

SLBs: a summary of 2024 targets

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The Sustainability-Linked Bond (SLB) market continues to mature, and so a larger cohort of bonds will reach their observation date for their Sustainability Performance Targets (SPTs) than in 2023.

While overall volumes have not yet regained the peak of 2021 (see Figure 1), issuance remains significant for a product that emerged just five years ago. SLBs offer a complementary issuance profile to green bonds (see Figure 2), with more frequent usage from high-emitting, hard-to-abate sectors, such as Industrials and Non-cyclical consumer.[1]

To support investors in assessing the SLB market, we review a cohort of 24 bonds to estimate the likelihood of their reaching or missing their Sustainability Performance Targets (SPT). Our analysis concludes that 14 bonds have or are likely to meet their SPTs. Four bonds have a 50:50 likelihood, issued by Coca-Cola Femsa, Eni, Hapag-Lloyd and Legrand. Three bonds unlikely to achieve their targets come from A2A, EC Finance (owner of Europcar) and London & Quadrant Housing.

Whether SPTs will be achieved is a key input into the pricing of SLBs. Where targets have a significant chance of being missed due to higher ambition, there are benefits for both investors and issuers. For investors, the step-up provides a hedge against poor sustainability performance. And for issuers, the value of this hedge has the potential to deliver attractive financing rates.[2,3]

We find that the SLB market continues to drive forward transparency and accountability, and offers an opportunity for investors to use fixed income capital to support borrower-level transition.

Figure 1. SLB and Green bond issuance to FY 2023. Source: Bloomberg, accessed 26 Jun 2024.

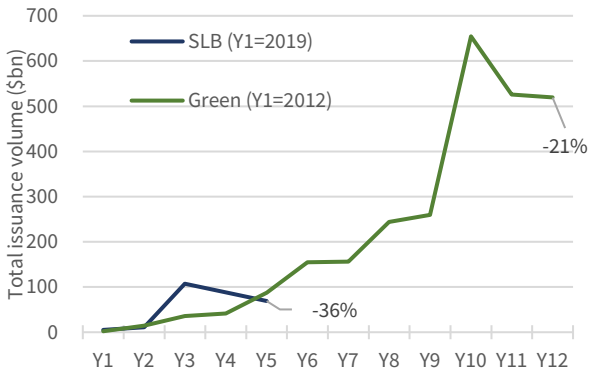
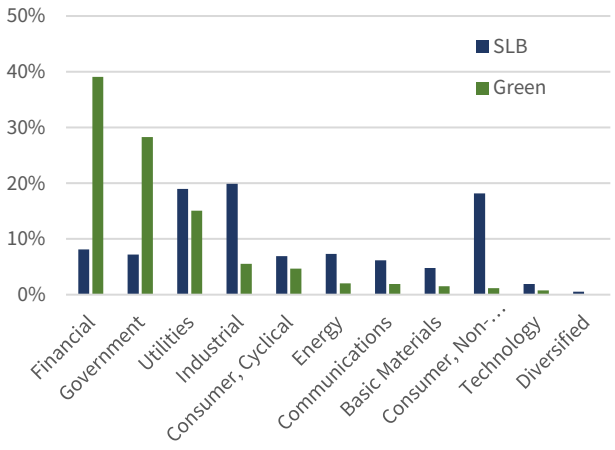


Figure 2. SLB and Green issuance since 2022 by sector. Source: Bloomberg, accessed 26 Jun 2024.



[1] For a fuller comparison please see "SLBs: complementary, my dear Investor", AFII, 13 Apr 2023.
[2] For a full summary of our pricing model and case studies please see "Sustainability-Linked Bond Handbook: A practitioner's guide", AFII, May 2024.
[3] Both these effects have been demonstrated recently by Enel, please see "Enel SLBs: fortes fortuna juvat", AFII, 26 Apr 2024 and "Enel returns to the SLB market: per angusta ad augusta", AFII, 21 Jun 2024.

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Summary of bonds

Our analysis is focused on 'benchmark' issuance, which we define as greater than equivalent $300mm in size in any currency. This filtering identifies a list of 24 bonds from 19 issuers whose bonds (at issuance) defined SPTs to be observed in 2024.[4]

Our searches have identified a further 28 bonds from 21 new issuers and one repeated issuer that are below this minimum size. Full details can be seen in Table 5 in the appendix for completeness.

