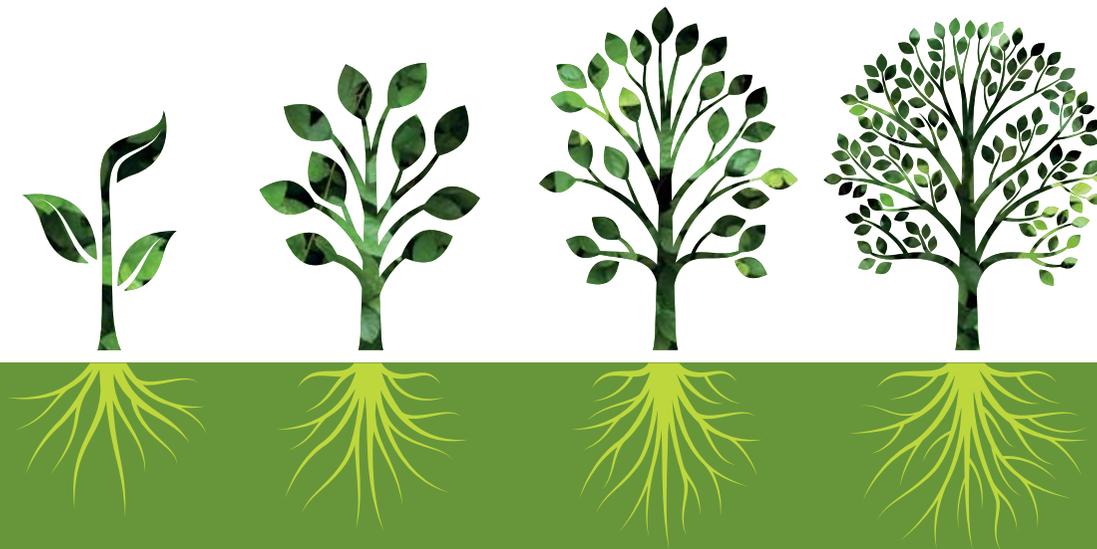


AMUNDI PLANET EMERGING GREEN ONE

Annual Impact Report 2023



This report is produced by Amundi Asset Management (Amundi), portfolio manager of Amundi Planet Emerging Green One.

All figures reflecting extra-financial characteristics of the portfolio rely on the holdings as of December 31, 2023. Reference to portfolio holdings should not be considered a recommendation to buy or sell any security, and securities are subject to risk.

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Acknowledgments

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Amundi is grateful to the Fund's committed investors from around the world for making this ambitious project possible.

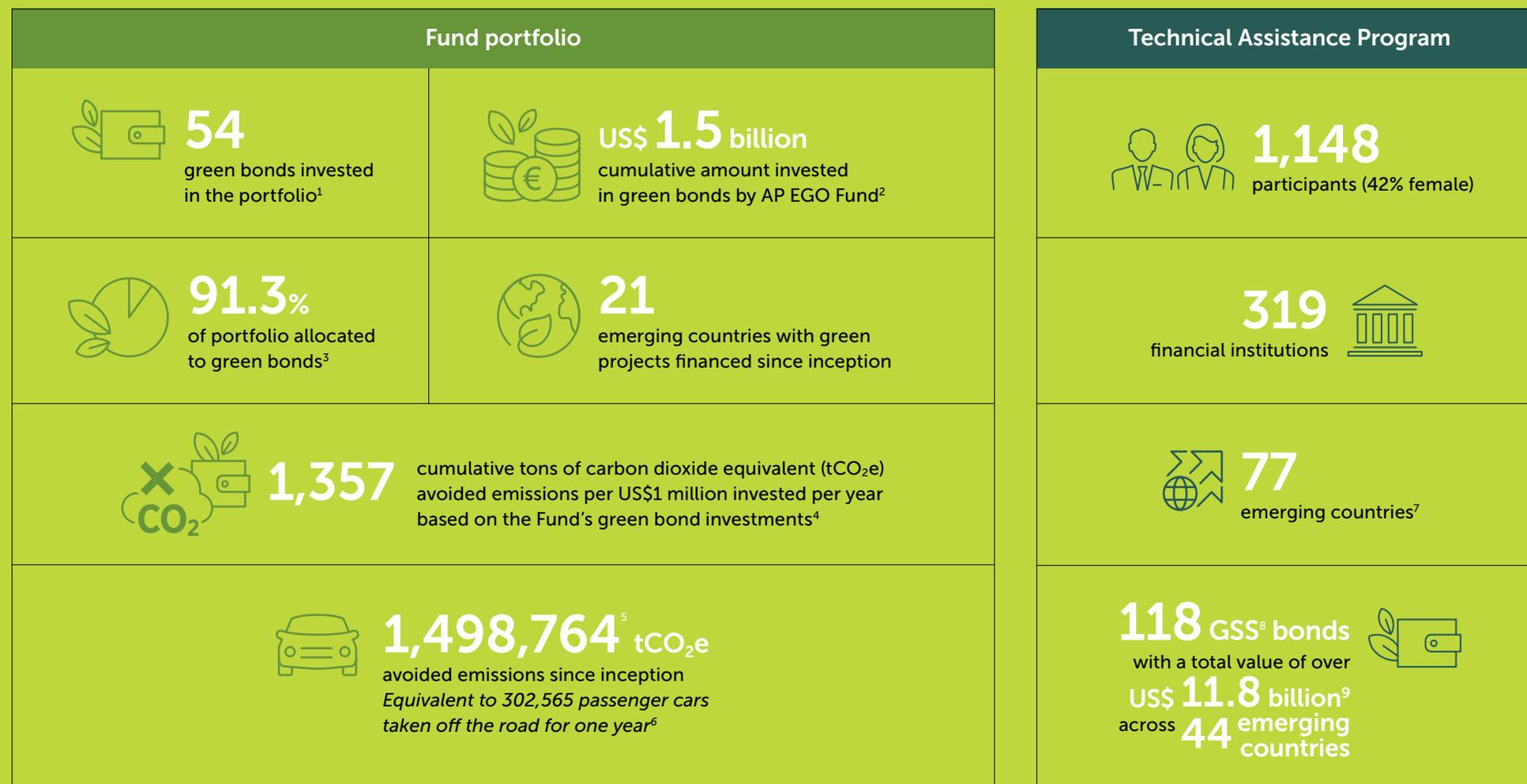
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HIGHLIGHTS OF THE FUND

CUMULATIVE

(from March 2018 to December 2023)



1. There are 54 green bonds held by the AP EGO Fund since inception. These 54 green bonds include 38 active green bonds as of December 31, 2023, in the Fund, plus 16 green bonds which have matured or were sold since 2018.

2. Based on the valuation of 54 green bonds held since inception using maximum nominal value.

3. As of December 31, 2023, based on a mark-to-market valuation.

4. Calculated as "sum of total greenhouse gas (GHG) emissions avoided by 39 green bonds invested since inception with GHG avoidance information" / "sum of maximum nominal value of 39 green bonds". Green bonds that did not report GHG avoidance information were excluded from the calculation. 39 bonds include 25 green bonds which are currently active in the portfolio and 14 matured or sold bonds.

5. Data reflects cumulative GHG emissions avoided since Inception from 39 green bonds with GHG avoidance information. Impact data was pro-rated for the days of holding in the final year of tenor for green bonds that have matured. The impact reporting methodology changed in 2023, but the same methodology has been retroactively applied to previous years' impact data.

6. See the U.S. Environmental Protection Agency, Greenhouse Gas Equivalencies Calculator, <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>.

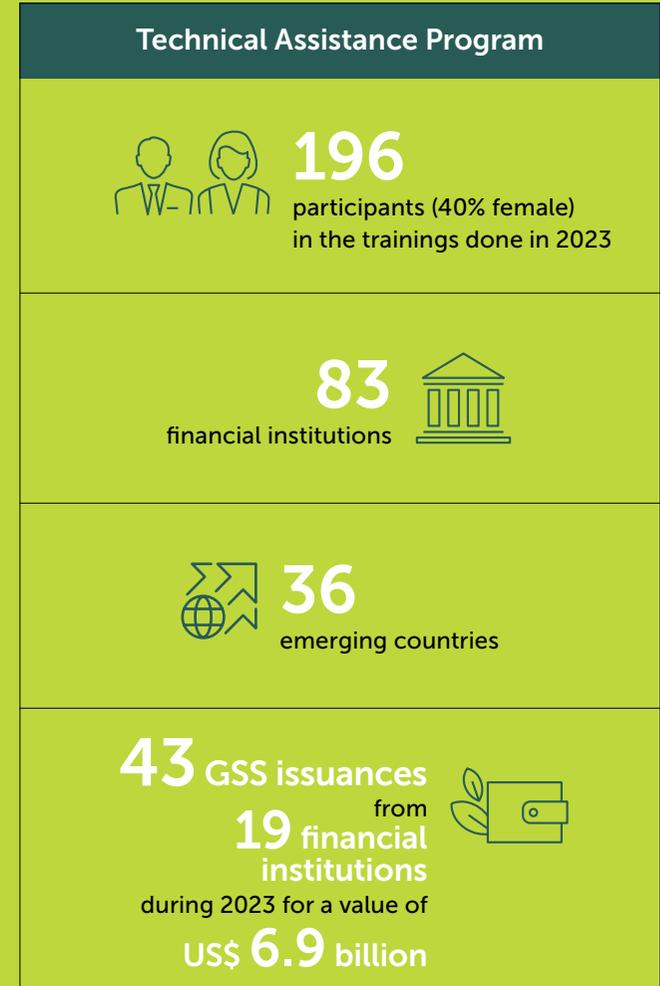
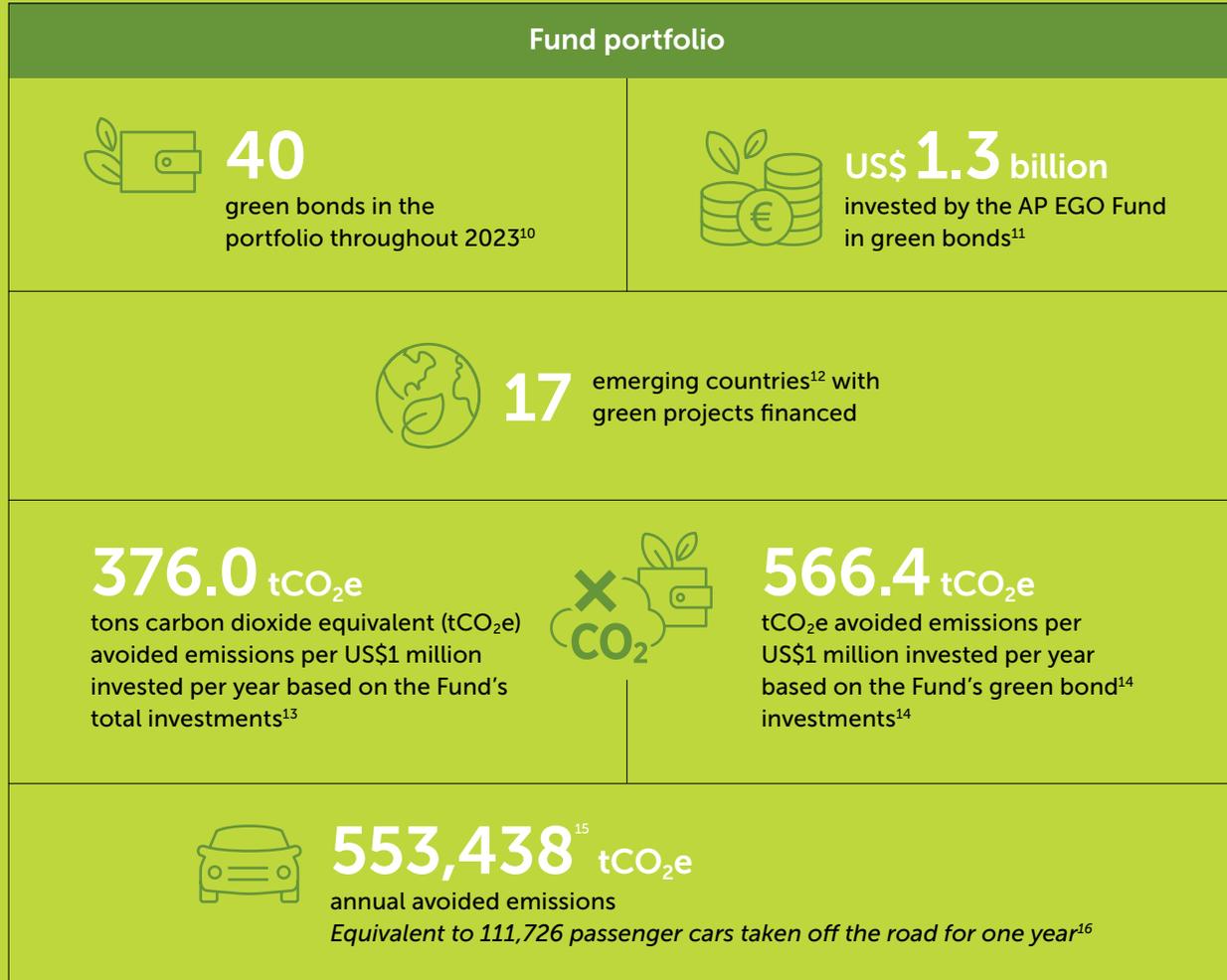
7. Includes countries from Latin America and the Caribbean, Europe and Central Asia, East Asia and Pacific, Middle East and North Africa, South Asia, and Sub-Saharan Africa.

