p.60-61) to have more details about how we calculated this data
[16] https://www.eea.europa.eu/ims/share-of-energy-consumption-from

Sustainable Development Goals (SDG) alignment

Every investment is mapped to the 17 UN Sustainable Development Goals through the 169 targets that underly them, demonstrating the Fund's alignment with global social imperatives. The four most impacted SDGs were 11, 8, 7 and 3.

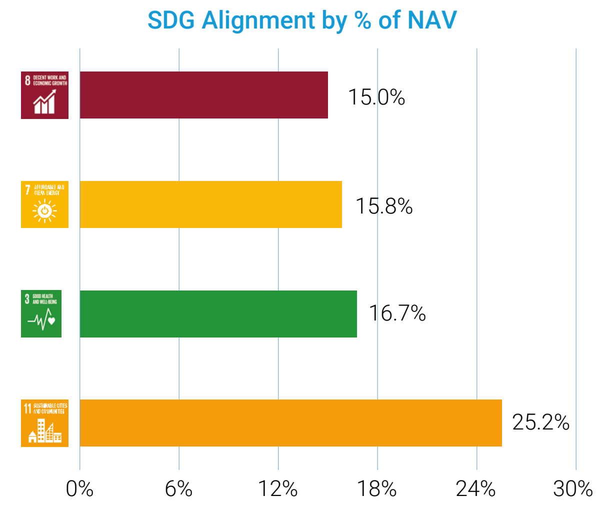
Examples of SDG targets and corresponding bonds

11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums: Social Bonds from **Bayerische Landesbodenkreditanstalt Bahn** and **Société Générale.**

3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all: Sustainability Bond from **Autonomous community of Andalucia** and Social Bond from **Praemia Healthcare.**

7.2 Increase the share of renewable energy in the global energy mix: Green Bonds issued by **Statnett, Amprion** and **Enexis.**

8.3 Promote development-oriented policies that support productive activities, decent job creation and entrepreneurship: Social Bonds issued by **Intesa Sanpaolo** and **Caixabank.**



About the partners

About the Social Advisory Panel

An independent Social Advisory Panel oversees the application of the methodology and ensures the management of the Fund is driven by social purpose. The panel meets on a quarterly basis to monitor and review the social performance of the Fund and acts as an advisor on the social viability of investments. The Panel is composed of seven members – the majority of whom are not employed by the Fund manager – to ensure independence of thought and oversight. Details of the members can be found on pages 58-59.

The advisory panel has set the fund manager three specific targets:

- To invest over 30% in Social Impact Investments (Bonds rated A1-4)[17]
- To invest under 20% in Lower Social Outcomes (Bonds rated C3-4)[18]
- To increase the Fund's social intensity score over time.

A key way the fund is achieving these goals is through engagement with issuers on a variety of topics, including the transitioning of Green and General Proceeds bonds toward having more socially targeted structures. You can read more about our engagement progress on p.56.

In addition, the panel would like to see a transition from General Social Benefit (including KPI Sustainability Linked Bonds) and Green Bonds with social benefit to more targeted Social, and Sustainability Bonds over time.

About INCO

INCO is an investment firm with nearly a decade-long track record investing in socially inclusive and environmentally sustainable enterprises with compelling financial returns. Through both an international network of start-ups, support programmes, as well as local expert teams, INCO provides long-term equity and quasi-equity, from seed to growth stages. INCO complements its financial investments with strategic and technical assistance to support the growth, development and impact of its portfolio companies.

100+ investees

€120m+ assets under management

Over 50 years of combined expertise in PE and debt financing on the Management team

INCO manages or advises several funds, investing in early-stage social and green start-ups and in growth stage profitable, social and green companies. The firm advises the CT (Lux) European Social Bond Fund in its social impact evaluation of European bonds. INCO acts as an independent advisor of the Fund, providing its expertise in the field of social and environmental evaluation. This partnership shows a common desire to support organisations that make a positive change in their community, whether they are companies, local authorities or non-profit organisations.

About Columbia Threadneedle Investments

Millions of people around the world rely on Columbia Threadneedle Investments to manage their money, including individual investors, financial advisers, and institutional investors. Together, they entrust Columbia Threadneedle Investments with €602 billion[19].

Its reach is expansive. It has built a global team of 2,500 people, including more than 650 investment professionals sharing global perspectives across all major asset classes and markets. Its analysts are dedicated to finding original, actionable insights that are shared and debated with portfolio managers. Responsible investing is fundamental. That's why they seek to integrate Environmental, Social, and Governance (ESG) considerations into their fundamental approach to investment research and stewardship. They run a number of dedicated strategies across the Responsible Investment spectrum including their Global and UK Social Bond Funds.

[17] Since the 6th of July 2022, the target has been increased to 30%. The prior target was 25%.
[18] Since the 30th of November 2022, the target has been decreased to 20%. The prior target was 25%.
[19] In Euros as of 30 September 2024. Source: Columbia Threadneedle Investments. Contact us for more current data.

Methodology

Social hierarchy of needs

The Fund assesses investment opportunities on the basis of exclusions and social inclusion criteria. For example, a key element to our social inclusion criteria is the Social Needs Category, which flows from a social hierarchy-of-needs approach, whereby a bond must contribute to at least one of the outcome areas, and where more primary and basic needs (affordable housing, healthcare) are prioritised over more general needs.

The Fund is also aligned with United Nations' Sustainable Development Goals (SDGs):

Social need	Outcome area	Major SDGs	Minor SDGs
1. Primary Needs	Affordable Housing - Social housing - Key worker housing - Independent living housing - Care homes	11 Sustainable cities and communities	
2. Basic Needs	Health & Welfare - Physical health - Mental health - Healthy living - Rehabilitation & support	3 Good health and well-being	2 Zero hunger
3. Social Enabling	Education & Training - Primary & Secondary - Vocational training & apprenticeships - Further & Adult education	4 Quality education	1 No poverty, 5 Gender equality, 8 Decent work and economic growth, 10 Reduced inequalities
4. Social Empowerment	Employment - Creation of jobs in deprived areas; and - Good employment standards	4 Quality education	1 No poverty, 5 Gender equality, 8 Decent work and economic growth, 10 Reduced inequalities
5. Social Enhancement	Community - Local amenities, services & environment - Care services - Personal (e.g. elderly) - Other community services	11 Sustainable cities and communities	6 Clean water and sanitation, 15 Life on land, 16 Peace, justice and strong institutions
6. Social Facilitation	Access to Services - Affordable financial products - First-time mortgages - Professional services - Communication & broadcast services	10 Reduced inequalities	8 Decent work and economic growth, 9 Industry, innovation and infrastructure
7. Societal Development	Regeneration & Development - Sustainable development - Public & community transport - Urban & community regeneration - Infrastructure & utility development - Environment & agriculture	9 Industry, innovation and infrastructure	2 Zero hunger, 7 Affordable and clean energy, 13 Climate action

Social categorisation and scoring

Above and beyond the ICMA labels that factually defines the bonds, the fund performs its own scoring of each investment opportunity, evaluating the social characteristics and expected impact of each bond.

This categorisation model is designed to differentiate the nature of the investments in terms of their focus on achieving the Fund's social aims. It is made up of 2 parts, one with a letter grade assessing the intentionality of the bond **(Impact Intentionality Category, from A to C),** and the other with a numbered grade assessing the quality and depth of the response **(Social Intensity score, from 0 to 31, which translates into an Intensity rating ranging from 1 to 4, 1 being Strong and 4 being Minor).**

For each intentionality category, the grades relate to the following:

Category A – Social Impact investment

Funding is designed specifically to generate positive social impact, development and/or change.

Category B – Investment with social impact

Funding is likely to generate expected and identifiable social impact for individuals, either indirectly or without specifically disclosed intentionality.

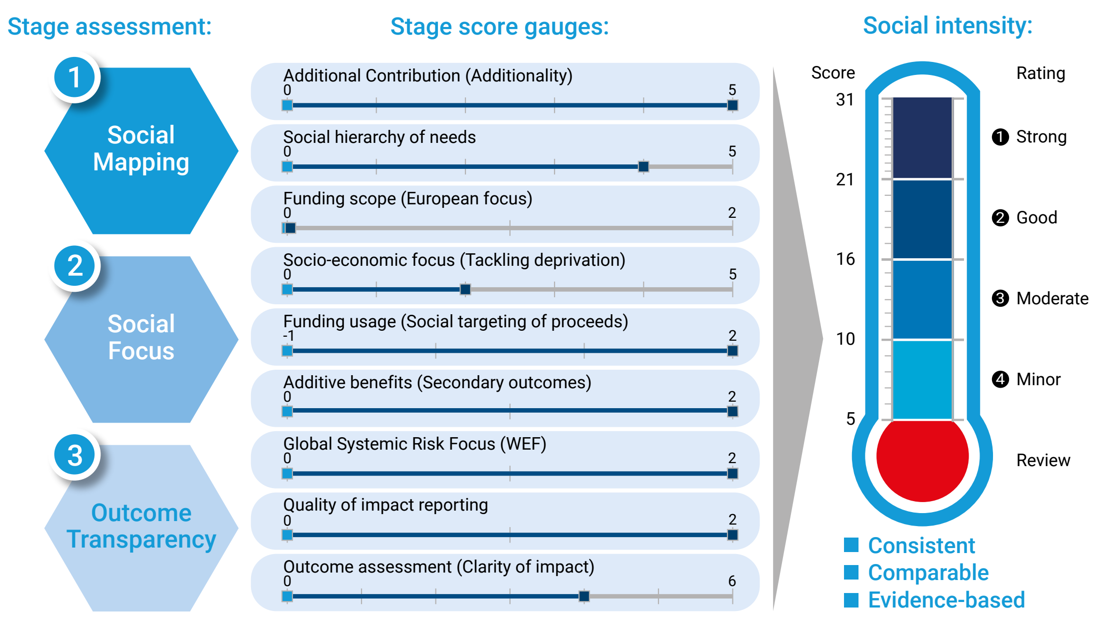
Category C – Development finance or global impact

Investments in capacity, infrastructure and other projects that generate social externalities, contributing to positive social and/or economic growth and development. Alternatively, investments in bonds, where the main scope of the outcome is outside Europe.

For Social Intensity, the grade comes from the following scoring model:

The scoring model is designed to give a comparable, evidence-based score of the impact of a bond. It moves through initial social mapping, to assessing the degree of social focus, to outcomes and impact.

A high-level outline of the process is shown below.



Values and governance

Values and Environmental, Social and Governance (ESG) Risk

We start by shaping a Social Universe. This comprises only categories of bonds with higher potential for delivering social outcomes, and hence excludes those in areas that pose a higher risk of adverse impacts.

We exclude bonds that meet the following criteria, which represent general minimum requirements and are assessed at the bond level:

1. **Norm adherence:** We exclude on any evidence of violation of key norms and standards[20]
2. **Sustainable energy focus:** We avoid those that generate material revenue from nuclear energy, coal generation or mining, and oil and gas extraction or generation
3. **Health enhancement:** We have minimal tolerance for tobacco and alcohol production
4. **Social cohesion:** We exclude those that generate material revenue from adult entertainment or gambling
5. **Weapon avoidance:** We avoid weapons and firearms, with zero tolerance for controversial weapons
6. **Severe environmental impact avoidance:** We avoid companies with severe controversies related to water or biodiversity and land use. This applies to all issuers, including of Green, Social or Sustainability bonds
7. **Controversial regimes:** Countries with the death penalty, those subject to EU sanctions, those taking minimal collaborative action on climate change, or those considered to be oppressing freedoms or taking action which would violate principles of the UN Global Compact. Companies wholly owned by such regimes will be excluded. We also only invest in Green, Social or Sustainability bonds from Sovereign Issuers.

We also evaluate any material ESG and controversy risks as part of each social assessment. Any key issues are noted and, where they may jeopardise the overall social impact of an investment, the scoring may be affected, or the bond deemed out of scope for the Fund. In that situation, we also would engage wit issuer to identify a remediation/compensation measures and any cultural/governance changes to assess eligibility. We also review these issues during our monitoring process, described below.

The fund has held the Belgium Towards Sustainability label since 2018. In 2022 the criteria for this award evolved to reflect the label's interpretation of SFDR Article 9 requirements. The changes also included a lower minimum standard for exposure to thermal coal from 10% to 5%. Following these changes, fund was again awarded the Towards Sustainability label which is regarded as a highly rigorous sustainable management endorsement.

Governance and monitoring

The Social Advisory Panel plays a vital role in reviewing, checking and monitoring the Fund, while ongoing monitoring checks are undertaken by both the Mandate Monitoring and Responsible Investment teams.

Key issues and assessments are discussed at the Social Advisory Panel, comprising members nominated by our social partners, INCO and the Fund Manager. The Panel is Chaired by an INCO-nominated member.

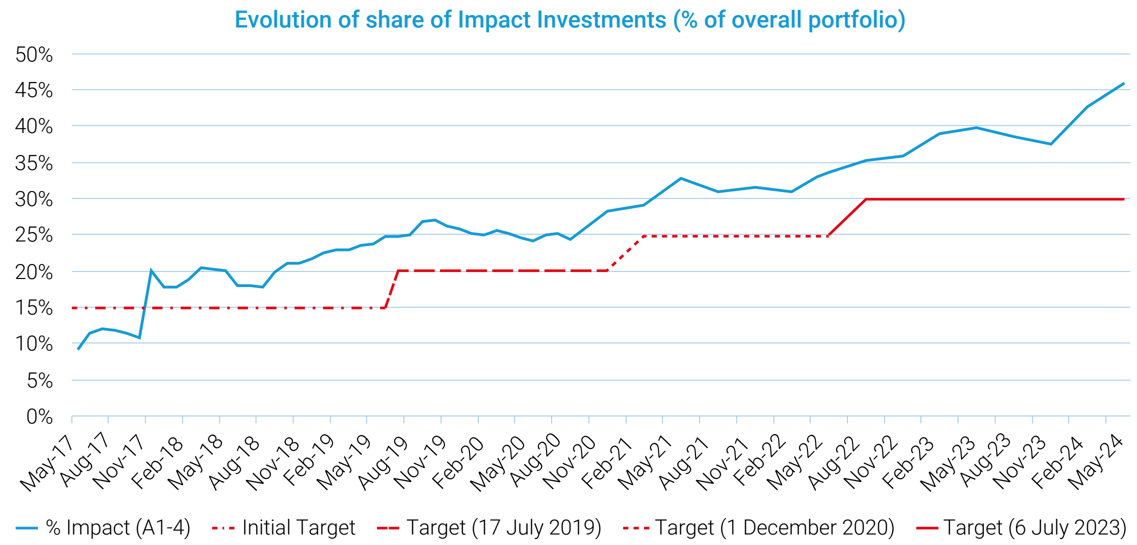
The Panel has the right of referral on the final assessment. If a bond is considered ineligible or no longer eligible for the Fund, the Fund Manager will draw up and implement an action plan comprising an exit strategy in the best interest of the underlying investors.