As cumulative issuance in the market has been growing, this is a larger cohort than bonds with observation dates in 2023.[5]

The objective of this paper is not to assess the relative ambition of the bonds' SPTs or whether the coupon step-ups/downs are sufficiently material to incentivise change, but rather to analyse the likelihoods of SPTs being achieved. This supports SLB investors to understand the expected value of their securities.

Methodology

In assessing the SPTs, we have used publicly available data, both to confirm the bond details and historic KPI levels, and to understand the levers available to the issuer to influence its KPI performance. This allows us to make our bespoke assessment of the likelihood that targets will be achieved.

If we are able to confirm the contractual bond details, the default classification is **50:50**, which is designed to represent bonds where there is insufficient evidence to be confident that the SPT is likely to be met or missed.

If our company analysis allows a conclusion to be reached, we categorise bonds as either **Likely MEET** or **Likely MISS**.

Where targets are already achieved, we differentiate between those that are **MET**, where the KPI is generally non-numeric and related to an approval that cannot be rescinded, and **Currently MET**, where the KPI could theoretically move such that the target is no longer achieved on observation date.

Our categories are broad, which is representative of the developmental state of the market. As investor focus on these events grows, so issuer disclosure and messaging will improve, allowing for greater precision. In an efficient market, it should be possible to imply probabilities from SLB pricing, which is another potential future development of these kinds of analyses.

A full list of bonds, as well as the AFII assessment, is shown in Table 1 (overleaf).

[4] Note that one issuer, Ukrenergo, has delayed its observation date. This is explained in more detail in the relevant section of this document.

[5] For our analysis of 2023 observation date SLBs, see "SLBs: a summary of 2023 targets", AFII, 15 Nov 2023.

Table 1. SLBs with KPI observation date in 2024 and AFII assessment. Source: AFII, Bloomberg.

Issuer	ISIN	Pricing Date	Maturity Date	Observation Date	Currency	Amount Outstanding	AFII assessment
A2A SPA	XS2457496359	09-Mar-22	16-Mar-28	30-Dec-24	EUR	0.50	Likely MISS
ASTM SPA	XS2412267358	18-Nov-21	25-Nov-26	30-Dec-24	EUR	0.75	Currently MET
B3 SA-BRASIL BOLSA BALCA	USP19118AA91	15-Sep-21	20-Sep-31	31-Dec-2024/31-Dec-2026	USD	0.70	MET
CHINA CONSTRUCTION BANK	CND10004XC10	25-May-22	25-May-25	30-Dec-24	CNY	10.00	Currently MET
COCA-COLA FEMSA SAB CV	MX91KO0000F0	23-Sep-21	14-Sep-28	30-Dec-24	MXN	6.97	50:50
CULLINAN HOLDCO	XS2397354528	07-Oct-21	15-Oct-26	30-Dec-24	EUR	0.38	Likely MEET
EC FINANCE PLC	XS2389984175	23-Sep-21	15-Oct-26	30-Dec-24	EUR	0.50	Likely MISS
ENEL FINANCE AMERICA LLC	USU2920CAA19	06-Oct-22	14-Oct-27	30-Dec-24	USD	1.00	Likely MEET
ENEL FINANCE INTL NV	USN30707AP36	08-Jun-22	15-Jun-27	30-Dec-24	USD	0.75	Likely MEET
ENEL FINANCE INTL NV	XS2531420656	06-Sep-22	09-Mar-29	30-Dec-24	EUR	1.00	Likely MEET
ENEL FINANCE INTL NV	XS2466363202	04-Apr-22	11-Apr-29	30-Dec-24	GBP	0.75	Likely MEET
ENEL FINANCE INTL NV	XS2432293756	10-Jan-22	17-Jan-31	30-Dec-24	EUR	0.75	Likely MEET
ENI SPA	XS2344735811	07-Jun-21	14-Jun-28	31-Dec-2024/31-Dec-2025	EUR	1.00	50:50
HAPAG-LLOYD AG	XS2326548562	25-Mar-21	15-Apr-28	30-Dec-24	EUR	0.30	50:50
HERENS HOLDCO SARL	USL47909AA11	30-Apr-21	15-May-28	30-Dec-24	USD	0.35	NO DATA
HERENS MIDCO SARL	XS2340137343	30-Apr-21	15-May-29	30-Dec-24	EUR	0.46	NO DATA
HUHTAMAKI OYJ	FI4000523550	01-Jun-22	09-Jun-27	30-Dec-24	EUR	0.50	Currently MET
JAPFA COMFEED TBK PT	XS2313088739	16-Mar-21	23-Mar-26	30-Dec-24	USD	0.35	Likely MEET
LEGRAND SA	FR001400I5S6	23-May-23	29-May-29	30-Dec-24	EUR	0.70	50:50
LONDON & QUADRANT HOUSING	XS2430702105	12-Jan-22	31-Mar-32	31-Mar-24	GBP	0.30	Likely MISS
NPC UKRENERGO	XS2404309754	02-Nov-21	09-Nov-28	30-Dec-24	USD	0.83	DELAYED
SHUI ON DEVELOPMENT HLDG	XS2358225477	24-Jun-21	29-Jun-26	30-Dec-24	USD	0.40	Currently MET
UNITY 1 SUKUK LIMITED	XS2245508044	28-Oct-20	03-Nov-25	30-Dec-24	USD	0.60	Currently MET
WEIR GROUP PLC (THE)	USG95248U432	06-May-21	13-May-26	30-Dec-24	USD	0.80	Currently MET