8. GSS refers to green, social, and sustainability bonds.

9. These include 53 green bonds worth US\$6.5 billion, 41 social bonds worth US\$974.5 million, and 24 sustainability bonds worth US\$4.3 billion.

HIGHLIGHTS OF THE FUND

ANNUAL (2023)



10. There were 40 green bonds held by AP EGO Fund over the course of 2023. There were 33 green bonds held at the beginning of 2023, seven new bonds were purchased, and two bonds matured during the year. As of December 31, 2023, there were 38 green bonds in the Fund.

11. Based on the valuation of 38 active green bonds, as of December 31, 2023, using market value

12. The data include countries where projects are being financed – Arab Republic of Egypt, Brazil, Bahrain, Chile, China, Colombia, India, Kuwait, Nigeria, Oman, Pakistan, Peru, the Philippines, Qatar, Saudi Arabia, Türkiye, and the United Arab Emirates.

13. Calculated as "sum of total GHG emissions avoided in 2023 by 27 green bonds with GHG avoidance information" / "total net asset value (NAV)" as of December 31, 2023.

14. Calculated as "sum of total GHG emissions avoided in 2023 by 27 green bonds with GHG avoidance information" / "maximum nominal value of 27 green bonds". Green bonds that did not report GHG avoidance information were excluded from the calculation.

15. Data reflects GHG emissions avoided in 2023 from all 27 bonds in the portfolio that reported GHG avoidance information. Impact data was pro-rated for the days of holding in the final year of tenor for the two green bonds that matured in 2023.

16. See the U.S. Environmental Protection Agency, Greenhouse Gas Equivalencies Calculator, <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>.

FOREWORD



AMUNDI ASSET MANAGEMENT

Yerlan Syzdykov, Global Head of Emerging Markets

The persistent, unprecedented high temperatures and extreme weather events experienced around the world throughout the past 5 years have underscored the urgent need for energy transition. The COP28 conference in November marked a significant win for climate fight, as a landmark deal to transition away from fossil fuels was reached for the first time. The summit also witnessed considerable increases in commitments to support climate finance in terms of mobilization, coupled with willingness and political support to reform. Against this backdrop, the annual issuance of emerging market sustainable bonds has continued its increasing trajectory, rising from 21 percent in 2018 to 30 percent of the overall EM Corporate annual issuance in 2023.

The Amundi Planet Emerging Green One (AP EGO) Fund has been a cornerstone of our ongoing efforts to fuel the growth of green bonds issued by emerging markets. Since its inception in 2018, the Fund upheld its trajectory towards sustainability with a cumulative investment of US\$1.5 billion across 54 EM green bonds. We actively participated in new green bonds from financial institutions across multiple countries, including Brazil, Peru, China, UAE, Qatar, Romania, and Turkey.

Furthermore, 2023 marked the fifth anniversary of the Fund. In light of this milestone, the impact report yields valuable insights on the Fund's impact since inception, and on the joint engagement efforts of Amundi and IFC with emerging market green bond issuers focused on green bond impact reporting and overall ESG practices. Going forward, Amundi is committed to maintaining ongoing discussions with issuers and facilitating the issuance of green bonds in emerging markets, in collaboration with IFC.



INTERNATIONAL FINANCE CORPORATION

Jamie Fergusson, Global Director, Climate Business, IFC

While the supply of sustainable finance in emerging markets is enjoying growth and diversification, it is by no means commensurate with the scale and urgency of the needed transition to low-carbon, resilient and inclusive growth.

As this impact report attests, the AP EGO Fund is helping to catalyze sustainable debt capital markets in emerging economies. The green bonds in the Fund have financed a rich and diverse portfolio of projects, including renewable energy, green buildings, wastewater management and biodiversity conservation. Together, these have helped to avoid 1,498,764 tons of CO₂ equivalent since the Fund's inception.

AP EGO owes its success to a unique partnership harnessing Amundi's extensive asset management experience together with IFC's knowledge and expertise in emerging markets. While AP EGO has generated increased demand for green bonds, IFC's Green Bond Technical Assistance Program (GB-TAP) has increased the supply, having trained 319 financial institutions across 77 countries. GB-TAP alumni have gone on to issue over 118 GSS bonds with a total value of over US\$11.8 billion. Together, Amundi and IFC have also been actively engaging with issuers to elevate impact reporting standards within the industry.

IFC is pleased to continue deepening its partnership with Amundi to help develop an ever-broader market for GSS — reducing carbon emissions and accelerating the transition to cleaner economies and resilient growth.

ABBREVIATIONS AND ACRONYMS

Amundi: Amundi Asset Management
AP EGO: Amundi Planet Emerging Green One
AUM: Assets under management
BCI: Banco de Crédito e Inversiones
BFRG: Biodiversity Finance Reference Guide
CAFI: Climate Assessment for Financial Institutions
CBI: Climate Bonds Initiative
CMB: China Merchants Bank
COP28: Conference of the Parties of the UN Framework Convention on Climate Change
DNSH: Do no significant harm
E&S: Environmental and social
EDGE: Excellence in Design for Greater Efficiencies
EE: Energy efficiency
EM(s): Emerging market(s)
ESG: Environmental, social, and governance
ESMS: IFC Environmental and Social Management System
ESPOL: Escuela Superior Politécnica del Litoral
G10: Group of 10
GB: Green bond

GBAC: Green Banking Academy
GB-TAP: Green Bond Technical Assistance Program
GCC: Gulf Cooperation Council
GCBP: Green Cornerstone Bond Program
GHG: Greenhouse gases
GSS: Green, social, and sustainability bonds
ICMA: International Capital Market Association
IFC: International Finance Corporation
IRENA: International Renewable Energy Agency
LuxSE: Luxembourg Stock Exchange
MALENA: Machine Learning ESG Analyst
MW: Megawatt
NAV: Net asset value
PCAF: Partnership for Carbon Accounting Financials
RE: Renewable energy
SDGs: Sustainable Development Goals
SME(s): Small and medium enterprise(s)
SSE: Stockholm School of Economics
tCO₂e: Tons of carbon dioxide equivalent
UN: United Nations



INTRODUCTION

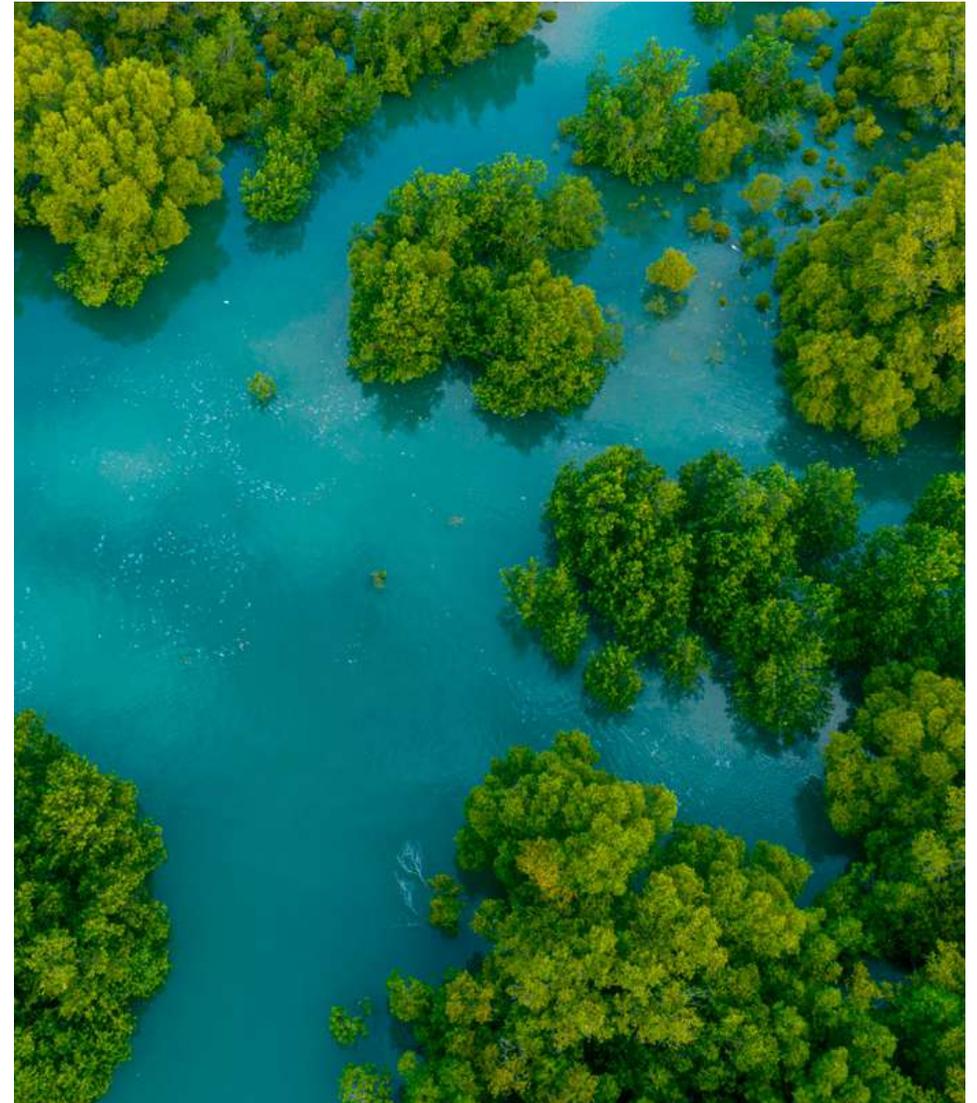
In 2017, IFC developed the concept of the Green Cornerstone Bond Program (GCBP), a fixed income fund dedicated to investing in green bonds in emerging markets (EMs). The concept came from mounting evidence about the impact of climate change and the lack of any scalable investment solutions, especially in relation to developing economies. Following a competitive international tender offer, Amundi was selected by IFC as its partner for implementing an innovative solution, consisting of a fund—the Amundi Planet Emerging Green One (AP EGO or “the Fund”)—with additional support from IFC’s Green Bond Technical Assistance Program (GB-TAP). The partnership provides an innovative platform that combines extensive expertise in asset management (Amundi) with private sector development in EMs (IFC) to help developing economies achieve long-term sustainable growth.

Believing that institutional investors have both the capacity and appetite to deploy significant amounts of capital in EMs, the Amundi-IFC partnership aims to offer them an opportunity to invest substantial amounts. Amundi believes investors are attracted to EM yields and want to make a positive impact on the transition to cleaner sources of energy in countries with the largest financing needs.

AP EGO is a layered fund with a credit enhancement mechanism. Amundi launched the Fund in March 2018, with US\$1.5 billion assets under management and the aim of deepening local capital markets and expanding financing for climate investments. Three features highlight the Fund as a landmark for green finance:

- **Size:** The largest green bond fund seeking to deploy over US\$1.5 billion into EM green bonds over its lifetime.
- **Focus:** The first green bond fund solely focused on EM financial institution green bonds.
- **Mechanism:** The first comprehensive sustainable capital markets program combining a demand and a supply mechanism.