[20] UNGC, UN ILO Labour Standards and UNGP

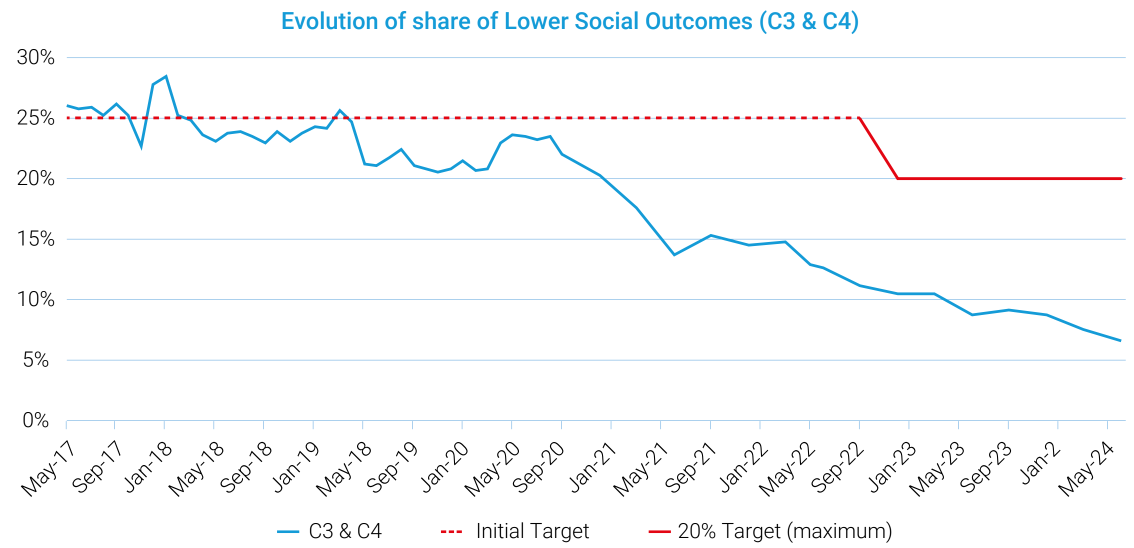
Social Targets

The Fund met or exceeded all its targets over the period

- 45.8% in Social Impact Investments (A1-4) (current target of 30% minimum)[21]



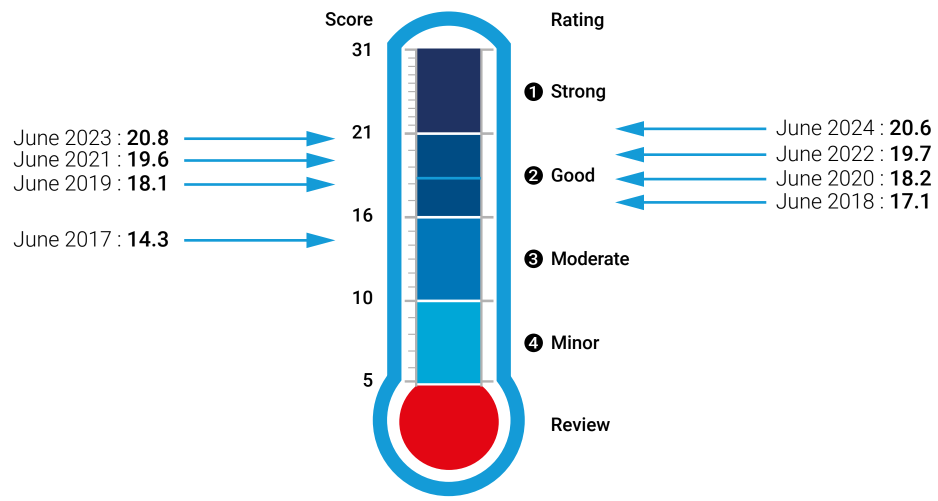
- 6.9% in Lower Social Outcomes (C3 & C4) (target of 20% maximum)[22]



[21] Since the 6th of July 2022, the target has been increased to 30%. The prior target was 25%.
[22] Since the 30th of November 2022, the target has been decreased to 20%. The prior target was 25%.

- Average social intensity score of 20.6 versus 14.3 at Fund launch (targeting a continuous incremental improvement)

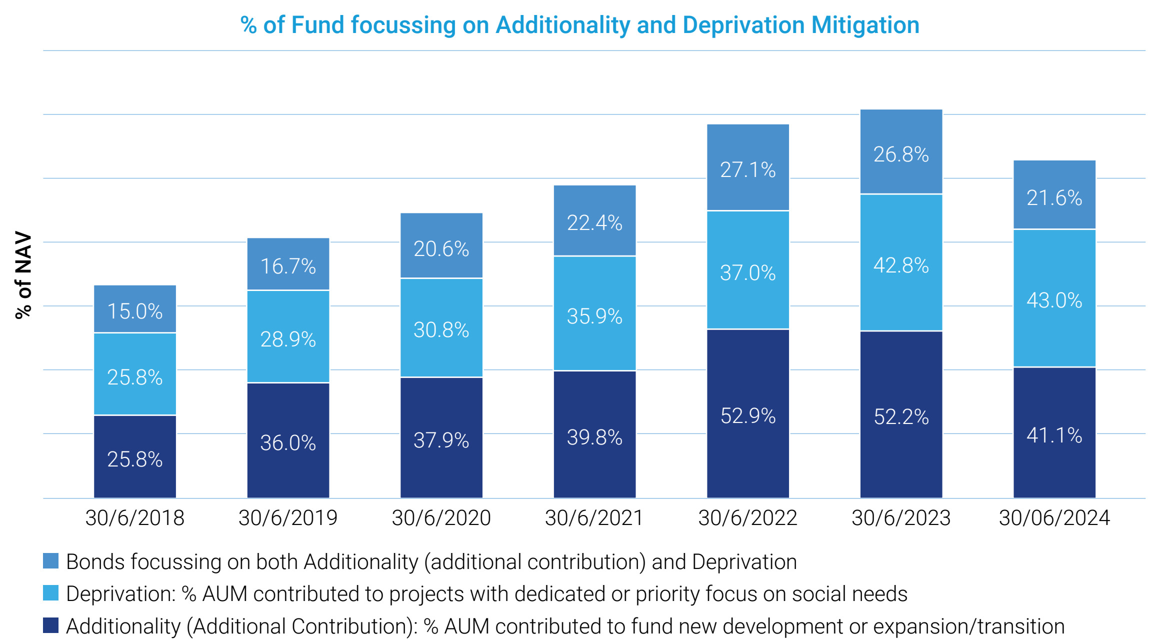
  After a continuous increase since the inception of the Fund, the average social intensity score slightly decreased (-0.2 pts). This is because of evolving best practice and higher expectations for bond transparency/impact clarity.



Focus on additionality and deprivation mitigation

The Fund, in its primary social aims, targets the populations that are most in need (deprivation mitigation). It also prefers bonds that use of proceeds for new financing/expansion of projects (additionality). Since inception the percentage of the fund which targets high additionality (additional contribution) and deprivation mitigation has continually increased. In 2024, the percentage of bonds with high additionality has slightly decreased due to an increased share of refinanced impactful projects, which have a lower additionality score than new projects. As of 30th June 2024:

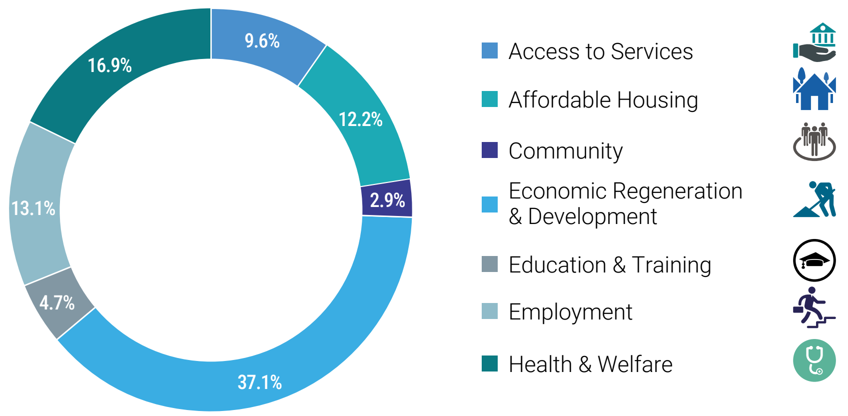
- 41.1% of the AUM contributed to projects with additionality (additional contribution) where the funding resulted in new development or expansion/transition.
- 43.0% of the AUM contributed to projects with focus on deprivation, where funding went to projects with a dedicated or priority focus on social needs.
- 21.6% of the AUM funded projects with focus on both additionality (additional contribution) and deprivation, versus 26.8% as of 30th June 2022 and 27.1% as of 30th June 2021



Social profile

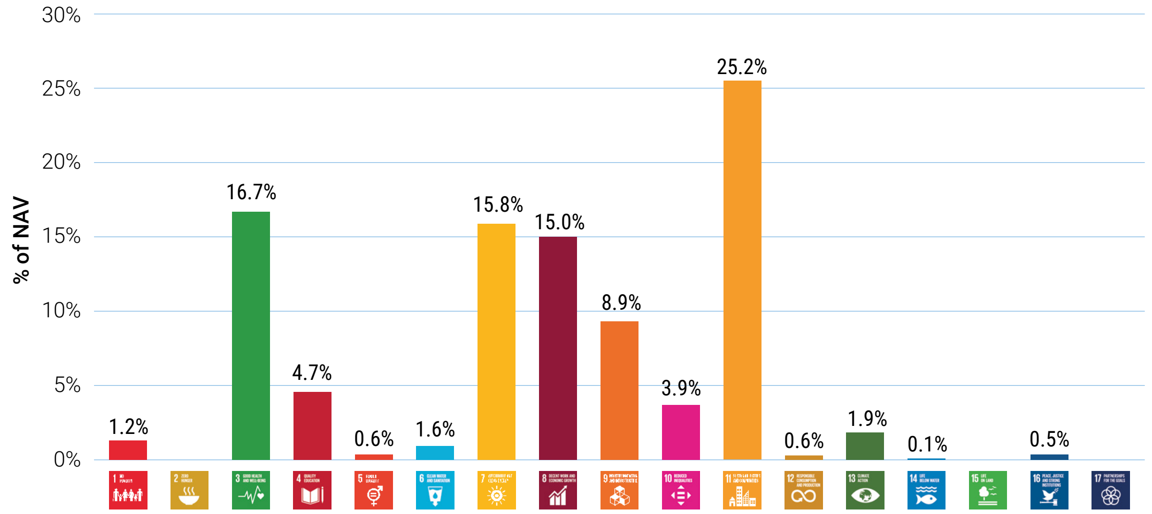
The Fund is invested in seven outcome areas, or Development Opportunities, led by Regeneration and Development, which includes the majority of the Fund's Green Bonds. As a result, this area is dominated by infrastructure, which is particularly appropriate for bond financing.

Social Outcome Areas (by % of NAV)



All investments are mapped to the 17 UNSDGs through the 169 underlying targets, demonstrating the Fund's alignment with global social and environmental imperatives. The four SDGs most supported were 11, 3, 7, 8, the same as last year but with a growth of SDG 11 (+3.8%) and a decrease of SDG 7 (-3.7%). This reflects the Fund's strong focus on affordable housing and sustainable communities (aligned with SDG 11), access to safe and effective medicines and vaccines for all (SDG 3), and renewable energy (SDG 7), and quality employment opportunities and encouragement of micro, small and medium enterprises (SDG 8).

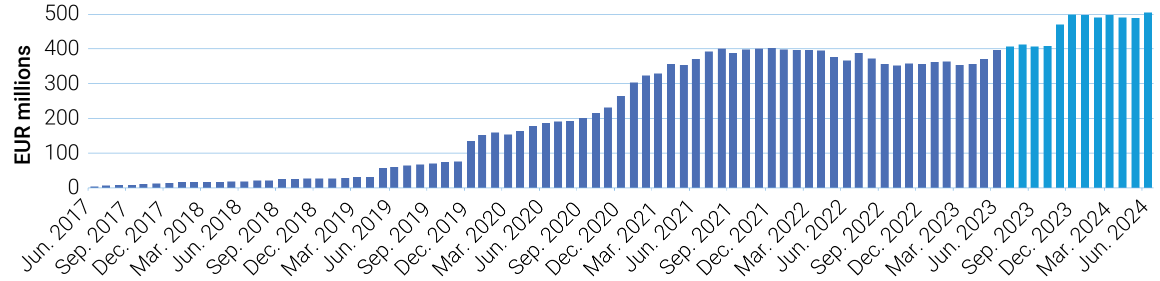
SDG Alignment



Fund and Market growth

The Fund's AUM reached €505.4m in June 2024 representing a strong €108.7m increase over a one-year period (€396.7m in June 2023). This is notable growth given the overall impact bonds market remains at the same level as last year.