1) Targets met

One bond has already definitively met its target for 2024.

B3 SA

B3 SA, Brasil Bolsa, Balcão, (ticker BTHREE), a Brazilian stock exchange, has one SLB with observation dates in 2024 (ISIN USP19118AA91). The bond is linked to two KPIs and has total notional $700mm.

Of these KPIs, only one has an observation date in 2024. This was **to create a diversity index by 31 December 2024, which was achieved on 15 Aug 2023** and reported in its annual report in 2023.[6] This cannot be 'undone' before the observation date.

[6] Page 103, "2023 Annual Report", B3 SA, accessed 11 Jun 2024.

There is a **second KPI, to reach 35% women in leadership positions by 2026.** Latest reporting was 29.5% in 2023,[7] so there is progress needed to achieve this SPT.

2) Targets currently met

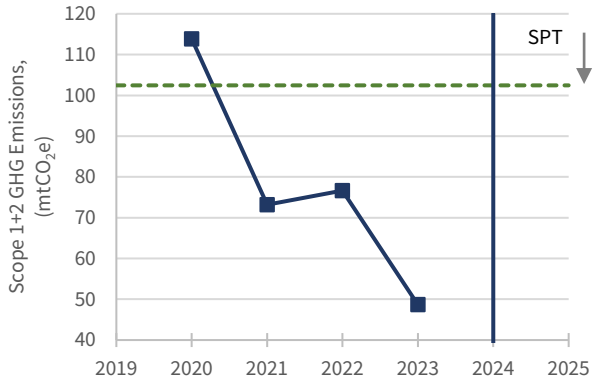
For six issuers, ASTM SpA, the China Construction Bank, Huhtamaki Oyj, Shui On Development Holdings, Unity 1 Sukuk Ltd (Etihad) and the Weir Group, the latest reporting shows that the targets set in their SLBs are currently being met. The KPIs are related to the issuers' ongoing businesses, and so can continue to change before the observation date. These targets therefore cannot be guaranteed to be achieved at observation date.

ASTM SpA

ASTM SpA (ticker ATIM), an Italian infrastructure company, has one SLB with an observation date in 2024. This €750m SLB (ISIN XS2412267358) has one KPI, **to reduce Scope 1 and 2 emissions by 10% from 2020.**[8]

Figure 3 shows historic KPI data from the company's 2023 SLB Progress Reports. **The SPT has been met since 2021, and is currently -57% from the 2020 baseline.**[9]

Figure 3. ASTM Historical Scope 1 and 2 GHG Emissions. Source: ASTM.



The company has implemented numerous initiatives in 2022 to achieve the target, including implementing an Energy Management System in line with ISO 50001:2018 Standard, monitoring motorway infrastructure using technology (e.g. drones) to reduce mileage, replacing light bulbs with LEDs, initiating a dynamic management system to minimise energy consumption for lighting and HVAC (Heading, Ventilation, Air Conditioning), using solar panels, and purchasing renewable energy with Guarantees of Origin certificates.[9]

The KPI is an absolute emissions metric. Increases in certain areas of ASTM SpA's business could theoretically lead to emissions increases; however, latest reporting shows emissions to be significantly below the target.

[7] Page 97, "2023 Annual Report", B3 SA, accessed 26 Jun 2024.
[8] "Final Terms", ASTM SpA, accessed 10 Jun 2024.
[9] "SLB Progress Report 2023", ASTM SpA, accessed 10 Jun 2024.