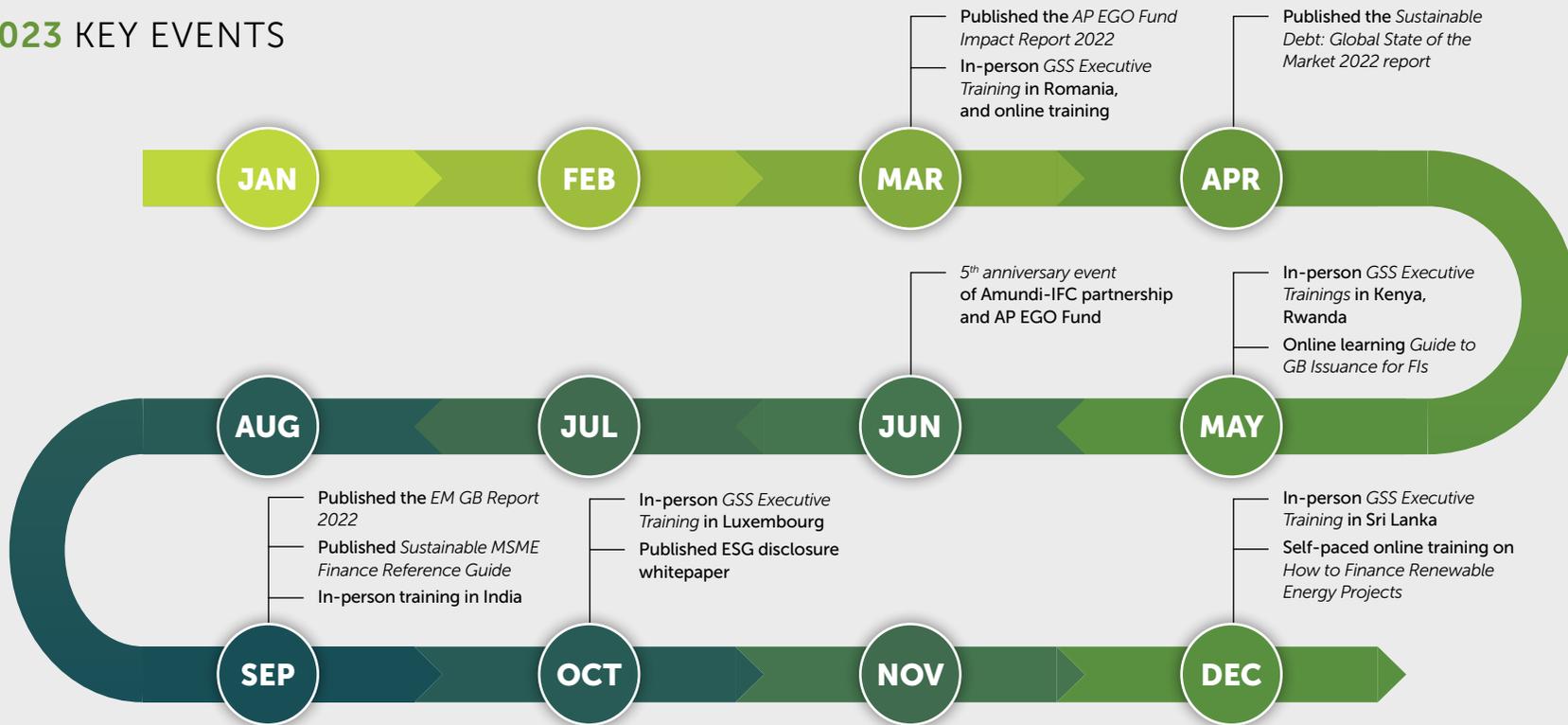
The Fund stands as a sign of confidence in the green bond market, especially in EMs, and encourages more investors to gain exposure. On the one hand, the Fund’s strict criteria for green bond selection challenges issuers to uphold best practices. On the other hand, IFC’s GB-TAP helps local financial institutions issue green bonds. The partnership drives EMs to build functioning and sustainable debt capital markets as part of a wider ecosystem involving regulators and stock exchanges as well as investment banks. The Fund published its *Annual Impact Report 2022* last year, which covered the impact of AP EGO investments and activities that support EM green bond issuance. The Fund’s *Annual Impact Report 2023* builds on last year’s publication and marks the fifth-year anniversary of AP EGO, representing a landmark impact report for green bond funds.



REFLECTING ON SIX YEARS OF AMUNDI-IFC PARTNERSHIP



2023 KEY EVENTS



Creating a Market, Stimulating Demand and Supply

When IFC conceived the concept of the largest green bond fund targeted to EMs, IFC had two specific goals in mind:

- Facilitate capital flows from impact investors in developed countries into green projects in EMs.
- Grow markets by stimulating both demand and supply of green bonds in EMs.

To stimulate demand for green bonds in EMs, IFC and Amundi launched AP EGO Fund in March 2018. The Fund, currently in the sixth year of its investment period, has invested US\$1.5 billion in 54 EM green bonds since its inception.

While some demand for green investment opportunities existed before AP EGO, investors from developed countries lacked the appetite to invest in EM bonds, which are often rated below investment grade. AP EGO successfully addressed this gap by providing credit risk protection for investors in the senior tranche. This undertaking stimulated the appetite for EM green bonds among investors in developed markets and thereby channeled a significant and effectual amount of capital into green projects in EMs.

In parallel, IFC launched GB-TAP in partnership with the donors from three countries: Switzerland, Sweden, and Luxembourg.¹⁷ Through GB-TAP, IFC and its partners have created global public goods to stimulate the supply of green bonds in EM countries. IFC recognized that a significant impediment to increasing the supply of green bonds in EMs is a knowledge gap among issuers about specific green bond issuance requirements. In response, IFC, together with the International Capital Markets Association (ICMA), designed and implemented an executive training program, which delivers deep insights about green bond issuance and the underlying drivers of sustainable finance. Since inception in 2018 through December 2023, GB-TAP has contributed to the issuances of 118 green, social, and sustainability (GSS) bonds, which amounted US\$11.8 billion.¹⁸

These efforts were well recognized by the market and led to the Fund winning six awards, including the UN Principles for Responsible Investment (UN PRI) Award for demonstrating leadership in raising the standards of responsible investment.

Driving Thought Leadership through Partnership

The Amundi-IFC partnership has consistently aimed to drive thought leadership, innovation, and strong commitment to environmental, social, and governance (ESG) lending. The ways in which the partnership has made progress include the following:

- **Establishing higher standards for impact reporting**

One of the goals that Amundi and IFC share is to improve the transparency of impact reporting by EM issuers. Amundi and IFC have engaged with the EM issuers in the Fund portfolio to standardize the methodology for quantifying the impact of the green bonds (such as through the reduction of greenhouse gas emissions). EM issuers have valued discussions with Amundi and the IFC team in which the issuers learned industry best practices in reporting. Through this quality control, Amundi has been improving the accuracy of the Fund's impact data.

- **Sharing best practice and market knowledge with innovation**

The Amundi-IFC partnership has actively published market reports, guidebooks, and whitepapers that address green bond market development in EMs, best practices for green bond practitioners, and themes around the rapidly evolving ESG landscape. In addition, IFC and Amundi have been exploring the use of artificial intelligence (AI) to support the ESG analysis of the issuers. Together with Amundi, IFC has been testing various use cases of IFC's Machine Learning ESG Analyst (MALENA) tool. MALENA has recently been released as a public good and is available at <https://malena.ifc.org/#/>.



Timothée Jaulin

Head of ESG Development
& Advocacy, Special Operations, Amundi

"The collaboration between IFC and Amundi on this programme has demonstrated that public-private partnerships are in a unique position to play a pivotal role to mobilize capital in support of the energy transition in EMs and developing economies. Throughout the years, the fund has been able to surpass its annual green bond allocation objectives, and the technical assistance facility has been able to train multiple cohorts of EM bankers to understand the value chain of a green bond issuance and become the green finance leaders of tomorrow. Both components of the partnership are a testament of the incredible dynamism and growth of the green bond market in EM, and by extension, the critical role EM issuers play to orient capital towards solutions with positive environmental impacts.

Furthermore, our joint efforts on engagement have yielded positive changes to how EM issuers produce their green bond impact reporting and meet the best standards, while our joint thought leadership signals to the market that green bonds are instruments with the potential to significantly accelerate capital allocation towards green projects."

¹⁷ State Secretariat for Economic Affairs of Switzerland (SECO), the Swedish International Development Cooperation Agency (SIDA), and the Ministry of Finance of Luxembourg.

¹⁸ For further detail, refer to p. 24.

ESG PERFORMANCE OF THE PORTFOLIO

The portfolio has an average ESG rating of D as of December 31, 2023,¹⁹ based on an ESG rating scale from A to G, where A is the best. The percentage of issuers with no ESG rating has increased, whereas the percentage of C-rated issuers has decreased compared with the portfolio as of December 31, 2022. This development was due to a combination of green bonds maturing, ESG rating downgrades, and purchases of green bonds from issuers with a lower or no ESG rating.

ESG Criteria

The criteria are extra-financial metrics used to assess the ESG practices of companies, national governments, and local authorities.

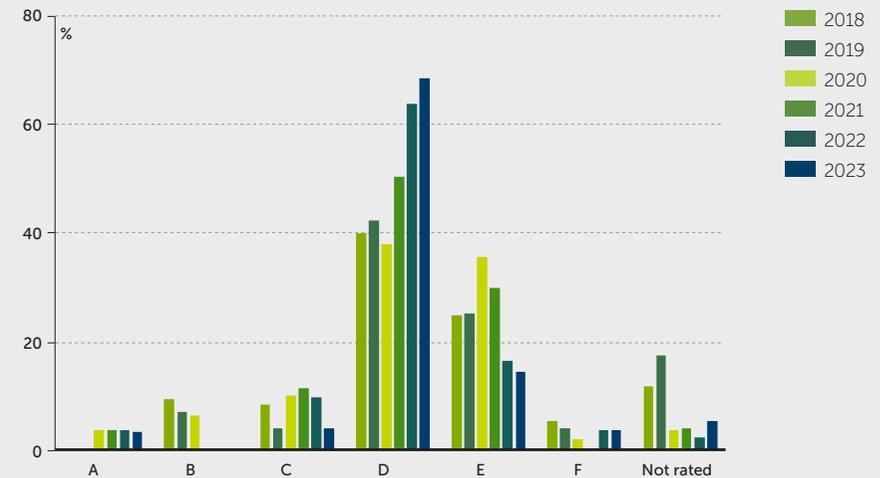
“E” for environment (including energy and gas consumption levels, and water and waste management).

“S” for social/society (including respect for human rights, and health and safety in the workplace).

“G” for governance (including independence of board of directors, and respect for shareholder rights).



Overall portfolio ESG rating breakdown



Source: Amundi, Fund data as of December 31, 2023, based on a mark-to-market basis.
Note: Includes corporate and green quasi-sovereign bonds.

The issuers in the Fund’s portfolio are diversified across EMs and Amundi ESG ratings.²⁰ The following is an overview of their regional allocation and ESG ratings.

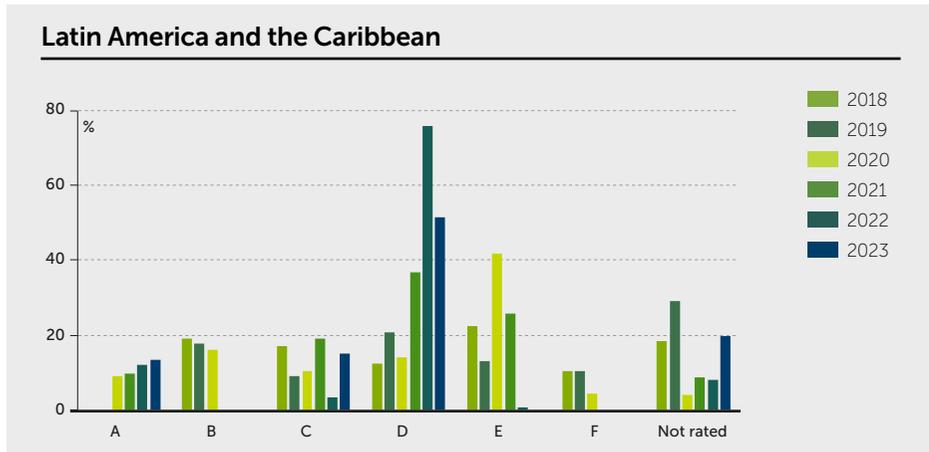
19. This calculation takes into consideration only corporates (green and non-green) and green bond quasi-sovereign debt. Sovereign non-green bonds are excluded.