ESBF AUM Growth



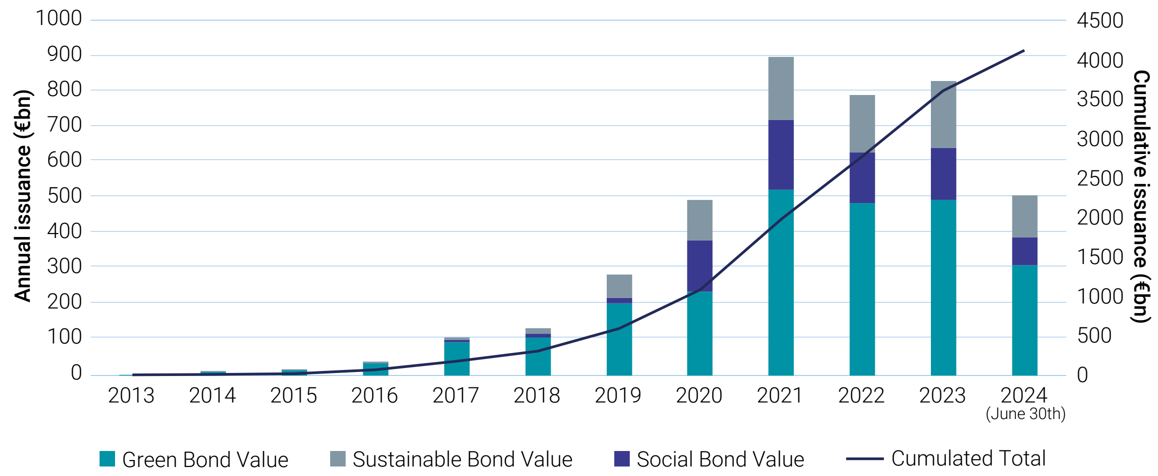
In 2023, the issuance of Green, Social, Sustainability, and Sustainability-linked (GSS) Bonds approached the $1 trillion mark. Despite this impressive figure, only about half of these bonds were issued by entities qualifying for the Global Aggregate Credit Index. Within the corporate bond market, GSS bonds accounted for just 22% of the total.

Moreover, growth is uneven depending on the type of bond. In 2024, CTI has seen that social bonds remained a minority compared with green and sustainability bonds, and this trend is lasting. Issuance of social bonds fell by 6% in H1 2024 compared with 2023, while issuance of sustainability bonds rose by 31% and green bonds by 3%.

But it is important to note that more and more entities are launching their first social bond issuance on the market.

The Social Bond team plays a key role in supporting the growth of the market, particularly through engagement with and education of issuers. The team would like to see growth in the proportion of Green, Social and Sustainability bonds from issuers who access the bond market regularly and each year. The team would also like to see a wider spectrum of issuers issuing labelled bonds, these considerations remain a key point of engagement focus.

Evolution of Social, Green & Sustainable bond issuance in the market

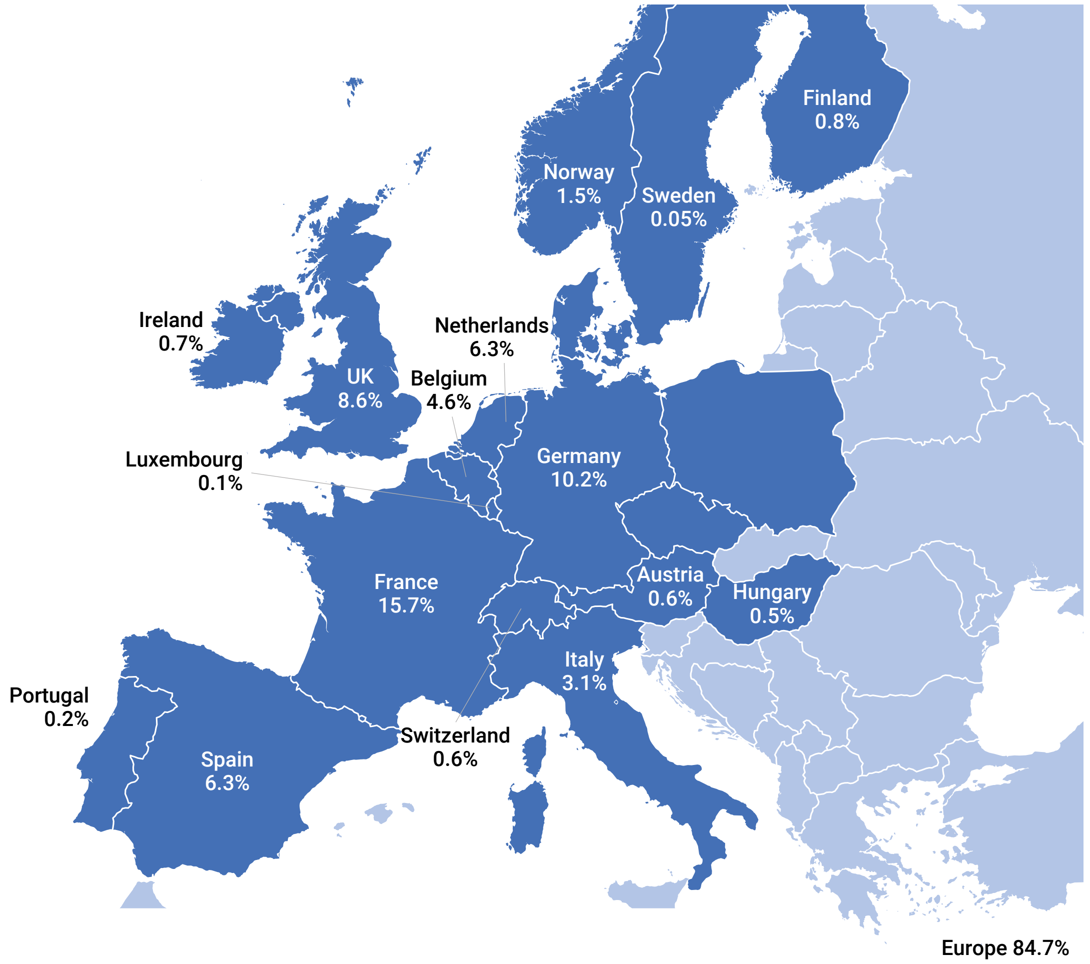


Top 25 holdings

Rank	Name	Bond type	Main social need category	Main development opportunity	Social rating scores	% porfolio	Main SDG mapping
1	Wellcome Trust	GSB	Basic Social Needs	Health & Welfare	C1	2.17%	3
2	European Investment Bank	Sustainability Bond	Societal Development	Economic Regeneration & Development	A1	2.16%	11
3	KBC Group	Social Bond	Social Enabling	Education & Training	A1	2.13%	4
4	AIB Group	Social Bond	Basic Social Needs	Health & Welfare	A1	1.67%	3
5	Natwest Group	Social Bond	Primary Social Needs	Affordable Housing	A1	1.63%	11
6	Suez	Green Bond	Societal Development	Economic Regeneration & Development	B2	1.49%	11
7	Germany	Green Bond	Societal Development	Economic Regeneration & Development	B2	1.46%	11
8	Caixabank	Social Bond	Social Empowerment	Employment	A1	1.46%	8
9	Eurogrid	Green Bond	Societal Development	Economic Regeneration & Development	B2	1.45%	7
10	Prologis International	Green Bond	Societal Development	Economic Regeneration & Development	B2	1.36%	11
11	Bayerische Landesbodenkreditanstalt	Social Bond	Primary Social Needs	Affordable Housing	A1	1.30%	11
12	Intesa Sanpaolo	Social Bond	Social Empowerment	Employment	A1	1.19%	8
13	Council of Europe Development Bank	Social Bond	Primary Social Needs	Affordable Housing	A1	1.10%	11
14	Bupa Finance	GSB	Basic Social Needs	Health & Welfare	C3	1.07%	3
15	Amprion	Green Bond	Societal Development	Economic Regeneration & Development	B2	1.05%	7
16	Praemia Healthcare	Social Bond	Basic Social Needs	Health & Welfare	A1	1.02%	3
17	State of Berlin	Sustainability Bond	Social Enhancement	Community	A1	1.00%	10
18	IFFIm	Social Bond	Basic Social Needs	Health & Welfare	C1	0.95%	3
19	Crédit Mutuel	Social Bond	Social Enabling	Education & Training	A1	0.95%	4
20	Crédit Mutuel	Social Bond	Social Empowerment	Employment	A1	0.94%	8
21	Orange	Sustainability Bond	Societal Development	Economic Regeneration & Development	B1	0.92%	7
22	Vonovia	Social Bond	Primary Social Needs	Affordable Housing	A1	0.90%	11
23	Unedic	Social Bond	Social Empowerment	Employment	A1	0.81%	8
24	Becton Dickinson	GSB	Basic Social Needs	Health & Welfare	C3	0.81%	3
25	Motability Operations	Social Bond	Social Facilitation	Access to Services	A1	0.80%	10

Investment map

Investment outcomes map by % of NAV[23]



[23] Within the portfolio, 30.5% of the bonds have an impact across Europe generally, this does not include those bonds that have an impact in specific European countries. Together, the Europe-wide and European country specific impact bonds made up 86.5% of the portfolio.
[24] These bonds have an impact worldwide (including Europe), whereas the bonds including in the "Rest of the World" category specifically target regions other than Europe.

Thematic spotlight

Primary needs – Affordable housing

A key component of UN Sustainable Development Goal 11 'Sustainable Cities and Communities' relates to decent living and housing.

Under this outcome area, we seek to support organisations and bonds that increase the provision of quality and affordable homes and related local facilities. Examples include social housing, key worker housing, independent living housing and care homes.

Context

Looking at housing markets, over the past decade (from 2010 until the fourth quarter of 2022) average rents increased by 19% in the EU and house prices by 47%, and house price growth has consistently outpaced growth in incomes[25].

The current economic conditions point to a slowdown in house price growth that may involve reductions in house prices, at least in some countries. While this could translate into lower prices for new buyers, rising interest rates and inflationary pressures on household disposable income, will mean that buying a home will remain out of reach for many, not to mention existing mortgage-holders who face difficulties meeting their monthly payments. As for rents, national averages tend to mask significant increases at local level and especially in attractive urban areas.

Europe is facing a housing crisis. This is due to a combination of factors, including urban population growth, rising property prices and a shortage of social housing. Combined with soaring energy and food costs, the crisis is forcing people to adapt their living conditions, particularly younger populations.

In fact, more than a quarter of Europeans aged 15 to 29 reported living in overcrowded conditions in 2022.[26] However, the housing crisis continues, as rents have inflated and interest rates are high, while supply is decreasing. The rise of mortgage interest rates is driving up costs for homeowners with variable-rate mortgages and keeping out many potential buyers.

As mentioned above, Europe also faces a shortage of social housing, which leaves many people homeless or forced to live in substandard accommodation, and poor housing quality, which can lead to health and safety problems. An estimated 890.000 people sleep rough or in a homeless shelter on any given night across the EU[27].

A recent report of the EU showed that access to easy-to-use and affordable key services, including water, sanitation, energy, internet, financial services and digital communications is still a challenge for part of the population in Europe. In 2022, 9.3% of the European population struggled to keep their homes adequately warm across the territory[28] (+2.4% vs 2021) with a high disparity between countries (22.5% in Bulgaria vs 1.4% in Finland).

16 issuers through 23 bonds

2 general social benefit bonds

15 social bonds

6 sustainability bonds

Through investments in bonds within this area[29] we are contributing towards outcomes including[30]:

- Financing the renovation or creation of 201,168 social houses
- Financing the wastewater disposal of 88,235 inhabitants
- Supporting 1,924 non-profit housing associations
- Financing the supply of 521,067 households with 100% renewable energy
- Financing the creation of 33,014 beds in temporary residence facilities

25 The State of Housing in Europe, Housing in Europe, 2023
26 "26% of young people lived in overcrowded households", Eurostat, 2023
27 8th Overview of Housing Exclusion in Europe 2023, FEANTSA, 2024
28 "9% of EU population unable to keep home warm in 2022", Eurostat, 2023
29 Out of the 23 bonds, 16 bonds were studied. In addition, we added information from 20 bonds not included in the 23 bonds from the Affordable Housing category, but which also create impact in this category
30 Please go to our Calculations section (p.60-61) to have more details about how we calculated these data

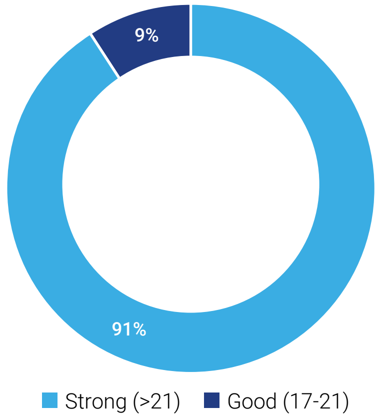
Recent bonds entry

Over the last year, the fund financed **4 new bonds** in this thematic, Bayerische Landesbodenkreditanstalt, BNG and Vonovia's social bonds, and the Flemish Community's sustainability bond.

Bond issuers

- Action Logement
- Aster Treasury PLC
- Bayerische Landesbodenkreditanstalt
- BNG Bank
- Council of Europe Development Bank
- Credit Agricole
- Investitionsbank Berlin
- Kuntarahoitus
- Natwest Group PLC
- Nederlandse Waterschapsbank
- RCB Bonds
- Region of Ile de France
- Société Générale
- Stonewater Funding
- The Flemish Community
- Vonovia

Affordable Housing bonds social intensity rating



Bayerische Landesbodenkreditanstalt Social Bond

11 SUSTAINABLE CITIES AND COMMUNITIES

SDG Target 11.1: By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

IMP mapping C – Contribute to Solutions

Entity Overview

Bayerische Landesbodenkreditanstalt (BayernLabo) is a legally dependent but organisationally and financially independent institution of Bayerische Landesbank, Munich (BayernLB). An entity charged with implementing government housing policy, it bundles the bank-specific operations that are necessary for furthering residential and municipal construction. It is run under the supervisory authority of the Bavarian Ministry of Finance, Regional Development and Regional Identity and the Bavarian Ministry of the Interior, for Building and Transport. BayernLabo is commissioned by the government to financially promote the plans of natural persons and legal entities under private or public law, as well as other measures to improve and strengthen Bavaria's housing and settlement structure, within the context of its housing policy and in line with the aid provisions of the European Union.

Context

Bavaria, like other parts of Germany, faces a shortage of affordable housing, which creates a number of challenges, such as high costs. There are currently around 1,120,000 social housing units in Germany, representing around 2.7% of the total housing stock[31].