China Construction Bank (CCB)

China Construction Bank (ticker CCB) was originally state owned, but is now listed on the Hong Kong stock exchange. It has issued a selection of Use-of-Proceeds (UoP) labelled bonds as well as SLBs. The SLBs use **a single KPI, the ratio of green loans to adjusted gross loans and advances to customers**, which is reported annually in its Green, Social, Sustainability and Sustainability-Linked Bonds Annual Report.

Its first SLB (ISIN XS2331713011 now matured) targeted that the ratio be above 9.5% at 31 Dec 2022, and its second SLB (ISIN XS2331713102) targeted above 10% at 31 Dec 2023. The SLB featured in Table 1 (ISIN CND10004XC10) is denominated in CNY and features a target of 11.5% by 31 Dec 2024. In CCB's 2023 report on labelled bonds, this figure was 16.84% as of 31 Dec 2022.[10]

This means the SPT was met on the earlier two bonds, **and the current level is also above the 2023 target**. While it is possible that CCB reduces the ratio if it originates large number of non-green loans, performance is sufficiently above target that this seems improbable.

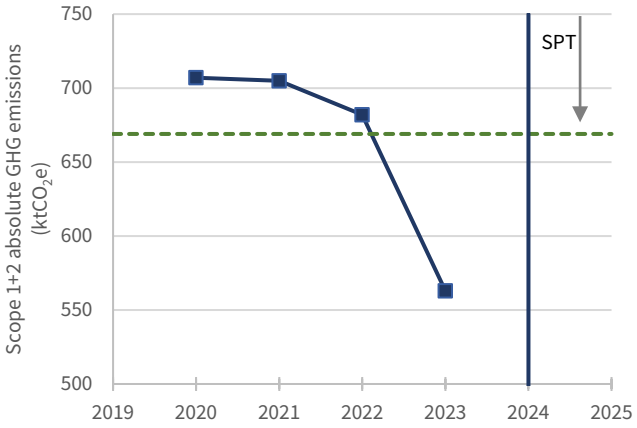
Huhtamaki Oyj

Huhtamaki Oyj (ticker HUHTAM), a Finnish food packaging company, issued a €500mm SLB (ISIN FI4000523550) on 1 June 2022.

The bond sets out **one KPI: the reduction of absolute Scope 1+2 GHG emissions to 669 $ktCO_2e$ by 2024.**[11]

Historical performance from annual reports is shown in Figure 4, **illustrating that this target is currently met.**

Figure 4. Huhtamaki Scope 1+2 GHG emissions, historical and target. Source: Huhtamaki.



The company employs a number of drivers to achieve this, including Total Productive Manufacturing training,[12] a method for optimising production efficiency. In 2023, 64% of manufacturing units followed an externally certified environmental management system such as ISO 14001, the Eco-Management and Audit Scheme (EMAS) or the internal Environmental Care Program.[13]

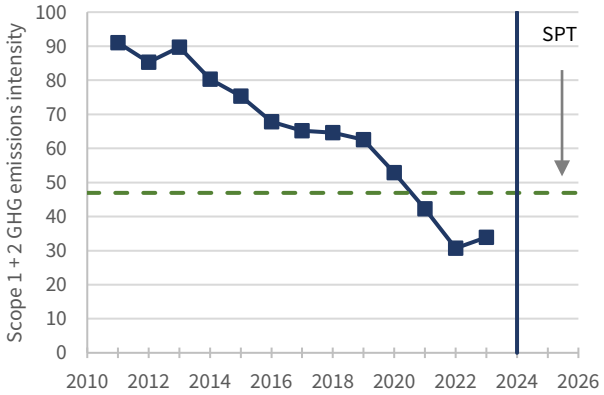
The KPI is also an absolute metric, and theoretically it is possible that growth could drive increased emissions, but with levels currently 15.8% below the SPT, compared to average annual change of 5.1%, we view this as unlikely.

[10] "2023 Green, Social, Sustainability and Sustainability-Linked Bonds Annual Report", CCB, accessed 6 Jun 2023.
[11] See page 15 of Huhtamaki Oyj €500 mm Senior Unsecured 4.250% Sustainability-Linked Notes Due 2027.
[12] "TPM Manufacturing", 4industry.com, accessed 8 Jul 2024.
[13] "Annual Report 2023", Huhtamaki Oyj, 27 Feb 2024.

Shui On Development Holdings

Shui On Development Holdings (Shui On) (ticker SHUION) is a Chinese property company with one SLB outstanding. The $400mm bond (ISIN XS2358225477) has its SPT target at the end of 2024.