20. The ESG rating scale is based on a rating scale from A to G (where A is the best). G-rated issuers (worst issuers) are excluded from the investment universe of the Fund. For more details, refer to the Amundi Responsible Investment Policy, <https://www.amundi.com/institutional/Responsible-investment-documentation>.

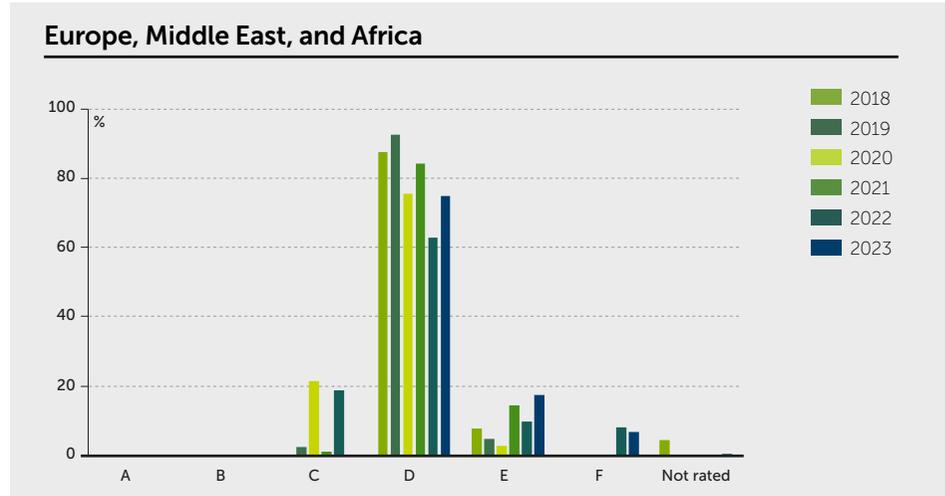
EMERGING MARKET REGIONAL BREAKDOWN BY ESG RATING

The analysis of the regional ESG ratings between 2022 and 2023 highlights the following:

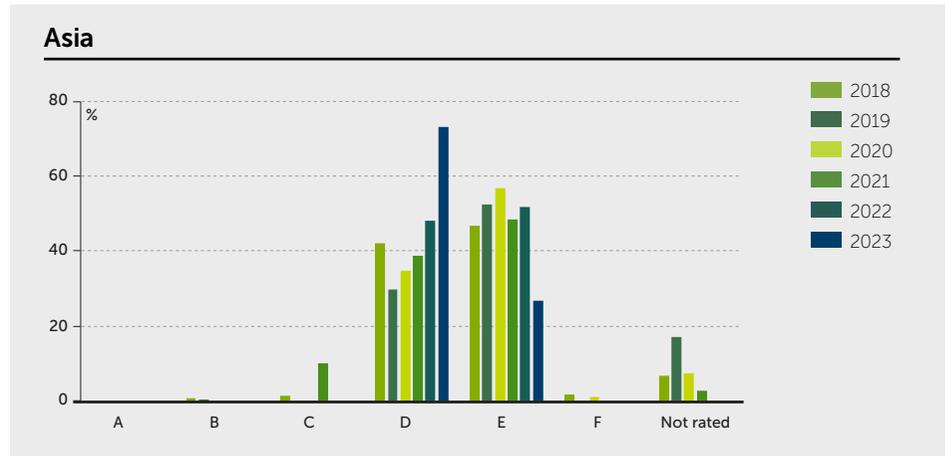
- **In Latin America and the Caribbean**, the ESG ratings picture is mixed. The overall exposure to the region was reduced owing to divestments from conventional debt to purchase green bonds across multiple regions. The percentage of better-rated issuers improved because of upgrades. On the other side, the purchase of an issuer with no ESG rating increased the nonrated percentage in the region.



- **In Europe, the Middle East, and Africa**, ESG ratings deteriorated slightly, with higher exposure to lower-rated issuers owing to downgrades and purchases from new lower-rated green bond issuers in the region. The Fund in the region also increased its existing exposure to a green bond from an F-rated issuer. Amundi believes that the issuer has an improving ESG strategy because the issuer has set interim targets to achieve end goals and has put in place several social initiatives and projects, including support for small businesses, microfinance, and other community activities.



- **In Asia**, ESG ratings showed some improvement, with higher exposure to higher-rated issuers due to upgrades of the existing positions and maturity of green bonds from lower ESG-rated issuers.



Source: Amundi, Fund data as of December 31, 2023, based on a mark-to-market basis. Only the corporate bonds in the portfolio are included in the 2018 data. The 2019–23 data include corporate and green quasi-sovereign bonds in the portfolio.

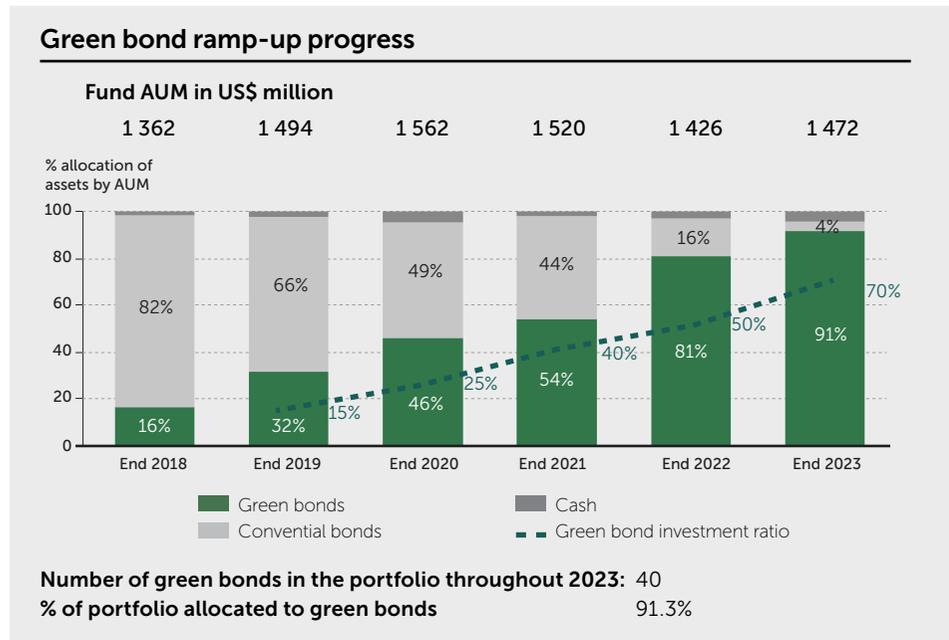
GREENING OF THE PORTFOLIO AND IMPACT ANALYSIS

PROGRESS OF GREENING THE AP EGO FUND PORTFOLIO

AP EGO held 40 green bonds over the course of 2023. Thirty-three green bonds were held at the beginning of 2023, seven new bonds were purchased, and two bonds matured during the year. As of December 31, 2023, there were 38 green bonds in the Fund, issued by 34 financial institutions.

Of the 40 green bonds in the AP EGO Fund portfolio, 20 were first-time issuances from 11 countries. Thirteen of those first-time issuances were invested through private placements. Of the 34 issuers, 13 financial institutions participated in GB-TAP's GSS bonds executive training.

The Fund's investment in green bonds progressed at a steady pace in 2023 and the Green Bond Investment Ratio reached 91.3 percent at the end of December 2023, which is well above the target green bond investment ratio (70 percent) at the end of Year 6.

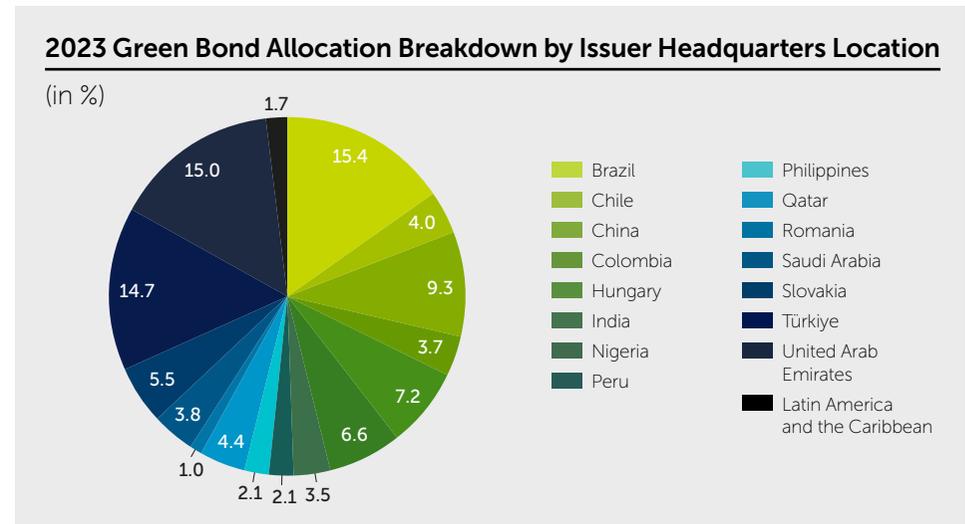


Source: Amundi, Fund data as of December 31, 2023, based on a mark-to-market valuation.
 Note: AUM = assets under management.

IMPACT GENERATED BY THE FUND

Geographical Distribution and Use of Proceeds of Green Bonds

The report reflects the Fund's highly diversified allocations associated with 40 green bonds. The geographical distribution by issuers' headquarters covers 16 countries/regions, with Colombia and Romania added to the portfolio in 2023. The countries' share in the portfolio is illustrated in the following graph.

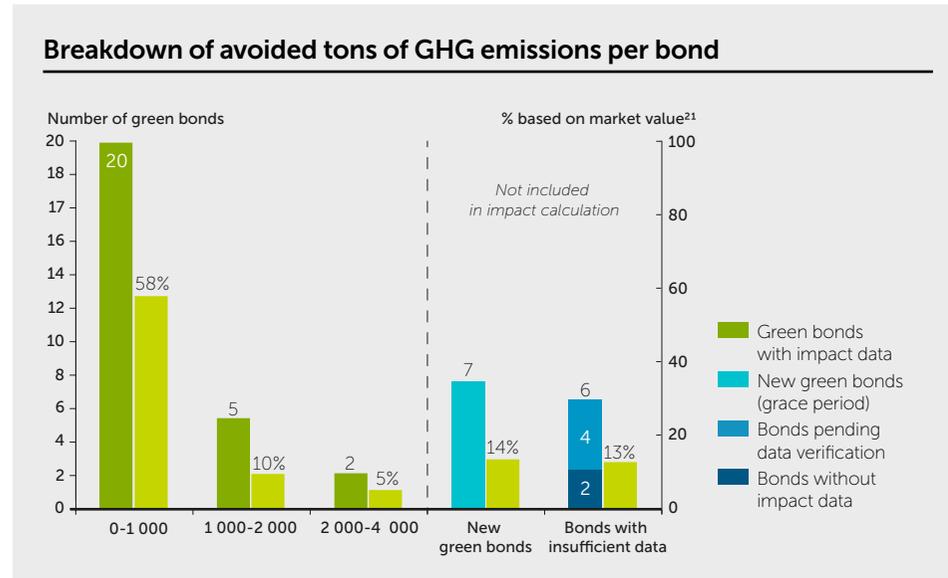


Source: Amundi, Fund data as of December 31, 2023

In terms of sector coverage, the use of proceeds is concentrated in 10 sectors: renewable energy, clean transportation, green building, sustainable water and wastewater management, pollution prevention and control, energy efficiency, terrestrial and aquatic biodiversity conservation, environmentally sustainable management of living natural resources and land use, eco-efficient and/or circular economy-adapted products, and production technologies and processes and adaptation.

In addition, the Fund has reported the percentage of undisclosed use of proceeds in each region. The following graph (see below Graph: "Breakdown of Use of Proceeds by Country/Region and Sector") reflects sector coverage for green bonds in the portfolio as of December 31, 2023.

Impact of GHG Emission Avoidance in 2023



Source: Amundi, Fund data as of December 31, 2023.

Over the course of 2023, the Fund was exposed to 40 green bonds. However, the impact calculation for this period used information disclosed in the impact reports of 27 green bonds.²²

Of the 13 green bonds that were not included in the impact calculation in 2023, seven bonds were new issuances which will start reporting next year, and four bonds²³ are currently under further verification of data with issuers (see figure, “Breakdown of avoided emission per bond”).