The German government has gradually withdrawn from the project of social housing, and since 2003, most of them has not been renewed. In that case, they fall outside the social sphere and are put on the market at a higher price than the rest of the older stock. Over the last two decades, 100,000 homes have left the system every year, while between 20,000 and 30,000 per year have been produced[32]. Hence, the social housing stock, which is only about 1,12M social housing units is much smaller today than the 2,5M units in 2000. The GdW estimates that 320,000 new housing units would be needed each year to meet demand in Germany, 80,000 of them being specifically social housing[33].

As a matter of fact, rents and property prices have risen significantly in recent years, especially in major cities like Munich. This makes finding housing difficult for low-income earners, students, families, and seniors. Furthermore, the proportion of social housing in Bavaria is lower than the German national average. This means fewer options are available for those needing assistance with housing costs.

[31] Housing Europe (2021). The State of Housing in Europe in 2021
[32] OECD (2018). Germany Policy Brief – Housing. Paris : Organisation pour la coopération et le développement économiques
[33] GdW (2020). Wohnungswirtschaftliche Daten und Trends 2020/2021. Berlin : GdW Bundesverband deutscher Wohnungsund Immobilienunternehmen (Association fédérale des propriétaires de logements et d'immeubles)

Bond Overview

This is the issuer's third social bond issued in February 2024 and purchased into the fund on the primary market. Proceeds will be used to focus on affordable housing in the State of Bavaria, targeting vulnerable populations including refugees and low-income families. The bonds support (i) municipal programme for the creation of rental properties in Bavaria targeting low-income households & refugees, (ii) bavarian programme of low interest loans for private housing targeting low income households and (iii) bavarian modernisation programme which will include support for the elderly / those in care.

Outcome and Impact

The impact report of this bond is not yet published because this bond is too recent. Nevertheless, we can share the following information:

The Bayern Labo communicated about the goals of the promotion which are to increase the value in use of living space, to improve general living conditions, to adapt living space to the needs of the elderly, to save energy and water and to reduce CO2 emissions through modernisation. The initiative is made in order to preserve and restore the urban functioning of older residential districts, in addition to ensuring fair and acceptable rent levels after such modernisation, and to clearly define which groups of people are eligible as tenants by means of a fundamental occupancy right. To date, the impact of the latest bond issues is as follows:

As of 31 December 2023, there was a loan balance of **€1,723,306,052.85,** which is distributed among the programmes that follow:

For the BayernLoan – Bavarian low interest rate programme (subsidised home ownership):

- **42,342** beneficiaries
- **11,125** subsidised homes

For the municipal Housing Subsidy Programme (subsidised rental housing):

- **2,146** beneficiaries
- **6,132** subsidised homes

For the Bavarian Modernisation Programme (subsidised rental housing/care facilities):

- **5,697** subsidised homes

Additionality

BayernLabo has used the proceeds from this social bond of EUR 500,000,000 exclusively to finance or refinance development loans from the three BayernLabo loan programmes.

SDG and Target

Goal 11	Make cities and human settlements inclusive, safe, resilient and sustainable
Target 11.1	By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
Social bond Rating	A1
Social Intensity Score	26
IMP classification	C – Contribute to Solutions
Use of proceeds bond	Social Bond
Issue date	28/02/2024

The Social Bond Principles

Basic needs – Health and welfare

This area is focused on investments that help to deliver universal access to basic infrastructures and health services. This encompasses both physical and mental health, healthy living, rehabilitation and support, and well-being.

It is aligned with UN Sustainable Development Goal 3, Good Health and Well-being, which focuses on both communicable and non-communicable diseases.

Context

While the average level of health in Europe has steadily improved, major health disparities remain within the continent.

Health and income inequality are closely linked, with people in the lowest income quintile almost three times more likely to have a disability than those in the highest income quintile (20%). During the COVID-19 crisis in the EU, inequalities in access to healthcare services based on income increased: in 2020, the risk of having an unmet medical need was 5.4 times higher for people in the lowest income quintile than for those in the highest[34].

According to Eurostat, Europe generally has high standards of healthcare. Per inhabitant, average household expenditure on health was €760 in the EU in 2021. These variations reflect, to some degree, the different provisions for the delivery of healthcare across the EU Member States. Where the largest share of health expenditure is covered by the government, it is more commonplace to find that household private consumption expenditure per inhabitant on health was relatively low[35].

According to Eurostat[36], more than a quarter of the Union's population (aged 15 or over) declare that they have had unmet health needs, for three main reasons: financial costs; distances to travel to a medical care facility; or long delays. The UK is also concerned; according to some recent studies, the waiting list for routine hospital treatment in England was over 7 million with almost 400,000 people waiting more than a year.[37]

22 issuers through 32 bonds

9 general social benefit bonds

5 pandemic response bonds

10 social bonds

6 sustainability bonds

2 sustainability linked bond

Through investments in bonds within these areas[38] we are contributing towards outcomes including[39]:

- Financing the creation or modernization of 5,742 places in nursing homes
- Financing the creation of 18,400 childcare places
- Supporting healthcare for almost 50M beneficiaries
- Financing more than 173,384 hospital beds
- Financing loans to 1,551 public hospitals

[34] "Economic and social inequalities in Europe in the aftermath of the COVID-19 pandemic", Eurofound, 2021
[35] Key Figures on European living conditions, Eurostat, 2024
[36] "Unmet healthcare needs statistics", European Commission, 2022
[37] "Nine major challenges facing health and care in England", The Health Foundation, 2023
[38] Out of the 32 bonds, 11 bonds were studied. In addition, we added information from 21 bonds not included in the 32 bonds from the Health and Welfare category, but which also create impact in this category
[39] Please go to our Calculations section (p.60-61) to have more details about how we calculated these data

Helping to deliver universal access to basic infrastructures and health services

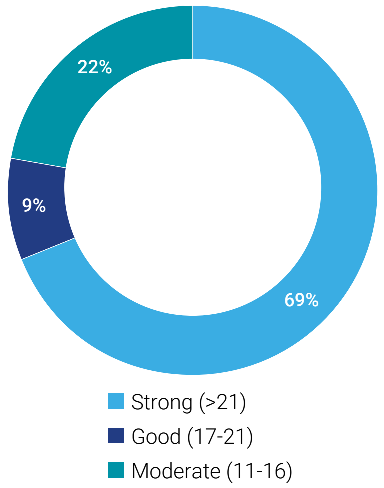
Recent bonds entry

Over the last year, the Fund financed **7 new bonds** in this thematic, Praemia Healthcare and Wallone Region's social bonds, Praemia Healthcare and Basque Community's sustainability bonds, two Bupa's general corporate bonds, and Sanofi's sustainability linked bond.

Bond issuers

- AIB
- Andalucia
- Asia Development Bank
- Astra Zeneca
- Basque Autonomous Community
- Becton Dickinson
- BPCE
- BUPA Finance
- Caisse amortissement de la dette sociale
- Caisse Française de Financement Local
- Council of Europe Development Bank
- European Investment Bank
- GSK Consumer Healthcare
- IBRD
- IFFIM
- Instituto de Credito Oficial
- Kerry Group
- Praemia Healthcare
- Region Wallonne
- Roche
- Sanofi
- Wellcome Trust

Health & Welfare



Praemia Healthcare Sustainability Bond

SDG Target 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

IMP mapping C – Contribute to solution

Entity Overview

Praemia Healthcare operates as a property investor, assisting healthcare operators & senior care providers by owning and developing healthcare properties across Europe. Its main activities include acquisition, construction, refurbishment and extension of healthcare facilities. Majority of facilities are in France: 81 acute care, 29 medium term care, 38 long term care. They also have one facility in Germany, four in Portugal and seven in Spain. Facilities are mainly medical including medicine, surgery, obstetrics, mental health, disability care homes and post-acute care facilities. Elderly care facilities make up c.8% of portfolio and include nursing homes dedicated to serving dependent elderly people[40].

Context

In France, the healthcare sector is heavily regulated by public authorities, in particular the Regional Health Agencies (ARSs - Agences Régionales de Santé). The French healthcare sector (public, private not-for-profit and for-profit) falls under the French Social Security scheme and more specifically under the Assurance Maladie universal healthcare system which guarantees coverage of healthcare expenses for all individuals who are working, or have been residing in France on a stable and ongoing basis for at least 3 months. In the French healthcare sector, public- and private-for-profit sector facilities have always coexisted, with the latter accounting for up to 33% of the overall number of facilities. The elderly care sector is also heavily regulated by French law and the Regional Health Agencies. Elderly care facilities are categorised based on the level of dependency of residents (measured by GIR, "Groupe Iso-Ressource").

[40] European Social Bond Assessment, 2023

Europe is experiencing an ageing population because of, among other factors, increased life expectancy and low fertility rates. Currently, one in five Europeans is 65 years or older, but it is estimated that this figure will be near 30% by 2050[41]. This population ageing is putting more pressure on public finances and the provision of social services associated with healthcare. Eurostat estimates that the old-age dependency ratio, calculated as the relative share of the older population compared with the working-age population, will increase to 49.9% by 2050 from 30.5% in 2018[42]. Specifically, in France, it is estimated that there is a shortage of beds in retirement homes, and this situation is becoming worse by the year. This makes the relevance high for the nursing homes facilities.

Bond Overview

This social bond was issued in September 2023 and purchased into the fund on the primary market. The proceeds will be used to fund primarily (>80%) social outcomes through eligible projects[43]:

- Medical facilities located in France where anyone has access to publicly funded care in public and private facilities eligible for Assurance Maladie reimbursement
- Elderly care facilities whose cost should not be above the median local accommodation cost in private-for-non-profit nursing homes
- Acquisition and ownership of a medical facility or elderly care facility with technical screening of the EU Taxonomy and an HQE Construction certification upon completion with a minimum rating of "Very Good", and Efficient in the energy management sub-category

Outcome and Impact

This bond is the first sustainable bond issued by Praemia in September 2023. For now, its outcome and impact in terms of social and green categories are as follows[44]:

- **10** facilities financed, being either acute or post-acute facilities, mental health facilities, or nursing homes
- **1,529** beds and places created in the type of facilities mentioned before
- **122,166** sq.m floor area of "Green Buildings" acquired or owned

Additionality

The use of proceeds of this bond will mainly refinance existing healthcare infrastructure, leading to lower additional contribution.

SDG and Target

Goal 3	Ensure healthy lives and promote well-being for all at all ages
Target 3.8	Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all
Social bond Rating	A1
Social Intensity Score	25
IMP classification	C – Contribute to Solutions
Use of proceeds bond	Sustainability Bond
Issue date	19/09/2023

The Sustainability Bond Guidelines

[41] Praemia HEALTHCARE Second Party Opinion – Sustainability Financing Framework Assigned SQS2 Sustainability Quality Score, Moody's, 05/09/2023
[42] Key Figures on European living conditions, Eurostat, 2024
[43] European Social Bond Assessment, 2023
[44] Sustainable Bond Report, Praemia 2024

Social enabling – Education and Training

Education is a key enabler of social progress and mobility, with UN Sustainable Development Goal 4 dedicated to this area. We focus on bonds that support inclusive education and training programmes in primary and secondary education, as well as vocational training and apprenticeship, and further education.

Context

The European School system definitely has some challenges ahead, first of all, the average budget remains fairly stable while each year the number of students is increased. Secondly, the number of teachers is also a huge issue - the teacher recruitment crisis is a problem in almost all of Europe. In the UK for instance, 95% of schools struggle with recruitment, and in Sweden this led to only 71% of teachers in the elementary and middle schools having the required skills to teach.[45]

Furthermore, adult education is as important as primary education and in many European regions, unemployment is quite high (Spain, Greece, Turkey, Albania etc).[46] Education and training for adults could guarantee better adequation on the labour market, as it is evolving quickly towards new jobs which required an appropriate training.

Nevertheless, the adult learning and education sector in Europe has already been struggling with a lack of structural and financial support for many years.[47]

8 issuers through 10 bonds

1 general social benefit bonds

5 social bonds

4 sustainability bonds

Through investments in bonds within these areas[48] we are contributing towards outcomes including[49]:

- Supporting 3,113,936 students
- Financing university building projects that benefited 195,767 students
- Financing the training of 56,913 teachers
- Financing 3,256 educational building projects

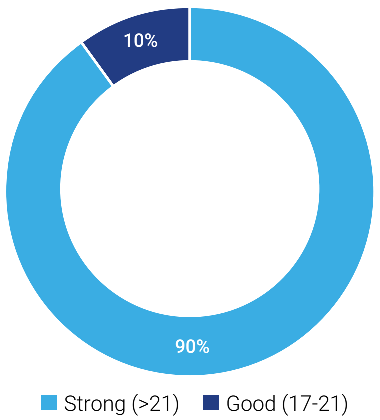
Recent bonds entry

Over the last year, the Fund financed **0 new bonds** in this thematic. The Fund do hold bonds which support education (as we can with the outcome above) but the primary outcome of theses bonds is not education.