Figure 5. Shui On Development Holdings SPT and historical performance. Source: Shui On Development Holdings.



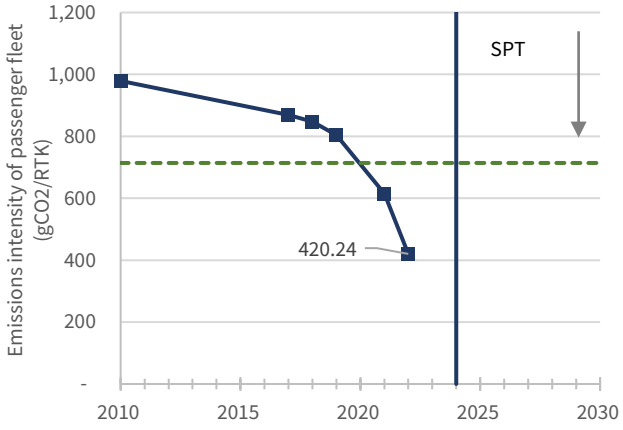
The bond has one KPI, **to reduce total Scope 1+2 emissions intensity compared to size of assets (for assets that are wholly or partially owned and operated by the company for at least one year) by 25% versus a 2019 baseline.**[14] This creates an absolute target of 46.95 kg CO_2/m^2 versus a baseline of 62.6 kg CO_2/m^2 in 2019.[15]

As shown in Figure 5, this target has been achieved by the company for the last three reporting years.

Unity 1 Sukuk Ltd (Etihad)

Unity 1 Sukuk Ltd (ticker UNITYL), is an SPV issuing bonds to fund Etihad Airways, an Emirati airline. It was the first Sustainability-Linked Sukuk,[16] a structure making investment products sharia-compliant. The KPI is emissions intensity of its fleet, and the bond purchases carbon offsets in the event of a missed target rather than paying a coupon step-up.[17]

Figure 6. Historic KPI details for Etihad. Source: Etihad.



The SPT is **to reduce emissions intensity of its passenger fleet to 714gCO_2/RTK, a reduction of 17.8% from a 2017 baseline.**[18] As shown in Figure 6, the latest reporting for 2022 gives a figure of 420.24 gCO_2/RTK for the passenger fleet,[19] which is over 40% below the SPT. **We note that the figure for 2021, the year after the bond was issued, was already 13% below the target.**[20]

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[14] See page 287 of Shui On Development Holdings $400mm 5.50% Senior Notes due 2026.
[15] Page 3, "Green Finance Report 2022", Shui On Holdings, accessed 26 Jun 2024.
[16] "Etihad's $600 million Sustainability-Linked Sukuk; the first of many things", Natixis, 30 Nov 2020.
[17] These structures are covered in more details in "Sustainability-Linked Bonds: alternative steps", AFII, 23 May 2023.
[18] "Etihad Transition Finance Framework", Etihad, Sep 2020.
[19] "2023 KPI reporting", Etihad & Grant Thornton, 15 Jun 2023.
[20] 2022 KPI reporting included in "Etihad Sustainability Report 2020-2021", Etihad & Grant Thornton, 27 Jun 2022.

The Weir Group

The Weir Group (ticker WEIRLN) is a Scottish engineering company that makes equipment for minerals, mining and upstream oil & gas companies, with two SLBs outstanding. The shorter dated bond ($2.2% 26s ISIN USG95248U432) does not have publicly available bond documentation however the Sustainability Linked Financing Framework (SLFF) is available.[21] The company has confirmed this bond was issued under the 2021 SLFF, and Bloomberg reports its trigger is in 2024.[22]

The SLFF details **a target to reduce Scope 1+2 emissions by 30% in 2024 from a 2019 baseline.** This KPI is an intensity metric: Scope 1+2 (market-based) over revenue, with an implied SPT of 61.0 tCO_2e/£mm by year-end 2024.[21]

We note the denominator of this metric is linked to inflation. This means that even with no change, as revenue increases, the intensity metric is expected to reduce. To assess the impact of the company's transition, intensity metrics need to use a real metric (e.g. quantity produced or energy used) as the denominator.[23] We note the 2023 SLFF now uses an absolute emissions KPI.[21]

The SLFF defines the scope of this KPI being "continuing operations only", and we observe historic emissions have been subject to restatement (see Table 1). Indeed, in every annual report, the baseline 2019 figure has been adjusted.