In 2023, the Fund contributed to avoiding GHG emissions of 553,438 tCO₂e, which is equivalent to 111,726 passenger cars taken off the road for one year.²⁴

Total tons of avoided GHG emissions:
553,438 tCO₂e for the total AP EGO portfolio.²⁵

Total tons of avoided GHG emissions per US\$1 million invested per year:
376.0 tCO₂e for the total AP EGO portfolio.²⁶
566.4 tCO₂e for the AP EGO green bond-only portfolio.

As the Portfolio progresses to 100 percent green bonds by the end of the investment period, the difference between the two ratios “total tons of avoided GHG emissions per US\$1 million invested per year” will decrease and eventually become very close.

21. Data are based on the market value of the 40 green bonds in the portfolio, as of December 2023. They are calculated as Sum of market value of each category/Sum of the market value of 40 green bonds.

22. There were 27 green bonds whose impact data were included in 2023. Nine bonds published their first impact reports in 2023, and nine bonds have been in the portfolio and published 2023 data (18 bonds in total). For seven bonds, the data reported in 2022 were used. Five of those seven bonds have achieved full allocation of their proceeds into green-eligible activities. Regarding two matured bonds, the impact data have been prorated for the days of holding in 2023.

23. Four additional bonds have published allocation reports to illustrate their use of proceeds but did not include impact information. The team already engaged with the issuers to gather impact data.

24. See the U.S. Environmental Protection Agency, Greenhouse Gas Equivalencies Calculator, <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>.

25. Data reflect annual GHG avoidance of 27 of the green bonds in the portfolio with publicly available GHG impact data.

26. Data calculated based on the total annual GHG avoidance of all the green bonds in the portfolio that have GHG avoidance information publicly available and the size of the AP EGO Fund as of December 31, 2023.

New Indicators Added in 2023

Two additional impact indicators have been added; they were reported by issuers with allocations and impact information for the renewable energy sector. These are “installed renewable energy capacity” and “annual renewable energy generation”.

Total installed renewable energy capacity:

296 megawatts (MW) for the total AP EGO portfolio.²⁷

Total annual renewable energy generation:

644 megawatt-hour (MWh)/year for the total AP EGO portfolio.²⁸

The methodological approach has been updated to reflect a new method for prorating renewable energy impact indicators where needed; however, it has not deviated from what was applied in the *2022 Annual Impact Report*. For transparency purposes, a more detailed description of the calculation process has been included in the appendix.

27. Data reflect installed capacity from 10 green bonds in the portfolio with publicly available installed renewable energy (RE) capacity data, including outstanding, matured, and sold bonds. For the two bonds matured, the impact data have been prorated for the days of holding in 2023.

28. Data reflect annual RE generation from 11 green bonds in the portfolio with publicly available annual RE generation data, including outstanding, matured, and sold bonds. For the two bonds matured, the impact data have been prorated for the days of holding in 2023.



Green Bond Portfolio Insights

Year Invested	Issuer	Amount Issued (US\$ million)	Subscription Share	Share of Bond in AP EGO Green Bond Portfolio*	Region	GHG emission avoided (tCO ₂ e/year)	Installed Capacity (MW)	Annual Generation (MWh)	Use of Proceeds	Contribution to SDGs
2023	ABU DHABI COMMERCIAL BANK	650	2.4%	1.2%	United Arab Emirates	NA	NA	NA	Green buildings, retail mortgages and green commercial and mixed-use buildings; RE; sustainable water and wastewater management; EE; pollution prevention and control	6, 7, 11, 12, 13
2023	ABU DHABI ISLAMIC BANK PJSC	500	0.8%	0.3%	United Arab Emirates	NA	NA	NA	RE, EE, green buildings, pollution prevention and control, sustainable water and wastewater management, clean transportation	1, 3, 4, 6, 7, 8, 9, 11, 12
2023	BANCA COMERCIALA ROMANA SA	20	70.0%	1.0%	Romania	NA	NA	NA	Green buildings, RE	7, 9, 11, 13
2023	BANCO BILBAO VIZCAYA ARGENTARIA COLOMBIA S.A.	50	100.0%	3.7%	Colombia	NA	NA	NA	Sustainable water and wastewater management, pollution prevention and control, RE	6,7,11,12,14,15
2023	COMMERCIAL BANK OF DUBAI	500	7.8%	2.9%	United Arab Emirates	NA	NA	NA	Green buildings, RE, clean transportation, pollution prevention and control	3, 4, 7, 8, 9, 11, 12, 13
2023	EMIRATES NBD BANK PJSC	50	84.8%	3.1%	United Arab Emirates	NA	NA	NA	Green buildings, RE, EE, clean transportation, pollution prevention and control, sustainable water and wastewater management	1,3,4,6,7,8,9,11, 12
2023	FIRST ABU DHABI BANK	600	3.3%	1.5%	United Arab Emirates	NA	NA	NA	RE, EE, green buildings, pollution prevention and control, clean transportation, sustainable water and wastewater management, climate change adaptation, environmentally sustainable management of living natural resources and land use, terrestrial and aquatic biodiversity, eco-efficient and/or circular economy-adapted products, production technologies and processes	6, 7, 8, 9, 11, 12, 13, 14, 15
2022	ABU DHABI COMMERCIAL BANK	500	6.5%	2.4%	United Arab Emirates	218 298	109	231 703	RE, green buildings, sustainable water and wastewater treatment, clean transportation, EE, pollution prevention and control, environmentally sustainable management of living natural resources and land use	6, 7, 11, 12, 13, 15
2022	ACCESS BANK PLC	50	95.0%	3.5%	Nigeria	NA	NA	NA	RE, green buildings, clean transportation, water use, waste management, land use and marine resources	6, 7, 9, 11, 13, 14, 15
2022	BANCO DE CREDITO DEL PER	30	95.3%	2.1%	Peru	NA	NA	NA	RE, clean transportation, green buildings, EE, sustainable water and wastewater management, environmentally sustainable management of living natural resources and sustainable land use	6, 7, 9, 11, 12, 13, 15

* Denominator is the market value amount of 40 green bond in the portfolio, including two matured bonds as of December 31, 2023.

Year Invested	Issuer	Amount Issued (US\$ million)	Subscription Share	Share of Bond in AP EGO Green Bond Portfolio*	Region	GHG emission avoided (tCO ₂ e/year)	Installed Capacity (MW)	Annual Generation (MWh)	Use of Proceeds	Contribution to SDGs
2022	ITAU UNIBANCO HLDG SA/KY	62,5	88.0%	4.1%	Brazil	9 885	38	78 131	RE, EE, clean transportation, sustainable water and wastewater management, pollution and prevention, environmentally sustainable management of living natural resources and land use, green buildings	6, 7, 9, 11, 12, 13, 15
2022	OTP BANK NYRT	60	88.3%	3.9%	Hungary	40 681	32	52 472	RE, green buildings, clean transportation	7, 9, 11, 13
2022	RAIFFEISEN BANK HUNGARY	50	88.0%	3.3%	Hungary	NA	NA	NA	RE, green buildings, clean transportation, land use and marine resources, EE	7, 9, 11, 13, 14, 15
2022	SAUDI NATIONAL BANK	60	85.0%	3.8%	Saudi Arabia	127 886	85	195 745	RE, management of living natural resources and land use, and SME financing.	7, 8, 13, 15
2022	SLOVENSKA SPORITELNA AS	57	96.5%	4.1%	Slovak Republic	788	NA	NA	Green buildings, RE	6, 7, 11, 13
2022	TATRA BANKA AS	30	95.0%	1.4%	Slovak Republic	1 130	NA	NA	Green buildings, RE, clean transportation, agriculture and forestry, water management, and wastewater management	6, 7, 9, 11, 13, 15
2021	AGRICULTURAL BK CHINA/NY	300	4.0%	0.9%	China	NA	NA	NA	RE, clean transportation and sustainable water and wastewater management	6, 7, 11, 13
2021	BCO DE CREDITO E INVERSION	54	100.0%	4.0%	Chile	29	NA	NA	RE	7, 13
2021	BANCO BTG PACTUAL S A	50	98.0%	3.6%	Brazil	4 426	NA	NA	RE, EE, sustainable water and wastewater management, clean transportation, and green building	6, 7, 9, 11
2021	CHINA MERCHANTS BANK/LUX	300	10.0%	2.2%	China	387 659	249	505 529	RE	7, 13
2021	CMB INTERNATIONAL LEASING	300	1.4%	0.3%	China	466 323	NA	NA	Clean transportation, RE, pollution prevention and control, sustainable water and wastewater management	6, 7, 11, 13
2021	LAAD (Latin American Agribusiness Development Corporation)	30	76.4%	1.7%	Latin America and the Caribbean	NA	NA	NA	SMEs' climate-smart agribusinesses	7, 13
2020	AKBANK TAS	50	96.8%	3.6%	Türkiye	28 791	30	100 939	Wind and solar energy projects in Türkiye	7, 9, 11, 13
2020	BANCO BTG PACTUAL S A	500	1.0%	0.4%	Brazil	44 257	NA	NA	RE, EE, sustainable water and wastewater management, clean transportation, and green building	6, 7, 9, 11
2020	BANCO VOTORANTIM SA	50	100.0%	3.7%	Brazil	1 178	NA	NA	RE, particularly solar energy or wind energy as developed onshore	7, 9, 11, 13
2020	CHINA CONSTRUCTION BANK CO. HK	700	2.1%	1.1%	China	5 352	NA	NA	RE, EE, pollution prevention and control, clean transport, sustainable water and wastewater management, green buildings, environmentally sustainable management of living natural resources	9, 11

* Denominator is the market value amount of 40 green bond in the portfolio, including two matured bonds as of December 31, 2023.

Year Invested	Issuer	Amount Issued (US\$ million)	Subscription Share	Share of Bond in AP EGO Green Bond Portfolio*	Region	GHG emission avoided (tCO ₂ e/year)	Installed Capacity (MW)	Annual Generation (MWh)	Use of Proceeds	Contribution to SDGs
2020	CHINA MERCHANTS BANK CO LTD HK	800	0.9%	0.6%	China	7 085	NA	NA	RE, infrastructure construction with energy saving and emission reduction, construction of green manufacturing systems, pollution prevention and control, clean transport, sustainable water and wastewater management, and green buildings.	9, 11
2020	QATAR NATIONAL BANK QPSC	600	10.0%	4.4%	Qatar	97 211	NA	NA	Green buildings; RE; clean transportation; EE; sustainable management of living natural resources and land; sustainable and certified agriculture, forestry, and fishery; sustainable water and wastewater management; wastewater treatment; sustainable urban drainage systems; improvements to water infrastructure; pollution prevention and control; waste management and recycling; waste to energy; and technologies to reduce emissions to air	6, 7, 11, 12, 13
2020	YAPI VE KREDİ BANKASI AS	50	100.0%	3.7%	Türkiye	36 110	NA	NA	RE; EE; pollution prevention and control; environmentally sustainable management of living natural resources and land use; terrestrial and aquatic biodiversity conservation; clean transportation; sustainable water and wastewater management; climate change adaptation; eco-efficient and/or circular economy-adapted products, production technologies, and processes; green buildings	7, 9, 11
2019	AXIS BANK LTD/GIFT CITY	40	100.0%	3.0%	India	52 207	NA	63 668	RE, low-carbon transport, energy-efficient buildings	3, 7, 8, 9, 11, 12, 13, 15, 17
2019	FIRST ABU DHABI BANK	50	100.0%	3.7%	United Arab Emirates	2 227	NA	NA	RE, EE, green real estate, sustainable waste management, clean transportation, sustainable water management, climate change adaptation, and decarbonizing technologies.	6, 7, 9, 14
2019	INDUS & COMAL BANK CHINA/ SINGAPORE	600	3.8%	1.7%	China	1 475 061	482	553 922	RE, clean transport, EE, and water management	3, 6, 7, 9, 11, 13
2019	BANK OF THE PHILIPPINE ISLANDS	300	9.7%	2.1%	Philippines	229 187	NA	NA	RE, EE, sustainable water and wastewater management, pollution prevention and control, green buildings	7, 9, 11, 13
2019	STATE DEVELOPMENT & INVESTMENT CORP	500	3.6%	1.3%	China	NA	NA	NA	Sustainable water and wastewater management, RE	6, 7, 13

* Denominator is the market value amount of 40 green bond in the portfolio, including two matured bonds as of December 31, 2023.