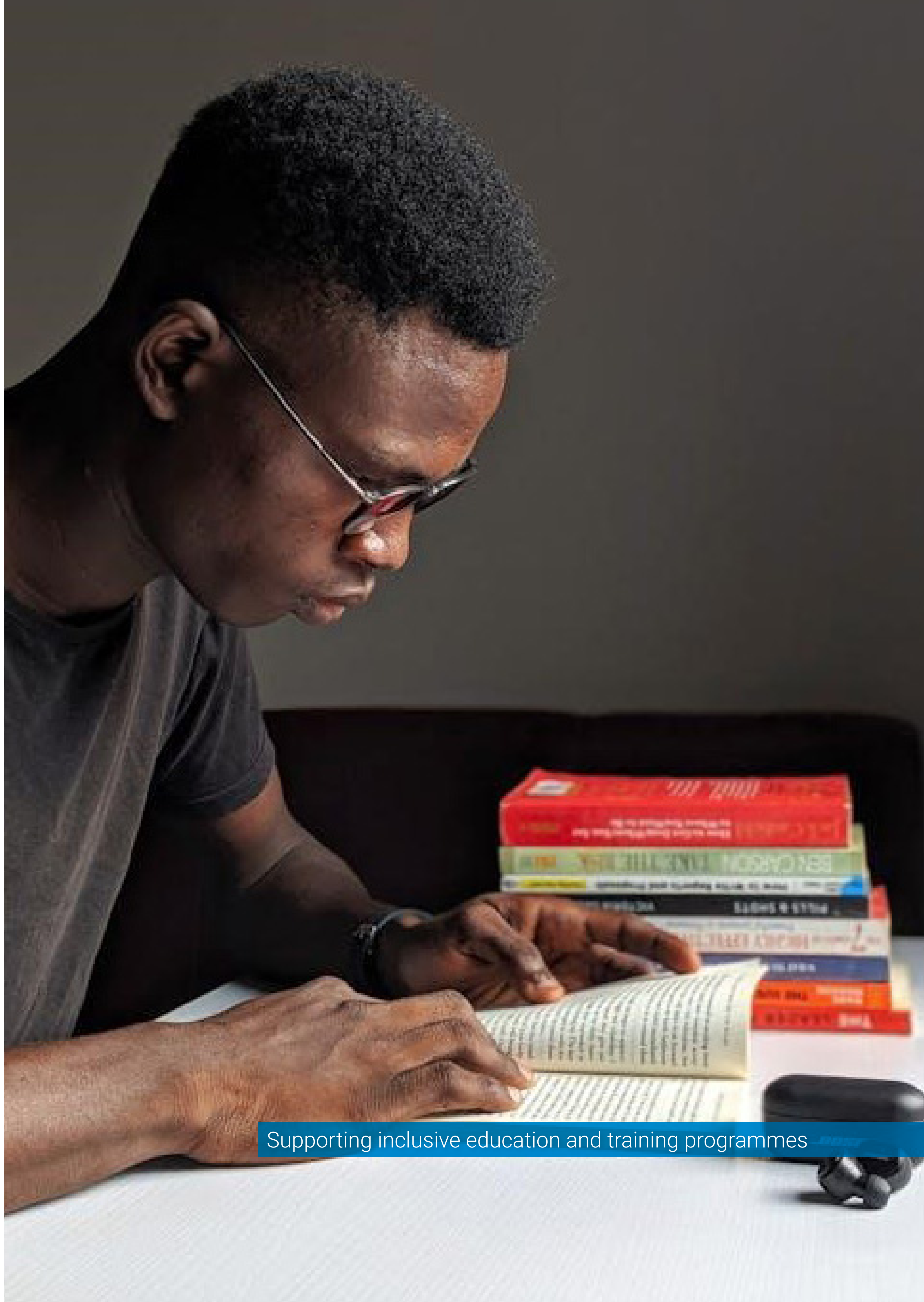
Bond issuers

- Agence France Locale
- Communauté Française de Belgique
- Crédit Mutuel
- KBC Group
- Pearson
- State of North Rhine-Westphalia
- UCL
- University of Southampton

Education & Training



[45] "The Teacher Recruitment Crisis: A Looming Threat to Education Quality", Education International, 2022
[46] The European Union in Figures - Employment and Unemployment", Eurostat, 2023
[47] "Adult Education and Lifelong Learning in Europe - Trends, Challenges and Policy Responses", European Commission, 2022
[48] Out of 10 bonds, 7 bonds were studied. In addition, we added information from 17 bonds not included in the 10 bonds from the Education and Training category, but which also create impact in this category
[49] Please go to our Calculations section (p.60-61) to have more details about how we calculated these data


Supporting inclusive education and training programmes

KBC Social Bond

SDG Target 4.7a: Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.

IMP mapping C – Contribute to solution

Entity Overview

KBC (including KBC Group, KBC Bank, and its subsidiaries) is an integrated bank-insurance group catering mainly for retail, private banking, SME and mid-cap clients. KBC's core markets are Belgium, the Czech Republic, Slovakia, Hungary, Bulgaria and Ireland. KBC is also present to a limited extent in several other countries to support corporate clients from its core markets. It is the 15th largest bank in Europe by market capitalization. KBC is an important financier of different social sectors, such as healthcare, senior living, education, basic infrastructure and affordable housing[50].

Context

In Belgium, the three Communities (the Flemish, French and German-speaking Communities) are responsible for matters such as culture, language and educational matters. Each of these Communities have their own, autonomous education systems. The Flemish Community is responsible for education in the Flemish Region and education is provided in Dutch as the main instructional language in the Brussels Capital Region. The French Community manages the education in the French Community of Belgium including the Brussels Capital Region (French-speaking schools). Likewise, the German-speaking Community manages education in German.

The Federal Government only handles a small number of educational matters (e.g., age range of compulsory education, retirement systems for teaching and non-teaching staff, etc.).

Every school is governed by a legally recognised authority, referred to as a school board. This board oversees the implementation of legislation and regulations in the school.

To ensure equal opportunities for all families, schooling is free and compulsory from ages six to eighteen. In certain cases, the Communities award scholarships to Belgian students at the university or college (higher education) level. Families have the freedom to choose from various schooling options such as subsidized public schools, subsidized private schools and non-subsidized private schools[51].

In 2021, **only 37% of the working population** in Belgium (aged 25 - 65) who have mostly completed their schooling, **also have a higher education diploma.[52]**

The main challenges are:

- Reducing the rate of young adults not in education, employment or training (NEET). NEET face worse labour-market outcomes later in life than peers who remained in education or training at this age;
- Staffing shortage affecting students learning and morale;
- Reducing the educational gap among students, especially when it comes to their socioeconomic and immigration status;
- Destigmatizing vocational education to better connect it to the labour market[53].

The main actions taken in Belgian schools are:

- Reducing inequalities (e.g. additional financial and non-financial support to disadvantaged schools, language bridging for newly arrived migrant children);
- Taking targeted measures to reduce the early school leaving (especially for vulnerable pupils);
- Strengthening the teaching profession and changes to school organisation to counter the growing shortage of teachers.

[50] KBC Social Report 2023
[51] KBC Social Report 2023
[52] StatBel, 2024
[53] "Education and Training Monitor", European Commission, 2022

KBC is playing an important role in supporting social inclusion by aligning their sustainable investment objectives with the issuance of two Social Bonds. Their second issuance focused on hospitals and education, with the latter sector facing significant challenges, e.g., staff shortage and educational gaps among students.

Bonds overview

The KBC has issued 2 social bonds in less than a year, this one raised €750m and aims to increase good quality education and to reduce education inequalities. This social bond has 2 eligibility criteria:

- (Re-)financing the development, acquisition, construction, extension or refurbishment of buildings, equipment, infrastructures and general corporate purposes related to hospitals
- (Re-)financing of activities for public schools, including kindergarten and universities: Construction, extension or refurbishment of equipment and infrastructures and dedicated programmes, furniture, learning materials and other equipment.

Outcome and Impact

KBC selected a pool of 1,524 million euros of Eligible Assets. The pool of loans focused on the financing of hospitals and schools in Belgium. 5% of the amount dedicated to the education sector has been allocated to equipment and 95% has been allocated to infrastructure.

This bond will benefit over 2.7 million pupils[54] in the Belgium education system.

Additionality

This bond was issued in June 2023, however, the initial position in the bond was only taken in the secondary market leading to lower additional contribution than if the bond position had been taken up in the primary market.

SDG and Target

Goal 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
Target 4.7.a	Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.
Social bond Rating	A1
Social Intensity Score	23
IMP classification	C – Contribute to Solutions
Use of proceeds bond	Social Bond
Issue date	06/06/2023

The Social Bond Principles

[54] This amount represents all pupils enrolled in the schools partially financed by KBC social bonds

Social empowerment – Employment

Lack of quality employment opportunities remains a key issue for Europe. We focus on issuers supporting inclusive job creation and growth in major employment sectors, especially in deprived areas and promotion of good employment standards. As such, it is aligned with SDG 8, Decent Work and Economic Growth.

Context

Although society tends to be more inclusive and egalitarian, the goal has not yet been achieved. The job market is still marked by difficulties and significant unemployment. In Europe, access to employment remains a significant challenge for various vulnerable groups.

Women continue to face persistent inequalities in the labour market, often encountering wage gaps and barriers to access senior management positions. In 2022, in all EU countries, the employment rate for women was lower than that for men, averaging 69.3%, compared with 80% for men[55]. In the UK, it was 72% versus 79%[56].

Disabled people also face major difficulties, as companies often struggle to adapt their working environments to meet their specific needs, in addition to the stereotypes and discrimination they face. In Europe, 51% of people with disabilities are employed, compared with 75% of people without disabilities, according to the European Commission.[57]

Disadvantaged groups, particularly those from precarious socio-economic backgrounds, face barriers to find jobs due to their lack of access to quality education, their residence in economically disadvantaged areas and the systemic discrimination they face.

15 issuers through 28 bonds

20 social bonds

1 sustainability bond

7 pandemic bonds

Through investments in bonds within these areas[58] we are contributing towards outcomes including[59]:

- Supporting more than 410,272 people to be professionally empowered
- Supporting the creation or preservation of more than 1,233,824 jobs
- Supporting 1,250,000 people thanks to return-to-work allowance
- Financing almost 167,316 Micro, Small and Medium Enterprises
- Providing a job opportunity 3,531 disabled people

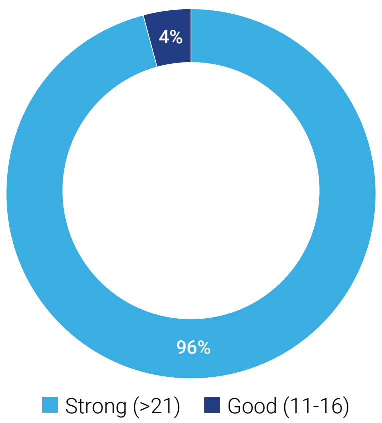
Recent bonds entry

Over the last year, the Fund financed **2 new bonds** in this thematic, Crédit Mutuel and Banco BPM's social bonds.

Bond issuers

- Asian Development Bank
- Banco Bilbao
- Banco BPM
- CADES
- Caixabank
- Council Of Europe Development Bank
- Crédit Mutuel
- EU
- Intesa Sanpaolo
- Natwest Group
- Netherlands Development Finance Company
- NRW Bank
- Region of Ile de France
- State of Wallonie
- UNEDIC

Employment



Supporting inclusive job creation and growth in deprived areas

[55] "Employment statistics", Eurostat, 2022
[56] "Employment rate", OECD, 2022
[57] "European Human Rights Report", European Disability Forum, 2023
[58] Out of 28 bonds, 24 bonds were studied. In addition, we added information from 19 bonds not included in the 28 bonds from Employment category, but which also create impact in this category
[59] Please go to our Calculations section (p.60-61) to have more details about how we calculated these data

Council of Europe Development Bank (CEB) – Social Inclusion Bond

8 DECENT WORK AND ECONOMIC GROWTH

SDG Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

IMP mapping C – Contribute to solution

Entity Overview

The Council of Europe Development Bank (CEB) is a multilateral development bank with an exclusively social mission. The CEB finances investments in social sectors, including education, health and affordable housing, with a focus on the needs of vulnerable people[60]. The CEB continues its mission by financing social investments and projects serving vulnerable people; through 3 lines of action:

- Invest in people and enhance human capital;
- Promote inclusive and resilient living environments;
- Support employment and economic and financial inclusion[61].

Context

Despite the passage of time and the economic development of the countries of Europe, social inequalities remain high within these countries, particularly in the labour market. These inequalities have many causes (climate crisis, access to education, pandemics, conflict, etc.). Access to the labour market can be more difficult due to differences in gender (7.0% of women unemployment rate at the end of 2019 vs. 6.7% for the whole population) and age (15.5% of unemployment rate for the population below 25 at the end of 2019)[62]. But it is not only an inequality of access to employment but also of salaries and access to managing position. These phenomena can find their roots in the unequal access to education based on the social origin of the population. Only 25% of children from the bottom 40% of the population obtain a diploma from tertiary education, while 54% of children from the top 20% obtain one[63]. Since 2019, these issues remain key social challenges for economic development in Europe (at the end of 2023 the unemployment rate for the population below 25 remain at 14.9%[64]) which is why the CEB needs to support them.

Bond Overview

The Council of Europe Development Bank (CEB) issued a €500M 7-year Social Inclusion Bond (SIB) to finance eligible loans to support social housing, education and vocational training, and job creation and preservation of micro, small and medium sized enterprises.

- **Support to MSMEs for the creation and preservation of jobs (35%):** loans to micro, small and medium-sized enterprises (MSMEs), including those exercising craftsmanship/artisan activities or small family-owned enterprises engaged in regular economic activity
- **Social housing for low-income persons (34%):** projects for the renovation, construction or refurbishing of housing and for the conversion of buildings into housing so as to provide adequate housing for low-income persons
- **Education and vocational training (31%):** Education and vocational training projects, and the related infrastructure. Specifically, it will target training and education for the unemployed and disadvantaged populations, vulnerable groups, such as migrants, minorities, and people with disabilities

[60] "2023 Social Inclusion Bond Report", CEB, 2024
[61] "Mission and history", CEB
[62] Eurostat, 2024
[63] "Education inequality in Europe", CEB, 2017
[64] Eurostat, 2024

Outcome and Impact

The Social Inclusion Bond Report reports the following impact[65]:

- Supporting MSMEs: 40,044 jobs maintained, 4,313 jobs created and 4 520 MSMEs
- Social housing: 8 739 residents and 5,777 dwellings
- Education and vocational training: 143,320 students and 1,252 establishments

One can illustrate a specific example with a 100M€ loan to the Croatian bank for Reconstruction and Development. The funds are used to provide partial funding of productive investment projects and related working capital requirements of MSMEs, with a focus on the lower and medium segments of the Croatian market. Given the role played by HBOR in helping local authorities fulfil their mandate as public services providers, the CEB also funds priority municipal social infrastructure throughout the country with often positive, if indirect, support to MSME establishment and development.

Additionality

This bond was issued in April 2019, however, the initial position in the bond was only taken in the secondary market leading to low additional contribution than if the bond position had been taken up in the primary market.

SDG and Target

Goal 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
Target 8.5	By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
Social bond Rating	A1
Social Intensity Score	25
IMP classification	C – Contribute to Solutions
Use of proceeds bond	Social Inclusion Bond
Issue date	10/04/2019

The Social Bond Principles

[65] "2019 Social Inclusion Report", CEB, 2020

Social enhancement – Community

Enhancing the quality of life and resilience of communities can include improving the availability of community services, local amenities, care services, or enhancement of citizenship, arts, sport and faith. As such, it is aligned with SDG 11, Sustainable Cities and Communities.