Year Invested	Issuer	Amount Issued (US\$ million)	Subscription Share	Share of Bond in AP EGO Green Bond Portfolio*	Region	GHG emission avoided (tCO ₂ e/year)	Installed Capacity (MW)	Annual Generation (MWh)	Use of Proceeds	Contribution to SDGs
2019	TURKIYE GARANTI BANKASI AS	50	100.0%	3.7%	Türkiye	64 358	32	99 193	RE, EE measures that reduce energy consumption by at least 30%. Includes the financing of retrofitting/improving/upgrading existing assets, as well as of new technology development and manufacture, energy recovery (waste to energy), and green buildings. In order for green building financing to be included, the asset must possess environmental certifications such as LEED (minimum silver), BREEAM (minimum good), HQE (minimum good), DNGB (minimum silver), or GBC España-VERD.	7, 9, 11
2019	TURKIYE IS BANKASI A.S	50	100.0%	3.7%	Türkiye	34 328	51	76 563	RE, EE, pollution prevention and control, environmentally sustainable management of living natural resources and land use, terrestrial and aquatic biodiversity conservation, clean transportation, sustainable water and wastewater management, climate change adaptation, eco-efficient and/or circular economy-adapted products, production technologies and processes, and green buildings	7, 9, 11, 13
2018	BNDES-BCO NAC DESVOL ECO SOC	496,798	10.0%	3.7%	Brazil	229 217	530	2 042 902	The proceeds were totally allocated to eight wind power generation projects, which total 1,323 MW new installed capacity.	7, 9, 11, 13
2018	INDUS 6 COMAL BANK CHINA/ LONDON	500	1.6%	0.6%	China	645 200	NA	NA	RE, clean transport	3, 7, 9, 11, 14
2018	INDIAN RAILWAY FINANCE	500	10.0%	3.7%	India	NA	NA	NA	Infrastructure and freight railway lines	3, 7, 9, 11, 13
2018	INDUSTRIAL BANK HK BRANCH	450	1.8%	0.6%	China	41 707	NA	NA	Sustainable water and wastewater management, coastal climate change adaptation, marine RE (such as offshore wind), pollution prevention of port and shipping activities	3, 7, 9, 11, 13, 14

Note: EE = Energy Efficiency; GHG = Greenhouse gas; MW = Megawatt; MWh = Megawatt hour; NA = Not available; RE = Renewable Energy; SDGs = Sustainable Development Goals; SME = Small and medium enterprise; tCO₂e = Tons carbon dioxide equivalent.

* Denominator is the market value amount of 40 green bond in the portfolio, including two matured bonds as of December 31, 2023.

CASE STUDIES

1 Engagement Case Study: Engagement with EM Banks in AP EGO Fund Portfolio

Purpose

Amundi is conducting an ongoing engagement campaign with the green bond issuers in the Fund, all of which are banks located in emerging economies. The purpose of this engagement is to gain further insights into the banks' green bond allocation, impact reporting practices, overall environmental strategy, and ESG profile. Amundi aims not only to assess the quality of the green bond issuance practices but also to tailor recommendations to each of the banks according to their ESG strategy strengths and areas of improvement, to improve future green bond issuance and reporting practices.

Methodology and Key Objectives

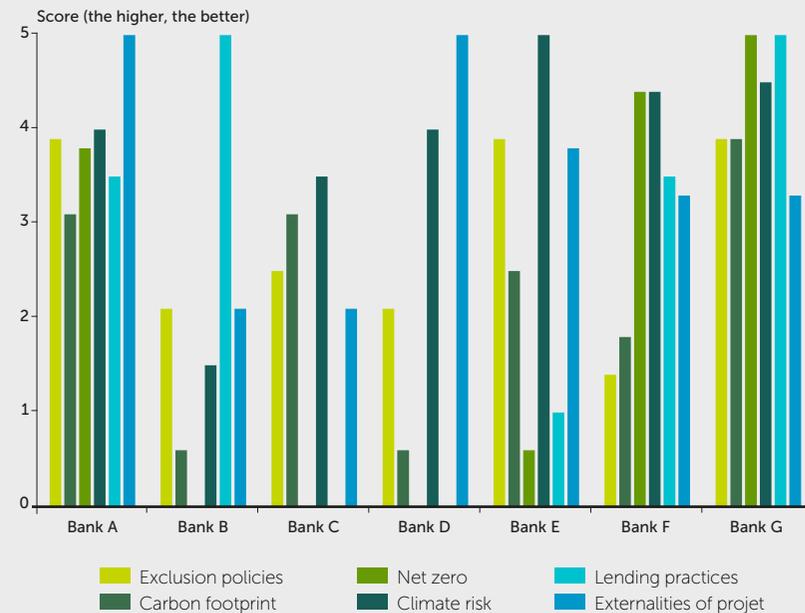
Initially in the campaign, 10 banks received a questionnaire in 2022 that covered six main themes intended to assess various aspects of each issuer's ESG strategy and green bond practices; 7 of the 10 responded. Amundi followed up on the responses in 2023 and expanded the campaign by reaching out to 19 additional issuers within the Fund. The primary objective of the questionnaire was to verify the harmonization of an issuer's ESG strategy with its green bond framework, evaluate whether the green bond would play a critical role in helping issuers attain its ESG targets and ambitions, and make recommendations to improve their ESG strategy where necessary.

Engagement topics covered various subjects, from lending practices (for example, dedicated green loan offerings) to features in the project selection process (for example, inclusion of minimum social safeguards, or "Do no significant harm" (DNSH)), as well as questions about each issuer's own ESG practices (such as exclusion policy and carbon reduction strategy).

Engagement Outcomes

This engagement campaign has enabled Amundi to benchmark the ESG performance of respondents within their peer group and effectively identify gaps in their ESG strategy and lending practices. The following chart illustrates a peer-to-peer comparison within the engagement pool across various sections (exclusion policies, carbon footprint, net zero, climate risk, lending practices, externalities of projects) on a scale from zero to five. A score of zero indicates the poorest cases or lack of data, while a score of five indicates superior performance relative to peers.

ESG Performance Comparison



Source: Amundi, 2023

Amundi has noted that some banks have made positive progress in 2023 compared with previous years. Examples include establishing advanced exclusion policies, publishing net zero road maps, committing to cease new financing of thermal coal mining and coal-fired power plants, and displaying receptiveness to aligning their environmental and social (E&S) risk management with international standards. However, limited targets for phasing down fossil fuels and net zero targets beyond coal remain a common observation across the banking sector. Therefore, conversations need to continue to emphasise the importance of improving the industry's ESG policies in these areas.

Through this engagement, Amundi was also able to provide tailored recommendations to respondents on how to improve their ESG policies and to follow best practices. In particular, Amundi offered them the following feedback on green bond issuance and the management of associated project risks financed by the proceeds of the green bond:

- **Climate risk:** Amundi recommended that banks implement physical risk assessments on loan portfolios and investments at the origination stage. Amundi also highlighted the importance of conducting these assessments before investment, in order to ensure the long-term viability of assets and to avoid premature write-offs or asset stranding. Regular reviews of the risk assessment and management procedures, particularly for assets considered to be of high physical risk, were

also advised. Finally, Amundi emphasized the need for transparent disclosure of assessment methodologies and for the existence of audit processes to verify policy implementation.

- **Sustainable lending:** Amundi suggested setting targets for the percentage or amount of new business dedicated to sustainable lending and for the incorporation of sustainable product offerings. This approach aims to link the rationale of green bond issuances with the banks' ESG strategy, particularly in terms of financing sustainable assets through green bonds, with disclosure on sustainable capital expenditure serving as a core quantitative metric.
- **Externalities of projects:** Amundi advised having in place robust E&S risk management processes for project financing, disclosing risk mitigation steps for risky lending, and using external certifications to ensure that projects financed do not have negative externalities. Alignment of such policies with international standards and the establishment of governance structures and escalation processes for E&S management were also recommended.

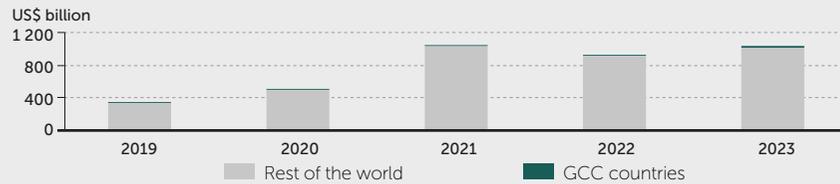
Following the feedback shared with the banks in 2023, Amundi will continue engaging with the banks in 2024 to track their progress. For the 19 new banks included in the campaign, Amundi will adopt a similar approach and highlight areas of strength and improvement based on their responses.



2 Market Case Study: Increasing Transparency and Ambition in GCC Issuers through Green Bonds

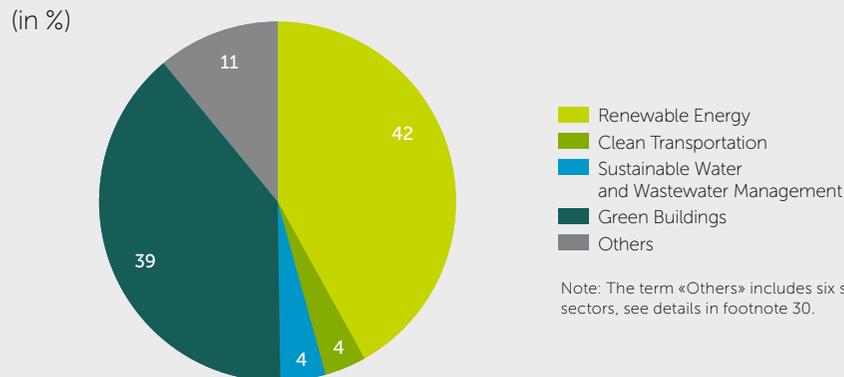
The Gulf Cooperation Council (GCC) stands as a powerhouse, grouping Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. The unique regional characteristics of the economies make them seem distant from green finance, but the green finance market in this region is gradually beginning to take off. While the green and sustainable finance market in GCC countries remains relatively nascent, **the United Arab Emirates and Qatar, Qatar in particular, have witnessed a remarkable surge in the issuance of green and sustainability bonds.**²⁹

GSSS bond issuance in GCC countries VS Global



Source: Bloomberg, Environmental Finance, Climate Bonds Initiative, IFC.

Use of Proceeds in Fund's investments in GCC countries



Source: Amundi, Fund data as of December 31, 2023

The issuance of green bonds by financial institutions in these countries can play a crucial role in using fixed-income financial instruments to raise capital for projects with environmental benefits. Such projects include renewable energy infrastructure, energy efficiency improvements, sustainable transportation, and green buildings, among others. In recent years, several financial institutions in the GCC region have shown interest in green finance and sustainable investments. For example, **the National Bank of Bahrain issued the first green bond in the country** to fund climate finance projects in areas including renewable energy and energy efficiency.

In a region heavily reliant on the oil and gas industry, the greatest challenge in the endeavor is the need to mature transparency practices to make investors confident of the impact of green investments. **The Fund has been a steadfast supporter of green finance in GCC countries since its inception.** In 2018, the Fund invested in a green bond issued by the **First Abu Dhabi Bank** from the United Arab Emirates that contributed to the financing of green building, water management, renewable energy, and energy efficiency. This was the **only bond from GCC countries in the Fund's initial portfolio of 14 bonds.** Over the next couple of years, the Fund continued to closely monitor the disclosure of impact reports by issuers and actively engage with issuers to mature their reporting capacities. These efforts have been reflected in past years through **case studies on green bonds issued by First Abu Dhabi Bank and Qatar National Bank** in the Fund's 2019 impact report and 2021 impact report, respectively. The Fund welcomed the **high transparency** demonstrated in the impact reports of these issuers and found them valuable for reference and promotion. These studies and analyses have also helped **strengthen Amundi's confidence in establishing and reinforcing green finance in the region**, especially with financial institutions. More recently, the Fund has increasingly championed this regional market. Currently, **approximately 24 percent of the bonds invested by the Fund are issued by financial institutions from GCC countries**, showcasing diversified coverage across 10 green use-of-proceeds subsectors.³⁰

29. Rawan Oueidat and Beth Burks, "Middle East Sustainable Bonds May Expand Further" (Sustainability Insights/Research paper, S&P Global Ratings, November 14, 2023), <https://www.spglobal.com/esg/insights/featured/special-editorial/middle-east-sustainable-bonds-may-expand-further>

30. The 10 green use-of-proceeds subsectors refer to renewable energy, clean transportation, sustainable water management, green buildings, energy efficiency, pollution prevention and control, environmentally sustainable management of living natural resources and land use, terrestrial and aquatic biodiversity, climate change adaptation, and circular economy-adapted products, production technologies and processes.