Context

Around 332 million people or almost three-quarters of the EU population live in urban areas with almost 39% residing in cities alone[66]. With the share of Europe's urban population projected to rise to just over 80% by 2050[67], sustainable cities, towns and suburbs are therefore essential for citizens' well-being and quality of life. Monitoring SDG 11 in an EU context means looking at developments in the quality of life in cities and communities, sustainable mobility and adverse environmental impacts; as communities and associations working for the well-being of Europe's territories play a crucial role in local development, environmental protection and social inclusion. Overall, the EU has made only modest progress towards SDG 11 over the past five-year period assessed. Growing demand for local services and initiatives, combined with reduced public funding in many countries, creates a pressing need for financial resources. These organisations often rely on grants, donations and volunteers to carry out their work, but budget constraints can hamper their efforts.

While European cities and communities provide opportunities for employment, and economic and cultural activity, many inhabitants still face considerable social challenges and inequalities. Problems affecting the quality of housing and the wider residential area, such as noise disturbance, crime and vandalism, are some of the most visible challenges that cities and communities can face and that impact quality of life. In 2020, 17.6% of the EU population (close to 79 million people) said their household suffered from noise disturbance, compared with 20.6% in 2010. Crime, violence and vandalism in the neighbourhood were perceived by 10.7% of the EU population in 2020, compared with 13.1% in 2010[68].

Furthermore, green spaces in cities have a great potential to boost human health and well-being, and play a crucial role for children, the elderly and those with lower incomes, who may otherwise have limited access to nature. Universal accessibility to these green spaces that are safe, inclusive and open is thus essential. In 2023, around 76% of European urban residents were satisfied with green spaces available within their city[69].

At the same time, large and densely populated cities provide opportunities for effective environmental action, indicating that urbanisation is not necessarily a threat but can act as a transformative force for more sustainable societies . EU progress in reducing the environmental impacts of cities and communities is monitored by three indicators on the management of municipal waste, waste water treatment and artificial land cover[71].

5 issuers through 6 bonds

2 general social benefit bonds

4 sustainability bonds

Through investments in bonds within this area[72] we are contributing towards outcomes including[73]:

- Supporting 256,863 inhabitants through urban regeneration projects
- Supporting 997,317 people with enhanced access to transport services

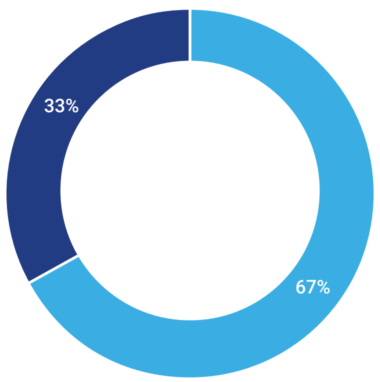
Recent bonds entry

Over the last year, the Fund financed **1 new bond** in this thematic which is a Community of Madrid's sustainability bond.

Bond issuers:

- Belgium Post
- City of Paris France
- Community of Madrid
- La Poste
- State of Berlin

Community



Strong (>21) Moderate (11-16)

[66] Eurostat, 2020
[67] Urban Europe: Statistics on cities, towns and suburbs, Eurostat, 2016
[68] Population exposure to environmental noise, European Environment Agency 2019
[69] Report on the Quality of life in European cities, 2023
[70] Urbanization and Development: Emerging Futures, World Cities report 2016, UN-Habitat, 2016
[71] « Make cities and human settlements inclusive, safe, resilient and sustainable », Eurostat, 2024
[72] Out of 6 bonds, 3 bonds were studied. In addition, we added information from 5 bonds not included in the 6 bonds from the Community category, but which also create impact in this category
[73] Please go to our Calculations section (p.60-61) to have more details about how we calculated these data

Comunidad de Madrid Sustainability Bond

1 NO POVERTY

Target 1.3: Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable

IMP mapping C – Contribute to Solutions

Entity Overview and Context

Comunidad de Madrid is one of the seventeen autonomous communities in Spain; it is one of Spain's wealthiest regions and focuses its development on technology, services and finance. 6,9 million of people lived there in 2023[74].

Comunidad de Madrid has a clear social and environmental mandate to meet the needs of its citizens. Fostering inclusive growth is core for the Region, and so it is committed to integrate sustainable development and social responsibility in all its activities while playing a key role to promote sustainable initiatives on the territory. As a matter of fact, Madrid's health system is universal and highly developed: there is more than 80 public and private hospitals[75].

The population of people in situations of homelessness in the Community of Madrid is relatively low: estimated at 4146 people, of whom 83.8% are men and 16.2% are women[76]. Furthermore, the number of homicides decreases each year, and was of 36 in 2023, compared to 46 in 2022[77]. Social expenditures include several programs such as the financing of public polices related to public health, education, social services, employment promotion, public transportation, and subsidized housing. Comunidad de Madrid's expenditure on social programs aim to strengthen Madrid's socio-economic recovery and improve social cohesion, thanks to the development of public services that benefit all the citizens and the implementation of programs to promote employment through investment of small businesses[78].

Despite these measures and a global improvement, poverty situations in some part of the region and the cities remain and progress can still be made in terms of sustainability. For example, Madrid is part of the EU-funded SCALE-UP project, created to accelerate green and inclusive mobility change in cities. This consortium's goal is to develop data-driven and user-centric strategies to accelerate the take-up of smart, clean and inclusive mobility through well-connected and multi-usage urban nodes in line with EU climate and transport requirements[79].

Bond Overview

This sustainability bond was issued in February 2024 and purchased on the primary market. The bond primarily funds projects under the social inclusion category including fighting gender violence, integration of vulnerable groups, universal accessibility to the public transport system, support for the elderly & the disabled.

Outcome and Impact[80]

The impact report of this bond is not yet published because this bond is too recent. Nevertheless, we can share the following information:

In its framework, Comunidad de Madrid communicates about the use of proceeds thematic.

Hence, in terms of housing, related expenditures will fight against housing exclusion by providing affordable housing and shelter to disadvantaged populations and include:

- Development and provision of social housing in Community of Madrid;
- Renovation, maintenance and improvements of social housing projects;
- Provide social housing with adapted rents to disadvantaged targeted populations;
- Maintenance, adaptation and modernization of shelters for youth at risk (improving better spaces for accommodation).

[74] "Population of the Spanish region of the Community of Madrid from 1996 to 2023", Statista, 2023
[75] "Why Madrid?", https://www.comunidad.madrid/, 2024
[76] Survey On Homeless People, Madrid, Spain, Spanish Statistical Office, 2022
[77] Annual number of homicides in the Community of Madrid from 2019 to 2023, Statista
[78] European Bond Assessment, 2023
[79] « Madrid bets on the (sustainable) future », Eurocities, 2023
[80] Expectations at the end of the several projects financed

In terms of education, the bond will be allocated to projects aimed at providing educational programmes and vocational training to youth, as well as allowing for a successful integration of disadvantaged groups in the education system, preparing them for future labour market opportunities. In 2023, more than 375 schools benefited from these procedures.

As for healthcare coverage, the bond is supposed to provide a modern and sustainable public healthcare service system to the citizens of Madrid. The priority action areas are the modernization of related infrastructure, and replacement and improving of medical equipment. As an example, within the Plan to Improve Healthcare for People with Rare Diseases, it financed EUR 610mm for rare diseases treatments, over 66,000 patients were treated.

Proceeds of the bond will also be allocated to projects aimed at integrating and providing basic services and education programmes to several vulnerable population groups. As an example, the projects can be as follows: expenditures related to the provision of goods and services to support victims of gender violence, education and awareness campaigns aimed at the general public and women victims of gender violence and actions to support LGBT community and individuals. In favour of that, it finances a broad range of initiatives and programs aiming to end all forms of gender-based violence; in 2023, 101 women and 82 children were treated in Shelter Centers[81].

Projects and programmes aimed at promoting labour market entry opportunities for long-term unemployed or people with lower employment prospects, and financing small and medium-sized enterprises in the Community of Madrid are also part of the scope. This activity will contribute to the growth and development of Madrid's economy, hence promoting employment creation and retention. Comunidad de Madrid provided in 2023 assistance and funding to 90 Industrial SMEs for the development and implementation of innovative projects[82].

Finally, the community is also committed to tackle inequalities and provide access to affordable and quality housing. Social housing plays a vital role in meeting the housing needs of people across Madrid. As an example, it launched the program 'Mi primera Vivienda', a pioneering plan for young people under 35 years old who are economically solvent but do not have savings. The project facilitates the granting of up to 95% of the mortgage and benefited more than 1,500 young people[83].

Additionality

The initial position in this bond was purchased at issuance in the primary market, the bond's proceeds are used to finance the annual state budget commitments. Even though new services can be developed, the majority of the use of proceeds will be used to expand the existing services.

SDG and Target

Goal 1	End poverty in all its forms everywhere
Target 1.3	Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable
Social bond Rating	A1
Social Intensity Score	25
IMP classification	C – Contribute to Solutions
Use of proceeds bond	Sustainability Bond
Issue date	29/02/2024

The Sustainability Bond Guidelines

[81] Sustainable Bond 2023 – Impact Report, Comunidad de Madrid, 2023
[82] Sustainable Bond 2023 – Impact Report, Comunidad de Madrid, 2023
[83] Sustainable Bond 2023 – Impact Report, Comunidad de Madrid, 2023

Social facilitation – Access to services

Access to finance and technology are a vital part of contemporary life, and therefore underpin a number of the SDGs. We particularly focus on bonds that improve inclusion via the availability of affordable financial products, first-time mortgages, communication and broadcast services.

Context

Access to the Internet is improving in Europe. In 2022, the share of EU households with internet access has risen to 93%, compared to 72% in 2011.[84] In the UK, the internet penetration rate stood at 97.8% of the total population at the start of 2023.[85]

Regarding access to phones, in 2021, 474 million people in Europe (86% of the population) were subscribed to mobile services.[86]

For financial services, we see that the number of unbanked citizens more than halved over the past four years, however we still count more than 13 million adult EU citizens who lack access to formal financial services. 3.6% of Europe's population remain financially excluded, an improvement from the 8.2% reported in 2017.[87] For the UK around 1.1 million adults are currently living their lives "unbanked".[88]

Individuals outside the banking populations have generally lower incomes and lack advanced education like college diplomas and degrees.

Moreover, across Europe, borrowers looking to secure new mortgages or refinance existing ones have found their payments soaring on the back of sharp rises in central banks' interest rates. Mortgage interest rates are rising and households in the lower-income quintile are actually three times less likely to have a mortgage than high-income households in Europe.[89]

20 issuers through 27 bonds

10 general social benefit bonds

8 green bonds

6 social bonds

2 sustainability bonds

1 pandemic bond

Through investments in bonds within this area[90] we are contributing towards outcomes including[91]:

- Supporting 3,293,093 individuals or families through access to social benefits
- Financing loans to 9,769 women
- Supporting a better access to water for 508,833 persons
- Financing 103,414 loans to acquire electric vehicle

[84] "Digital economy and society statistics - households and individuals - European Commission", European Commission, 2023
[85] "Digital 2023: The United Kingdom — DataReportal", DataReportal, 2023
[86] "The Mobile Economy Europe 2022", GSM Association, 2022
[87] "Global Findex 2021: Financial Inclusion, Data and Policy", World Bank, 2021
[88] "Financial Lives 2022", Financial Conduct Authority (FCA), 2022
[89] "Housing Taxation in OECD Countries - Highlights", Organisation for Economic Co-operation and Development, 2023
[90] Out of 27 bonds, 10 bonds were studied. In addition, we added information from 15 bonds not included in the 27 bonds from the Access to Services category, but which also create impact in this category
[91] Please go to our Calculations section (p.60-61) to have more details about how we calculated these data

Improving inclusion through the availability of affordable financial products

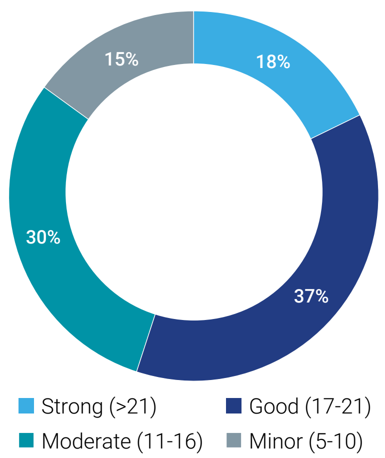
Recent bonds entry

Over the last year, the Fund financed **5 new bonds** in this thematic, two Nationwide's general corporate bonds, Motability's social bond, TSB's green bond, and Orange's sustainability linked bond.

Bond issuers:

- ABN Amro Bank
- Allianz
- Basque Autonomous Community
- Caixa Bank
- Co-Operative Bank Finance
- Digital Dutch Finco
- Legal & General
- Lunar Funding
- Motability Operations Group
- Nationwide Building Society
- NN Group
- Nordea Bank ABP
- O2 Telefonica Deutschland
- Orange
- Permanent TSB Group
- Swisscom
- Telefonica
- Telekom Finanzmanagement
- Vodafone
- Yorkshire Building Society

Access to Services



Orange Sustainability Linked Bond

SDG Target 9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

IMP mapping C – Contribute to Solutions

Entity Overview

In 2022 Orange served 287 million customers with mobile and fixed broadband services across 26 countries within Europe, Africa and the Middle East. They are the leading integrated telecoms provider in France providing mobile, fixed line and ICT services to residential, professional & large business customers. Orange now has a 450,000km global cable network and is constantly developing service quality and availability[92].

The service Orange gives as a telecommunications provider will help enhance social interaction across communities, connecting them even more. Furthermore, Orange is committed to mapping their actions to the UN Sustainable Development Goals. Orange has a long track record in supporting vulnerable groups through digital connection. For 30 years they have advocated for education and training through digital platforms and now provide this across many countries, example projects include:

- The Digital Schools programme actively supports education for the poorest children in Africa, bringing digital connection to 500,000 children using tablets for education.
- Solidarity FabLabs supports young people who have dropped out of school in gaining digital skills, primarily aimed at 16-25-year olds.
- Digital Centers support women to use digital technology, recognising that in the developing world there is a significant gender gap in access to the internet. The centres support women in setting up businesses online, finding jobs and changing careers.

Context

As part of its "Engage 2025" strategic plan, the Group has made commitments in favor of digital and social inclusion and the fight against climate change. This issuance follows Orange's recently published Sustainability-Linked Financing Framework. This latter is aligned with the Sustainability-Linked Bond Principles published by the ICMA, and has received a Second Party Opinion from Moody's Investors Services with a qualification of "Significant contribution to Sustainability".

[92] "Let's talk about digital inclusion", Orange, 2023

All in all, Orange's launch of its social bonds framework in 2023 is a strategic initiative which aimed at supporting projects with high social impact, while reinforcing the company's commitment to sustainable development and social responsibility.

Bonds Overview

The Orange's sustainability Linked Bond was issued in September 2023 and its targets are defined as follows:

In terms of carbon footprint:

- Reduce absolute scope 1 & 2 GHG emissions by 30% by 2025 in the digital segment vs 2015 baseline
- Reduce absolute scope 3 GHG emissions by 14% by 2025 in the digital segment vs 2018 baseline
- Reduce absolute scope 1, 2 and 3 GHG emissions in the digital segment by 45% by 2030 vs 2020 baseline

In terms of social impact and inclusion:

- Reach 35% of women in management networks by 2025
- Reach 25% of women in technical professions by 2025
- Reach 2.5mn external beneficiaries of digital support and training over the 2021-2025 period

Outcome and Impact

As for the environmental aspect, Orange has exceeded its target of reducing its CO2 emissions from scopes 1 and 2 by 30% by 2025 compared with 2015, two years ahead of schedule, with a 37.4% drop in emissions by 2023, thanks to the accelerated share of renewable energies in its energy mix (notably through Power Purchase Agreements - PPAs - and efforts to solarize sites). In 2023, the Green ITN program saved almost 150 GWh of electricity and 99 million L of fuel oil[93]. Plus, about 50KTC02e emission were avoided thanks to energy savings and about 3.5M of waste reduction is expected in number of equipment units.

In terms of social, digital support and training, Orange is on track. The company have reached 1.8m external beneficiaries of digital support and training as of 2023[94]. For example, Orange trained 6,200 women farmers in digital tools in Liberia and Mali in order to help them to sell their products online and have more data about the weather. In addition, the % of women in management network is almost at the target, as the company reached 34.1% (35% target by 2025), as well as 21.9% of women in technical profession (25% target by 2025)[95].

Additionality

Proceeds are used for general purposes, funding BAU activities but with the additional motivation to reach those KPIs.

SDG and Target

Goal 9	Industry, innovation and infrastructure
Target 9.1	Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.
Social bond Rating	B3
Social Intensity Score	15
IMP classification	C – Contribute to Solutions
Use of proceeds bond	Sustainability Bond
Issue date	11/09/2023

The Sustainability-Linked Bond Principles

[93] Annual Report 2023, Orange, 2024
[94] Annual Report 2023, Orange, 2024
[95] Annual Report 2023, Orange, 2024

Societal Development – Regeneration and development

This area focuses on the environmental and economic areas that underpin social development. These include supporting sustainable development and conservation, public transport, urban regeneration, infrastructure, and utilities. As such, it is aligned with SDG 13, Climate Action.

Context

Climate change is already impacting Europeans' daily lives and will continue to do so for the foreseeable future. Europe is expected to get warmer, some regions getting drier, while others wetter. These changes will not only impact our health but also the ecosystems we depend on.[96]

Climate change is happening now – and even if we effectively reduce global emissions, it will continue to impact our lives. Climate-relate hazards are becoming more intense, longer and more frequent. These hazards carry significant health and economic impacts. Some communities and regions are more vulnerable, but overall, Europe is not prepared for rapidly growing climate risks. Between 1980 and 2021, weather- and climate-related extremes caused economic losses estimated at EUR 560 billion in the EU Member States, of which EUR 56.6 billion from 2021[97].

Moreover, climate change is the biggest health threat facing humanity. Climate impacts are already harming health, through air pollution, disease, extreme weather events, forced displacement, pressures on mental health, and increased hunger and poor nutrition in places where people cannot grow or find sufficient food[98].

The consequences and the financial and social aftermath of climate change are yet to be fully evaluated.

Nevertheless, it is taken seriously at a national and international level. The EU has put in place a European Green Deal, in which the entity commits itself to make Europe neutral carbon by 2050. One third of the €1.8 trillion investments from the NextGenerationEU will finance this European Green Deal[99].

The European Green Deal is gaining economic momentum, with investment in 22 sectors (which are for example Wind on-shore, Wind off-shore, Marine, Solar power…)[100] in the EU increasing by 9% in 2022, reaching €407 billion that year. However, to achieve the EU's 2030 targets, the European economy would need to invest €813 billion on average each year between now and 2030. European climate investments therefore show a deficit of at least €407 billion, or 2.5% of EU GDP. In other words, investments in modernizing energy, transport and buildings must double for the EU to meet the 2030 climate targets[101].

The UK has implemented a Climate Change Act planning several 5-year budgets to reduce carbon emissions.[102]

82 issuers through 110 bonds

8 general social benefit bonds

83 green bonds

1 social bond

16 sustainability bonds

1 sustainability linked bonds

1 blue bond

Through investments in bonds within these areas[103] we are contributing towards outcomes including[104]:

- In 2023/2024 more than 55 million tons of CO_2 emissions were avoided
- More than 3,909 km of road/railway renovated
- 1,450,481 m² of green buildings constructed
- More than 19 million MWh renewable energy provided
- 562,832 ha of biodiversity, natural landscapes and forests protected

96 "Sixth assessment report", IPCC, 2022
97 "Climate change impacts, risks and adaptation", European Environment Agency, 2024
98 "Climate Change and Health: Now More Than Ever,", WHO, 2021
99 "Regulation (EU, Euratom) 2021/1136 on the multiannual financial framework for the period 2021-2027", European Parliament and Council, 2021
100 "L'Union Européenne doit doubler ses investissements climat", I4CE, 2024
101 "L'Union Européenne doit doubler ses investissements climat", I4CE, 2024
102 "The Climate Change Act 2021", UK government, 2021
103 Out of 110 bonds, 55 bonds were studied. In addition, we added information from 20 bonds that are not included in the 110 bonds from the Regeneration and development category, but which also create impact in this category
104 Please go to our Calculations section (p.60-61) to have more details about how we calculated these data

Supporting sustainable development through urban regeneration, infrastructure and utilities

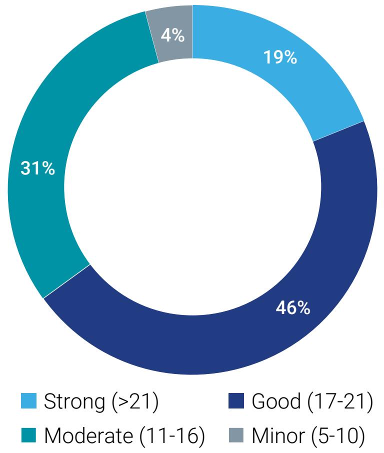
Recent bonds entry

Over the last year, the Fund financed **27 new bonds** in this thematic among which is the Statnett green bond. Its proceeds will contribute to improve and extend Statnett's electricity grid with a strong focus on electricity produced by renewable energy.

List of top 30 Bonds issuers:

- Agence française de développement
- Amprion
- Avinor
- Caisse des Dépôts et consignations
- CNP Assurances
- Commerzbank
- Deutsche Bahn
- Digital Dutch Finco
- DS Smith
- E.ON
- Enexis
- Erste Bank
- Eurogrid
- European Investment Bank
- Federal Republic of Germany
- Generali
- KFW
- Munich Re
- Nederlandse Waterschapsbank
- Nordic Investment Bank
- Orange
- Prologis
- Statnett
- Stedin
- Suez
- Telefonica Emisiones
- Telefonica Europe
- TenneT
- Triodos
- Western Power Distribution

Economic Regeneration & Development



European Investment Bank Sustainability Bond

SDG Target 11.2: By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons

IMP mapping C – Contribute to Solutions

Entity Overview

The European Investment Bank (EIB) is the banking arm of the European Union. They are the biggest multilateral financial institution in the world and one of the largest providers of finance for climate and sustainability solutions. They are one of the first issuers of climate awareness bonds, issuing the first green use of proceeds bond in 2007. Since 1958 they have provided loans and advice for thousands of projects in over 160 countries across the world.
They launched their inaugural sustainability awareness bond in 2018.

Context

Many European countries consistently rank high in global quality of life indexes, due to strong economies, healthcare systems, social security, and education. However, some points of attention remain and progress can still be made. As an example, the number of people at risk of poverty or social exclusion in the EU in 2022 was 95.3 million and some 72.7 million people were at risk of poverty[105].

Furthermore, Europe generally has high standards of healthcare. Per inhabitant, average household expenditure on health was €760 in the EU in 2021. These variations reflect, to some degree, the different provisions for the delivery of healthcare across the EU Member States. Where the largest share of health expenditure is covered by the government, it is more commonplace to find that household private consumption expenditure per inhabitant on health was relatively low[106].

As for the sustainability, the EU average masks important disparities across European sub-regions and countries. The average SDG Index score ranges from more than 80% in some of the Northern European countries to around 60% in some of the Eastern European countries and 50% in some of the candidate countries[107]. The EU tends to face other issues such unsustainable supply chains, which lead to deforestation and other negative environmental impact.

[105] Key Figures on European living conditions, Eurostat, 2024
[106] Key Figures on European living conditions, Eurostat, 2024
[107] Europe Sustainable Development Report 2023/24, SDSN Europe, 2024

In terms of energy consumption, the EU is the third biggest global consumer, behind China and United-States. As a matter of fact, it represents 9.1% of the global energy consumption, while about 70% of the total available energy in Europe is fossil energy[108]. As the last few years have been challenging for the EU in terms of energy because of the Eastern conflicts, countries tend to be more and more independent and to develop their own production or to nearshore their activities. However, disparities persist between those countries: as an example, Sweden reached 60.1% of renewable energy in 2022, while France only reached 19.1%, way under its 23% goal[109] .

Overall, Europe offers a high quality of life with strong social systems, good healthcare, education, and job opportunities. However, there are significant variations in living conditions across different regions, with Western and Northern Europe generally offering higher standards of living compared to Southern and Eastern Europe. As for the environmental aspect, the results are very different between each region. Challenges such as economic inequality, an aging population, unsustainable supply chains, which lead to deforestation and other negative environmental impacts remain in many parts of the EU.

Bond Overview

This bond was issued in January 2024 and purchased on the primary market. Proceeds will be allocated among listed eligible projects below and only allocated to new eligible disbursements without refinancing of already outstanding disbursements therefore having a higher additionality. EIB will specifically finance projects which deal with water supply infrastructures, wastewater reuse, water availability empowerment, sustainable forests management, prevention of the deterioration of ecosystems, habitats and species, nature and biodiversity conservation and sustainable land use. As for its social scope, EIB finances projects relied to the access to social and affordable housing, health emergencies response and preparedness capacity, access to affordable health and services, access to equitable and inclusive education.

Outcome and Impact

EIB's reporting is a market leading example of transparency, with very complete and exhaustive reports which source and retrace every financed project. Furthermore, since the EIB's bond is 100% new project financing, it has a meaningful impact.

Since 2022, the group communicates about the cumulated data its Sustainability Awareness bonds have accomplished[110]:

- In terms of biodiversity: more than 100,000ha with new planted trees, more than 250,000ha of rehabilitated forests and ecosystems
- In terms of education: more than 1million of students who benefitted of school projects, more than 2million square meters of school created or upgraded
- In terms of health, about 85million of people covered by improved health services (objective for the next years)
- In terms of housing, about 2,500 social or affordable housing units built were created
- In terms of access to water and sanitation, about 40million of people benefitted from safe drinking water

Additionality

EIB is a sustainability bond funding only new activities with a high social/sustainable impact, leading to additional contribution.

SDG and Target

Goal 11	Ensure access to affordable, reliable, sustainable and modern energy for all
Target 11.2	: By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
Social bond Rating	A1
Social Intensity Score	23
IMP classification	C – Contribute to Solutions
Use of proceeds bond	Sustainability Bond
Issue date	02/01/2024

The Sustainability Bond Guidelines

[108] L'Energie dans l'Union européenne, Arthur Olivier, 2024
[109] L'Energie dans l'Union européenne, Arthur Olivier, 2024
[110] SAB allocation report 2022, EIB 2023

Engagement

The Fund is dedicated to investing in socially impactful bonds and advancing the industry's mindset. The Fund sees a growing role for the fixed income market to play, in increasingly supporting the provision of more sustainable capital and for the purpose of contributing to solutions to our social and environmental problems. By investing in strong social and environmental impact bonds, and pursuing issuers which demonstrate strong ESG characteristics, the Fund signals to the market that impact and best practice matters.

Throughout the year, the Fund endeavoured to maintain regular contact with the various market players, in order to encourage the issue of social bonds targeting the most vulnerable population. In particular, it has been talking to major banking groups about increasing their loans portfolios with a focus on social impact projects such as affordable house building and SME support in line with their business models. One of the main challenges/objectives for the Fund is to increase bonds issuance **targeting specific in need populations.**

Another focus of the Fund is to **improve the quality of reporting on impact bonds issued.** A prime example of the success of these exchanges is Natwest Bank, which has integrated in their report of their inaugural gender bond (March 2023), a survey of the women who had taken out loans for their businesses providing real feedback and evidence of benefit from the target population, after a request of the Fund's team. And the Fund wants to go even further on the impact reporting with the inclusion of **the beneficiaries' voices and social cobenefits** for 'green projects'.