THE GREEN BOND TECHNICAL ASSISTANCE PROGRAM (GB-TAP)

GB-TAP is an IFC-managed and -administered technical assistance program in partnership with Switzerland's State Secretariat for Economic Affairs (SECO), the Swedish International Development Cooperation Agency (SIDA), and Luxembourg's Ministry of Finance. The objective of GB-TAP is to stimulate the supply of green bonds issued by financial institutions in EMs by creating and disseminating knowledge on green bonds and by enhancing the quality of disclosed information by green bond issuers.

2023 GB-TAP Highlights

Training for Banks in Emerging Markets

IFC's GB-TAP experienced a record-breaking year in 2023. Building on its seasoned technical assistance training program, GB-TAP delivered a total of five in-person GSS bonds executive training programs in partnerships with ICMA, IFC Green Banking Academy (IFC-GBAC), and Luxembourg Stock Exchange (LuxSE).



196 global professionals (of whom 40% were women)



From 83 financial institutions



Across 36 emerging market countries

Each training program contributed to GB-TAP's strategic plan to unlock the sustainable finance potential across EM financial institutions. The first training targeted the least-developed countries in Europe; two trainings were dedicated to English-speaking Africa; the flagship annual international cohort hosted in Luxembourg represented the most senior trainees with multiple company C-suite decision-makers; and the regional training in Sri Lanka marked the largest ever cohort in GB-TAP history.

The impact of GB-TAP's training programs is directly demonstrated through the issuance of GSS bonds from the trained financial institutions. In 2023 alone, 19 financial institutions brought to the market 43 GSS bonds with a value of US\$6.9 billion.

Disseminating Green Bond Principles

In 2023, GB-TAP reflected on the success of its executive training programs and created the first-ever self-paced online training course to scale up and expand knowledge and best practices to the world. Hosted on the World Bank's Opening Learning Campus (OLC), the course was publicly available and free for all professionals to learn the core and most value-added aspects of GB-TAP's flagship executive trainings.

In addition, GB-TAP continued to support the Sustainable Bond of the Year Award at the Global SME Finance Forum to recognize and encourage EM GSS bond issuers that used these bond labels to benefit micro, small, and medium enterprises in developing countries.

Enhancing Reporting by Issuers

2023 marked milestones in GB-TAP's efforts to enhance issuer reporting with both first-of-its-kind trainings and market recognized guides.

- Identifying and addressing the urgent need for quality impact reporting practices, GB-TAP launched the world's first-ever "Impact Reporting Training." This training was made available for GB-TAP green bond issuing financial institutions.
- The industry-leading **Biodiversity Finance Reference Guide (BFRG)** was updated upon consultation with the UN Secretariat of the Convention of Biological Diversity. In addition, French and Chinese versions of this updated BFRG were made available for wider dissemination. Multiple speaking engagements featured IFC's biodiversity lead discussing the guide's application in investing in nature.
- GB-TAP launched its **Sustainable MSME Finance Reference Guide** at the Global SME Finance Forum in Mumbai, India, to provide best practice guidance on sustainable SME financing. The guide is also available in Spanish.
- In partnership with *Environmental Finance*, GB-TAP brought to the market a comprehensive **white paper series exploring the link between ESG disclosure and GSS bond issuance**. The first two installments were published in 2023 with the final piece scheduled for early 2024.

Sharing of Knowledge

In 2023, GB-TAP continued to support essential market research in partnership with the Climate Bonds Initiative (CBI):

- The flagship report and webinar, **“Sustainable Debt: Global State of the Market 2022,”** April 2023.
 - **“Green Bond Pricing in the Primary Market,”** H1 2023
 - **“Sustainable Debt Market Summary Q3 2023,”** November 2023, with a special feature on the Middle East and Africa region coinciding with COP28 in Dubai, United Arab Emirates
- Additionally, GB-TAP supported a feature research study **“Challenges of Green Finance: Private Sector Perspectives from Emerging Markets,”** (November 2023) to help identify both challenges and solutions in promoting green finance in developing countries.

Furthermore, GB-TAP also delivered three webinars for its Climate Champion network: **“Green, Social and Sustainability Bonds Executive Training”** webinar in French for West Africa; **“Deep Dive in Taxonomies”** in partnership with CBI; and **“Green Opportunities in Real Estate for EM Banks”** with an IFC (Excellence in Design for Greater Efficiencies (EDGE) expert.



Martin Saladin

Head of Operations,
Economic
Cooperation and
Development, Swiss
State Secretariat of
Economic Affairs

As we strive to reach the targets outlined in the Paris Agreement and Sustainable Development Goals (SDGs), the urgency to scale up funding for measures countering climate change and the loss of biodiversity has never been more pronounced. A key issue remains the effective mobilization of private funds to support climate- and nature-related SDGs, especially in developing countries.

Green bonds—alongside other sustainability labeled bonds—are proving to be a powerful financial instrument designed to channel capital toward projects that mitigate climate change and promote environmental sustainability. These bonds serve as a critical bridge, connecting investors eager to align their portfolios with climate objectives to projects that drive positive environmental impact. In addition, they play a key role in mobilizing capital at scale, leveraging the vast resources of institutional investors and pension funds. By tapping into these sources of finance, green bonds are well placed to unlock the necessary funding to propel climate action forward.

2023 marked the fifth anniversary of Amundi’s AP EGO Fund. Since its establishment in 2018, the AP EGO Fund has been paramount in creating demand for green bonds. At the same time, and linked to the Fund, the Swiss State Secretariat for Economic Affairs and other program partners embarked on a journey to support the growth of green bond markets in emerging countries through IFC’s GB-TAP. The potential of green bonds to catalyze sustainable investment in EMs hinges upon the establishment of strong framework conditions and capacity building for market participants. Since its inception, GB-TAP has successfully supported activities that lead to improved policies, standardized verification and reporting mechanisms, increased knowledge and capacities of bond issuers, and enhanced market transparency. These are all essential elements for cultivating investor confidence and facilitating capital flows to EMs.

Half a decade into GB-TAP’s implementation, the results achieved are truly remarkable. After the COVID-19 pandemic induced slowdown, we witnessed a strong comeback of global green bond issuance during 2023 (US\$570.0 billion). In the same time frame, a record-breaking US\$4.8 billion of green bonds were issued by 13 GB-TAP alumni banks. That is a testimony to GB-TAP’s impact and ability to successfully stimulate demand for green bonds in EMs.

As evidenced by the positive trend, we are convinced that the global GSS bond market represents a vital pathway toward achieving our collective climate and sustainability goals. By further harnessing its potential and bolstering framework conditions in EMs, we can shape a future that is not only environmentally resilient but also economically prosperous and socially inclusive. Together with Amundi, IFC, and other partners, we are delighted to be continuing our support and striving for even greater impact.

Reflecting on Impact Since Inception

IFC's GB-TAP was launched in 2018 as a global public good with the aim of stimulating the supply of green bonds from EM FIs. GB-TAP benefited from a close collaboration with Amundi, with whom IFC established AP EGO in 2018.

GB-TAP was designed to serve as a bridge between investors from developed markets and potential green bond issuers from EMs. It also served as a capacity-building platform and a forum for global knowledge on best practices for the key market players in the green bond ecosystem. GB-TAP has created a network of over 1,000 alumni climate champions and market collaborators, which include academic institutions and key leading green bond market players.

GB-TAP has delivered 30 executive trainings to upskill more than 1,100 professionals (of whom 42 percent were women) from 319 financial institutions across 77 countries. GB-TAP produces climate finance champions around the world. The flagship executive training strategically targets EM financial institutions that have issued plain vanilla bonds and thus have the potential to upgrade their funding to green bonds and was attended by decision-makers who would play a role either in the decision to issue a green bond or in its subsequent execution. The curriculum emphasized the importance of maintaining alignment between the issuer's sustainability strategy and the bond to avoid greenwashing and to promote good-quality green bond issuances.

During the COVID-19 pandemic years of 2020–22, GB-TAP continued to publish thought leadership market research and rolled out five facilitated online trainings that incorporated social and sustainability bonds in the curriculum. Alumni of the 30 executive trainings have gone on to issue over 118 green, social, and sustainability (GSS) bonds with a total value of over US\$11.8 billion, of which 53 green bonds were worth US\$6.5 billion, 41 social bonds were worth US\$974.5 million, and 24 sustainability bonds were worth US\$4.3 billion. Such mobilized capital financed and supported social and green projects across

44 developing countries around the world, across a wide spectrum of high-, middle-, and low-income countries, and contributed to the progress of 15 SDGs. Many of the proceeds from alumni's issuances went into financing green buildings, a key element in decarbonizing the world's massive real estate sector and a significant portion of EM banks' portfolios. Other proceeds funded renewable energy and energy efficiency projects, an urgent area of emission reduction the world highlighted during COP28.

GB-TAP has been at the forefront of broadening and deepening market intelligence and knowledge to enable the global sustainable finance landscape in developing countries. GB-TAP has brought to market numerous first-of-its-kind initiatives and capacity-building products, including the following market firsts:

- **The Emerging Market Green Bonds reports**, which explore the potential growth and impact of green bonds in EMs.
- **The Green Bond Pricing in the Primary Market reports** with Climate Bonds Initiative, which analyze the pricing dynamics of green bonds and examine how these instruments offer pricing advantages for issuers and investors.
- **Green Bond Handbooks**, a step-by-step guide to issuing a green bond, and its companion online course for EM financial institutions.
- **A pilot training** on impact reporting, several **reports on best practices in green bond fund and issuer impact** reporting, and a **ESG disclosure white paper series** in partnership with Environmental Finance.
- The **"Sustainable MSME Finance Reference Guide"** for financial institutions to provide assistance to micro, small, and medium enterprises (MSMEs).
- The world's first **biodiversity finance reference guide** to help the private sector invest in nature-based solutions.
- An **award for sustainable bonds** focused on supporting small and medium enterprises.
- The launch of **ESG Book** (formerly Arabesque), which is a new central source for free accessible, standardized, and transparent corporate sustainability information.

APPENDIX A:

IMPACT REPORTING METHODOLOGY

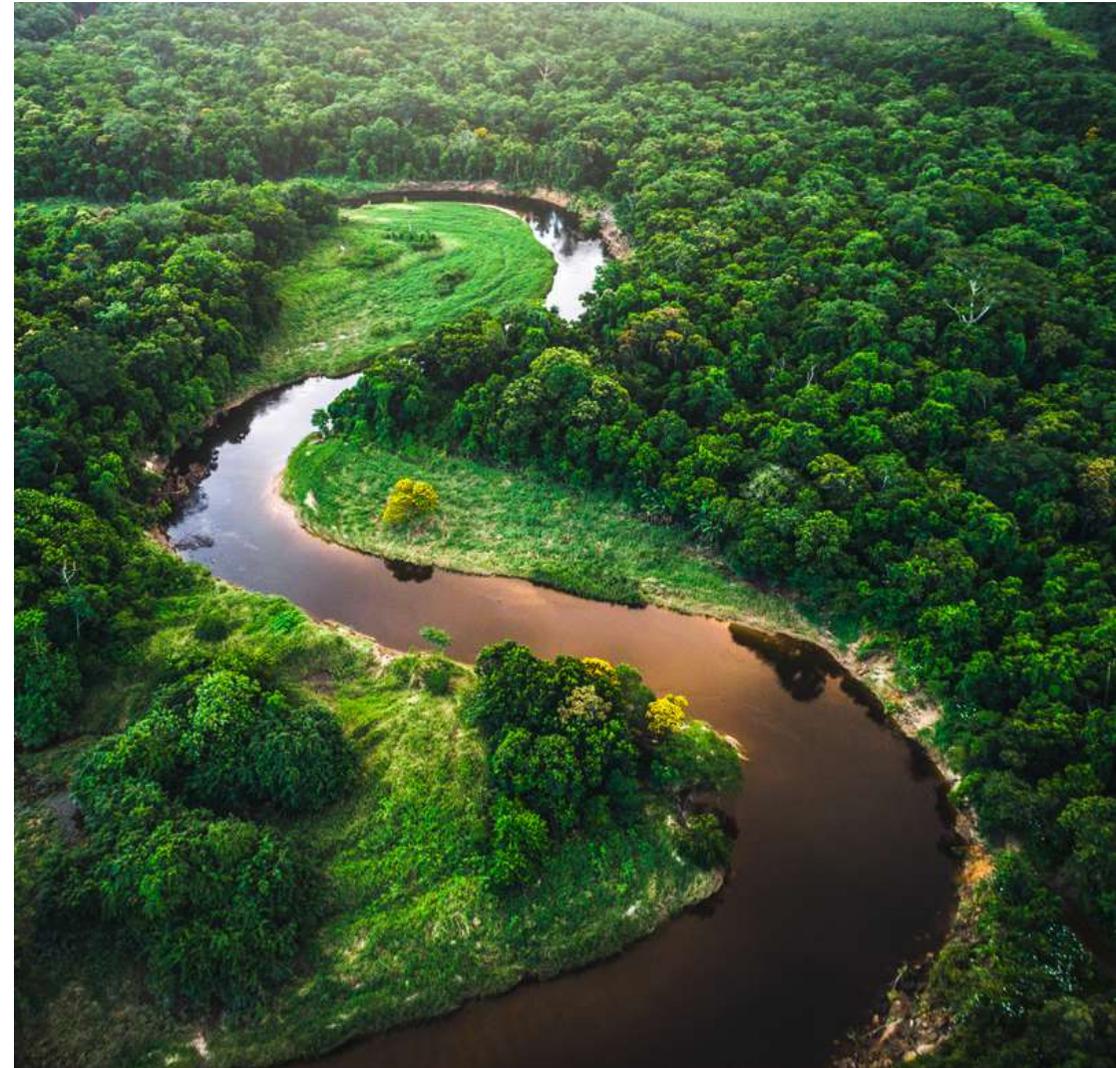
AP EGO seeks to provide accurate and timely information to clients, partners, and stakeholders about the Fund's investment activities. This appendix elaborates on the process followed for impact reporting of the AP EGO Fund. The primary inputs for this process are the annual impact reports and dedicated newsletters published by green bonds' issuers and the information published on the official websites of green bond issuers. These reports usually include aggregated impact information per eligible category under the Green Bond Principles. The impact is often expressed by issuers using annual key performance indicators, such as GHG emissions avoided, energy savings, renewable energy installed capacity, water savings, and others. AP EGO takes this information and selects a set of indicators to summarize the impact of eligible projects that have been financed through its investments in green bonds.

In addition to calculating the impact attributable to the Fund on a bond-by-bond basis, the Fund also tracks the distribution of green bonds in its portfolio by sector and geography, according to the issuer's main location, to enrich the impact reporting.

The amount of avoided GHG emissions is one of the impact indicators most frequently disclosed by green bonds and is one of the key indicators for reporting the impact of the Fund's investments. Additional indicators for renewable energy have been added, following the same proration methodology below developed for avoided GHG emissions. These include capacity installed (MW) and annual renewable energy generation (MWh).

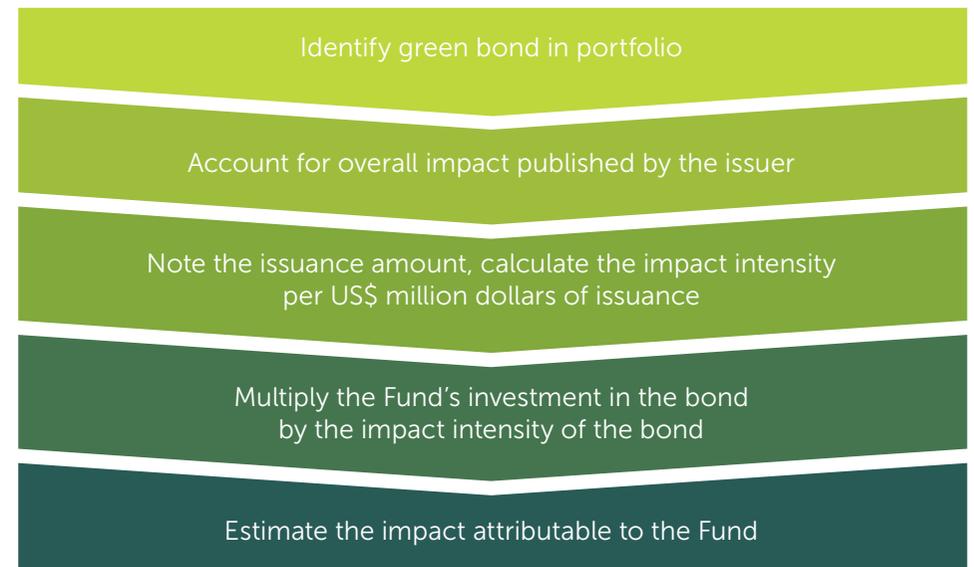
For the sake of conservativeness, the Fund applies the following criteria:

1. Only published, reliable data are used as input for the Fund's impact calculation. In the absence of data (such as a recently issued green bond for which the first annual impact report is not available until a year after the issuance), the impact calculation (tons carbon dioxide equivalent [tCO₂e]/US\$1 million invested) takes the full volume of the Fund's investment but does not estimate or artificially fill in missing impact data. The fund may seek additional clarifications on reported information directly from issuers through issuer engagement to better understand the reported data.



2. In cases where the available impact report does not reflect 100 percent of the GHG avoidance,³¹ the Fund will only use the available disclosed data, without extrapolation, to represent the avoided GHG emissions of the total bond. For example, one green bond has fully allocated its proceeds to six renewable projects and one transport project. However, the issuer has disclosed the avoided GHG emissions only for the six renewable projects, not for the transport project. As a result, AP EGO will still use the disclosed data for the Fund's impact report to represent the avoided GHG emissions of the total bond because this method is conservative.
3. Many possible reasons may be considered such as insufficient data sources and the lack of calculation methodology or capability on the part of the issuer. In cases where the green bond impact reports include data that do not pass AP EGO quality control (such as cases in which the reported impact data are not within the usual range of similar projects), the respective numbers are excluded from the impact calculation of the Fund's portfolio. However, for impact from renewable energy projects, an internal approach using International Renewable Energy Agency (IRENA) global data on total installed costs by technology are used to estimate the total project cost in order to prorate the impact where sufficient information is provided on the type of renewable energy projects funded.
4. In cases where a green bond issuer released its impact reports in previous years but not for the reporting period, defined by AP EGO Fund, data from the latest impact report will be used for impact calculation of this particular issuer to appreciate the impacts of green finance.³² These cases will be reviewed on an individual basis to ensure no overestimation, and follow-up engagement will be prioritized with these issuers.

At a high level, the Fund takes issuer information for each bond and calculates the impact associated with the financing share of the projects using a prorating approach. Then the Fund translates this information into an impact intensity per bond (such as tCO₂e/year avoided by US\$1million invested) and converts it into a prorated impact attributable to the Fund. The following figure highlights the process for estimating the impact for each bond invested by the Fund.



³¹ Many possible reasons may be considered such as insufficient data sources and the lack of calculation methodology or capability on the part of the issuer.

³² This is consistent with the recommendations of the ICMA Handbook for Impact Reporting that state that impact report should be based on ex-ante estimates of expected annual results for a representative year once a project is completed and operating at normal capacity.

EXAMPLE: AP EGO INVESTMENT IN THE GREEN BOND XS2041003901 ISSUED BY TURKIYE IS BANKASI AS (ISBANK).

1) The Fund locates the specific bond in its portfolio and accesses the latest impact report published by the issuer (in this case, [ISBANK Green Bond Annual Report](#)).

ISBANK'S outstanding green bonds	
ISIN	XS2041003901
Amount	USD 50 000 000
Issuance Date	21 August 2019
Maturity	21 December 2029
Issuance Type	Senior unsecured
Issuance Format	Reg S
Use of Proceeds	Green Categories stated in ISBANK's Sustainability Bond Framework
Listing	Euronext Dublin
ISIN	XS2306847158
Amount	USD 13 000 000
Issuance Date	25 February 2021
Maturity	25 February 2026

The specific bond is the US\$50 million 10-year bond identified as the first bond listed in the table showing IsBank's outstanding green bonds in its green bond annual report. The issuance volume for this bond accounts for 79 percent of the total issuance amount of the two listed green bonds and loans in the table. (\$50 million/\$63 million = 79.4%).

2. The Fund uses the avoided GHG numbers, installed capacity and energy produced from the report to estimate the impact associated with this bond.

Total proceeds	USD 63 000 000
Allocation of Proceeds (%)	100%

Category	Sub-category	Project number ³³	Loan Amount (USD)	Disbursement Date	Issuer's share in the total project cost	Impact Metrics		
						Installed capacity (MW)	Energy produced in 2022 (MWh)	Estimated GHG emission avoided (tCO ₂ e)
Renewable energy	Solar power	1	19 888 450	29 Sep 2017	70%	21.1	35 820	16 268
		2	7 589 836	16 Oct 2017	73%	10.5	16 342	7 740
		3	5 548 091	30 Nov 2017	75%	7	11 602	5 646
		4	6 845 829	01 Aug 2018	70%	12	19 141	8 693
		5	8 016 942	26 Jul 2019	75%	10.8	20 835	10 138
	6	8 479 012	25 May 2021	63%	23.4	19 879	8 126	
	Wind power	7	16 419 396	26 Jan 2018	63%	25.2	38 418	15 703
		TOTAL	72 787 556			110	111 457	72 314

33. All projects are located in Türkiye.

From the issuer disclosure, AP EGO identifies the following impact:

- Total reported avoided GHG emissions through renewable energy (RE) = 72 314 tCO₂e/y
- Total installed RE capacity = 110 MW
- Total renewable energy produced = 111 457 MWh/y
- Total amount allocated to RE = \$72.8 million
- Total prorated avoided GHG emissions = 49 973 tCO₂e/y (calculated as the sum of issuer's share in the total project cost multiplied by estimated GHG emissions avoided).

$$GHG\ Avoidance\ Intensity = \frac{\text{Total prorated avoided GHG emission}}{\text{Total amount allocated to RE}} = \frac{49\,973\ tCO_2e/y}{\$72.8\ \text{million}} = 686.6\ \frac{tCO_2e/y}{y.million\ \$}$$

(Note: y.million \$ = million dollars per year.)

3) With the GHG avoidance intensity, the GHG avoidance attributed to the AP EGO Fund is estimated as follows:

- The Fund invested US\$50 million in this bond (XS2041003901).

$$\begin{aligned} \text{GHG Avoidance Attributable to the Fund} &= \text{GHG Avoidance Intensity} \times \text{Fund investment in the bond} \\ \text{GHG Avoidance Attributable to the Fund} &= 686.6 \frac{\text{tCO}_2\text{eq}}{\text{y million US\$}} \times \text{US\$50 million} = 34\,328.1 \text{ tCO}_2\text{eq/y} \end{aligned}$$

Thus, 34 348.1 tCO₂e/y is the final GHG avoidance number financed by the Fund through the specific green bond XS2041003901, included in this report.

4) The RE capacity and annual generation attributed to the AP EGO Fund are estimated by the following:

- The installed RE capacity attributed to the AP EGO Fund is estimated as:

$$\begin{aligned} \text{Installed RE capacity attributed to the Fund} &= \frac{\text{Fund investment in the bond}}{\text{Total amount allocated to RE}} \times \text{prorated installed RE capacity} \\ \text{Installed RE capacity attributed to the Fund} &= \frac{\text{US\$50.0 million}}{\text{US\$72.8 million}} \times 74.8 = 51.4 \text{ MWh/y} \end{aligned}$$

- The RE produced attributed to the AP EGO Fund is estimated as:

$$\begin{aligned} \text{RE produced attributed to the Fund} &= \frac{\text{Fund investment in the bond}}{\text{Total amount allocated to RE}} \times \text{prorated RE produced} \\ \text{RE produced attributed to the Fund} &= \frac{\text{US\$50.0 million}}{\text{US\$72.8 million}} \times 111\,457.2 = 76\,563.4 \text{ MWh/y} \end{aligned}$$

Thus, 51.4 MW and 76 563.4 MWh/y are the final RE capacity and annual generation numbers financed by the Fund through the specific green bond XS2041003901, included in this impact report.

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