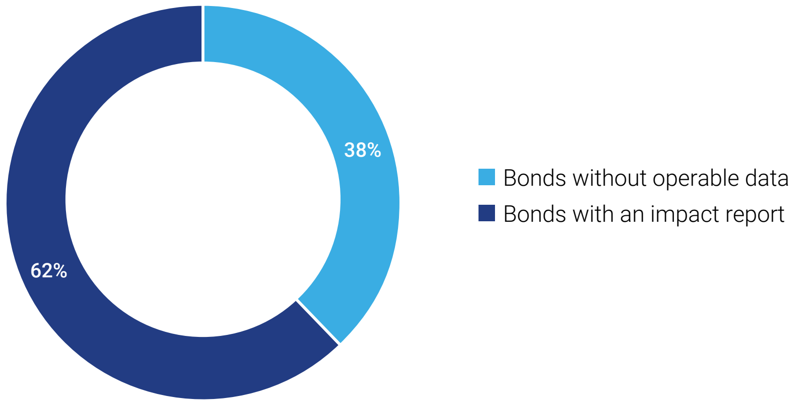
There has been also a significant drive to encourage a **Just approach to the transition** in the bonds' use of proceeds, mainly in utilities services. Companies in this area have the opportunity to issue 'sustainability' labelled bonds since ICMA recognises workers impacted by the energy transition as vulnerable, where proceeds can be used to the re-skilling of these workers.

Data collection

This year, we were able to collect data from 62% of the bonds in the portfolio[111], (vs 50% last year).

Among the 38% without operable data, 59% were too recent to have already an impact report, and 13% published an impact report but we are unable to identify the impact generated specifically by the bond.

Analysis of data collection



[111] We excluded the General Corporate purpose bond from the total as there is no obligation to publish an impact report

Biographies

Social Advisory Panel

Jean-Michel Lécuyer
Managing Director, INCO

Jean-Michel Lécuyer is the Managing Director of INCO. Prior to this, he worked in consulting in the environmental industry. From 2003 to 2014, he served both as the Managing Director of the SIFA (Société d'Investissement France Active) and as the COO of France Active, a nationwide network, financing social businesses for over 25 years.

Jean-Michel graduated from the École Polytechnique and from Mines ParisTech).

He is also Treasurer of MOUVES (French Fellowship of Social Entrepreneurs) and President of the supervisory board of SOLIFAP (Investment Society of the Abbé Pierre Foundation).

Simon Bond
Former Executive Director – Responsible Investment Portfolio Management, Columbia Threadneedle Investments

Simon Bond is a former Executive Director RI Portfolio Management at Columbia Threadneedle having joined in 2003 as a Senior Fund manager to manage institutional Investment Grade Credit Funds. Simon conceived of, launched and managed the CT UK Social Bond Fund since its inception in 2013, as well as the CT (Lux) European Social Bond Fund launched in 2017. Simon retired from the firm in March 2023.

Simon has over 37 years' experience in the investment industry, with the last 32 years specialising in corporate credit. Prior to joining the Columbia Threadneedle, Simon managed £6bn in his role as the Senior UK Credit Fund Manager for AXA. He also worked for GE Insurance as a Portfolio Manager, Provident Mutual as a Fixed Income Analyst and Hambros Bank as an Investment Accountant and Pension Fund Investment Administrator.

Simon is a Board Member and Lead Expert at the Impact Investing Institute. He is also a Visiting Senior Fellow at the Grantham Research Institute on Climate Change and the Environment, established by the London School of Economics and Political Science. He sits on the Responsible Investment Advisory Council of Columbia Threadneedle. He is an Independent Member of the Social Advisory Committees for the three Columbia Threadneedle Investments Social Bond Funds (as Chair for the UK Fund). He is a member of the Examination Panel of the CFA level 4 Impact Certificate and continues to advise Big Issue on Impact.

Simon is a Chartered Fellow of the Chartered Institute for Securities and Investment, a member of the Guild of Investment Managers and a Freeman of the City of London.

Alice Carle
Chief Impact Officer, INCO

Alice Carle responsible for the deployment of INCO Ratings and the rigor of its methodology since 2024. She is also an associate researcher at Ecole Polytechnique, specialized in sustainability for startups. In her previous experience, she worked with tech and deeptech startup founders at the Agoranov incubator.

Théo Savin
Investment Analyst, INCO

Théo Savin joined INCO in 2022 as an investment officer. He is a board member of 20+ start-up and scale-up.

Before joining the company, he worked for Pernod Ricard and Saint-Gobain.

Théo graduated from ESCP Business School with a degree in Corporate Finance.

Social Bond Fund Management Team, Columbia Threadneedle

Tammie Tang
Tammie Tang is a senior portfolio manager in the Fixed Income team with a focus on investment grade credit, having joined the company in 2012. She is lead portfolio manager for Columbia Threadneedle's UK, European and global social bond strategies, as well as various institutional UK credit strategies and the Threadneedle Pensions Corporate Bond Fund. Tammie's responsibilities and focus are geared towards generating active returns and alignment with clients' sustainability objectives.

Tammie previously worked at JPMorgan in New York, where she held roles in structuring, trading and portfolio management within more complex interest rate and credit derivative products for the bank's asset management and insurance clients. Tammie started her career at PricewaterhouseCoopers, Sydney, in an actuarial consulting role where she provided detailed pricing, valuation and statistical modelling work for insurance clients.

Tammie holds a Master of Statistics from the University of New South Wales and is a Fellow of the Institute of Actuaries Australia. She is also a trustee for the Columbia Threadneedle Foundation where we work closely with long-term charity partners to drive social change.

Sally Springer
Sally joined Columbia Threadneedle Investments in 2022. As part of global research, Sally focuses on thematic research analysing the risks and opportunities arising from the transition in human capital and demographic changes across sectors and industries. She collaborates closely with investment teams and engages with companies most exposed to these themes.

She previously worked as an equity research analyst and an industry policy lead for responsible investment regulation and legislation. Sally studied at the University of Warwick (BSc Economics) and gained the CFA charter in 2003.

Letty Byatt
Letty Byatt is a Senior Social Impact Analyst in the Investment Grade Credit team; she works closely with the Social Bond fund managers to identify positive social impact opportunities for the Social Impact Bond Funds. Further to this, Letty is focused on fixed income issuer and industry engagement to promote social impact investment awareness and best practice.

Letty joined Columbia Threadneedle in October 2022 having held senior roles in responsible investment reporting and client services at Royal London Asset Management. She holds a BSc (hons) in Psychology with Middle Eastern Studies and French Language, the CFA ESG Investing Certificate and has completed a Sustainable Finance course at Cambridge University Institute for Sustainability Leadership.

Natalia Chance
Natalia Chance is a Social Impact Analyst in the Investment Grade Credit team at Columbia Threadneedle Investments. She joined the company in 2024 and supports the Social Bond strategies. Natalia is responsible for Social Impact bond assessments as well as supporting on fixed income issuer and industry engagements.

Prior to this, Natalia was a management consultant to the Asset Management industry at Alpha Financial Markets Consulting, specialising in their ESG practice where she managed client projects on group sustainability strategy and ESG regulation, as well as firm specific social, charitable, and pro-bono initiatives.

Natalia has a first-class BSc (hons) in Economics (International) with a study year abroad at the National University of Singapore. She also holds the CFA Institute Certificate in ESG Investing.

Calculations

All statistics included in this report are based on publicly available information. They represent minimum figures based on disclosure. Not all bonds report on each of the metrics we consider.

When the total impact of the company's portfolio is disclosed, this figure is scaled down to the proportion of the total portfolio that the bond we have invested in accounts for. For example, if a US$1 million portfolio saves 2 million tonnes of CO2e per annum and we invest in a bond from that portfolio with a size of $0.5 million, we would attribute 1 million CO2e (2 x 0.5) to our total estimate of Greenhouse Gase (GHG) avoided.

Figures are likely to be underestimated in some cases. For full references, please see the next page.

Affordable housing

Social houses: Sum of dwellings units constructed or renovated and purposely rented or sold to low-income households. The figures include social housing units financed by Action Logement, Autonomous Community of Madrid, Bayerische Landesbodenkreditanstalt, Council of Europe Development, Crédit Agricole, France, Instituto de Credito Oficial, Kuntarahoitus, Luxembourg, NatWest, Nederlandse Waterschapsbank, NRW Bank, Platform HG, State of Wallonie, Stonewater, Vonovia.

Wastewater disposal: Number of inhabitants benefiting from the installation of wastewater disposal thanks to the International Bank for Reconstruction and development's sustainability bond.

Housing associations: Number of housing associations (private, non-profit making organisations that provide low-cost social housing for people in need of a home) financed by social bonds. The figures include associations financed by Crédit Agricole.

Supply of households with renewable energy: Number of households supplied with 100% renewable energy. The figures include statistics from Banco de Sabadell and the Caisse des Dépôts et Consignations.

Number of beds in temporary residence: Number of beds created in temporary residence. The figures include beds financed by the State of Berlin, and the State of Nordrhein-Westfalen

Health and welfare

Nursing homes: Number of nursing homes created or modernised by Bayerische Landesbodenkreditanstalt, Crédit Agricole, Crédit Mutuel Arkea.

Childcare places: Number of places created or maintained in childcare facilities thanks to Communauté française de Belgique's social bond.

Healthcare beneficiaries: Estimated sum of beneficiaries from healthcare projects financed by Autonomous Community of Andalucia, Autonomous Community of Basque, Caisse amortissement de la dette sociale, Caisse Française de Financement local, Caixabank, Communauté Française de Belgique, Community of Madrid, Instituto de Credito Oficial, Intesa San Paolo, Kuntarahoitus, Praemia Healthcare.

Public hospitals loans: Number of public hospitals financed by the Autonomous Community of Basque, Caisse Française de Financement Local, Caixa Bank, Council of Europe Development Bank, Crédit Agricole, Instituto de Credito Oficial, and NRW.

Hospital beds: Estimated sum of hospital beds created by projects financed by the bonds in question. The statistics include figures from Banco Bilbao Vizcaya Argentaria, Bayerische Landesbodenkreditanstalt, Caisse Française de Financement Local, Caixa Bank, Council of Europe Development Bank, Instituto de Credito Oficial, KBC Bank, Luxembourg, NRW Bank, Praemia Healthcare.

Education and Training

Students: Sum of students supported through academic or professional education programs financed by the bonds. The figures include statistics from Autonomous Community of Andalucia, Autonomous Community of Basque, Banco Bilbao Vizcaya Argentaria, Crédit Mutuel, Community of Madrid, Council of Europe Development Bank, Ile-de-France Region, Intesa San Paolo, KBC, Kuntarahoitus, Pearson, and Société Générale.

University building projects: Number of educational building projects financed by the bonds and number of students who benefited from it. The figures include statistics from Autonomous Community of Andalucia, Autonomous Community of Basque, Caixabank, Community of Madrid, Council of Europe Development Bank, Ile-de-France Region.

Trained teachers: Number of teachers trained or recruited thanks to the International Bank for Reconstruction and development's sustainability bond.

Employment

Jobs created or retained: Estimated sum of the jobs created or retained by projects and companies financed by the bonds in question. The statistics include figures from AIB, Council of Europe Development Bank, European Union, Instituto de Credito Oficial, Intesa San Paolo, Natwest, Land of Nordrhein-Westfalen, Netherlands Development Finance Company, NRW Bank.

People professionally empowered: Number of people enabled to develop and strengthen their employability and their social and economic inclusion trough the support of Autonomous Community of Andalucia, Autonomous Community of Basque, Caisse des dépôts et consignations, Community of Madrid, Crédit Mutuel, IBRD, Intesa San Paolo, Land of Nordrhein-Westfalen, State of Wallonie, UNEDIC, the UK.

Return-to-work allowance: Number of people supported with UNEDIC's return-to-work allowance.

Micro, Small and Medium Enterprises financed: Number of Micro, Small and Medium Enterprises financed by projects supported by the bonds. The figures include AIB, Council of Europe Development Bank, Crédit Mutuel, Export-Import Bank of Korea, Instituto de Credito Oficial, IBRD, Intesa San Paolo, Société Générale, Telefonica Emisiones.

Job opportunity to disabled people: Number of job opportunities created or maintained for disabled people thanks to the Autonomous Community of Basque, Instituto de Credito Oficial, Land of Nordrhein-Westfalen.

Community

Urban regeneration projects: Number of inhabitants benefiting from urban regeneration measures such as redevelopment and safeness of non-school public buildings, management of sports facilities and public parks, maintenance or renovation of recreational facilities and redevelopment of cycling mobility infrastructure. The figures represent the impact of IBRD's sustainability bonds.

Enhanced access: Number of people with a better access to transport services financed by Banco Bilbao Vizcaya Argentaria, IBRD, Motability Operations.

Access to services

Social benefits: Number of individuals or families being given access to social benefits. The figures represent the impact of Action Logement Services, Autonomous Community of Basque, Banco Bilbao Vizcaya Argentaria, Bayerische Landesbodenkreditanstalt, Community of Madrid, Instituto de Credito Oficial, IBRD, Nederlandse Waterschapsbank, Société Générale, State of Berlin, and State of Nordrhein-Westfalen.

Loan to women: number of loans to women-led businesses thanks to Natwest's social bonds.

Access to water: Number of people with a better access to water. The figures represent the impact of IBRD and Luxembourg sustainability bonds.

Electric vehicle acquisition: Number of loans to help the acquisition of an electric vehicle thanks to Sweden and Ile-de-France Mobilités green bonds.

Regeneration and development

GHGs avoided: Total amount of estimated GHGs avoided. The figures include 64 bonds.

Coal-fired power station equivalents: This statistic is calculated using the estimated GHGs avoided (methodology above) and the EPA's Greenhouse Gas Equivalencies Calculator.

Renewable energy produced: Sum of MWH of renewable energy produced. The figures include 28 bonds.

Green buildings: Square meters of green buildings financed by Aster Treasury, Caisse des dépôts et des consignations, Co-operative Bank, Erste Group Bank, Generali, Land of Nordrhein-Westfalen, Munich Re, NE Property, Nordic Investment Bank, OP Corporate Bank, P3 Group.

Railways/roads renovation: Km of railways/roads built or renovated by Germany, Luxembourg, the Netherlands Spain, Sweden.

Biodiversity protected: Hectares of biodiversity/natural landscapes or forests protected. This figure represents the impact of Germany, Land of Nordrhein-Westfalen, OP Corporate Bank.

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