Table 2. The Weir Group emissions intensity reporting and implied SPT level. Source: The Weir Group, AFII.

Emissions Intensity	Source			
Year	2021 SLFF	2021 annual report	2022 annual report	2023 annual report
2019	87.2	95.8	92.5	91.7
2020	75.7	84.4		
2021		81.0	83.9	
2022			69.9	63.0
2023				54.0
Implied 2024 SPT	61.0	67.1	64.8	64.2

The Weir Group has introduced initiatives to reduce their carbon footprint. Limited details are available, but his includes on-site renewable generation, power purchase agreements and, where necessary, Renewable Energy Certificates (which will reduce the Scope 2 market-based emissions)".[24,25] Further, it includes growing "green revenues" and progressing priority R&D projects.[25] Additionally, the company states that carbon offsets are not part of their transition plan and notes that the capital expenditure required to decrease Scope 1+2 emissions, which are 0.5% of the group's emissions footprint, are "not material" to its business plan.[25]

Overall, we find a lack of clarity around the size and nature of prior restatements. It remains to be seen whether Weir Group will disclose an adjusted target when it reports its final performance against the SPT, which we expect in 2025.

Despite the lack of transparency provided on the exact basis for restatement, or verification of the calculations, **the 2023 reporting shows a KPI well below even a restated target.**

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[21] Accessed via "Sustainability-linked Financing Documents", The Weir Group, accessed 10 Jun 2024.
[22] Accessed 17 Jun 2024.
[23] A more common denominator is revenue which is influenced by inflation, which means the denominator is expected to grow and so the intensity metric is expected to decline, especially in high inflation jurisdictions. For an example please see "Review of Adani's SLB: Weak targets likely to be met, but significant coal exposure remains a concern", AFII, 6 Feb 2024.
[24] "Deliver Sustainable Weir", The Weir Group, accessed 19 Jun 2024.
[25] P53, "Annual Report 2023", The Weir Group, accessed 19 Jun 2024.

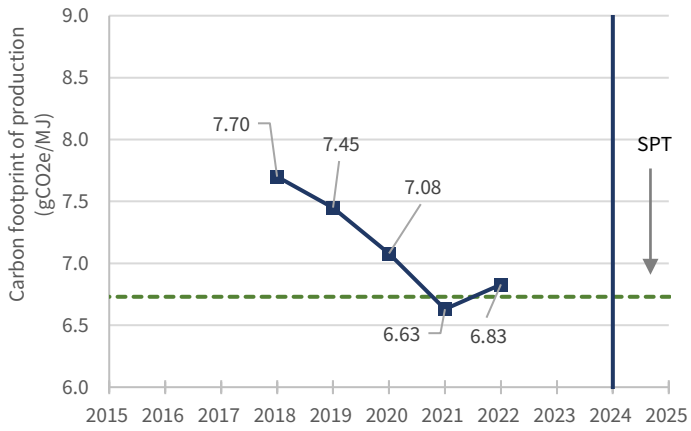
3) Targets likely to be met

There are three further issuers whose targets our analysis suggests are likely to be achieved. The issuers are Cullinan Holdco (Graanulinvest), Enel and Japfa Comfeed TBK PT.

Cullinan Holdco SCSp (Graanulinvest)

Cullinan Holdco (ticker GRAANU) is a holding company, the parent company of Graanulinvest Group, an Estonian biofuel company with production in Estonia, Latvia, Lithuania and Texas.[26] Note there is a second smaller bond from this issuer in the extended population shown in Table 5.

Figure 7. Historic KPI details for GRAANU. Source: GRAANU.



Its financing framework reports **one KPI, to reduce the carbon intensity versus total energy in its pellets from the baseline of 7.08 gCO_2e /MJ at 30 December 2020 by 5% (so to 6.73) by 24 December 2024.**[27]

Historic values for this KPI are given in Figure 7, which show a high degree of volatility. The SPT was achieved in 2021, the year the bonds were issued, but subsequently efficiency deteriorated and the target was no longer met. It was stated that this was alongside potential improvements in the comprehensiveness of its reporting; however, no baseline restatement was suggested. "*By steadfastly adhering to effective and localised solutions [..], we have successfully kept our overall footprint close to the target level. We aim to achieve a level below 6.73 gCO2e/MJ by the end of 2023".*[28]

Given the target has historically been achieved, and the subsequent rise was quite low, we think it is likely the target will be met.

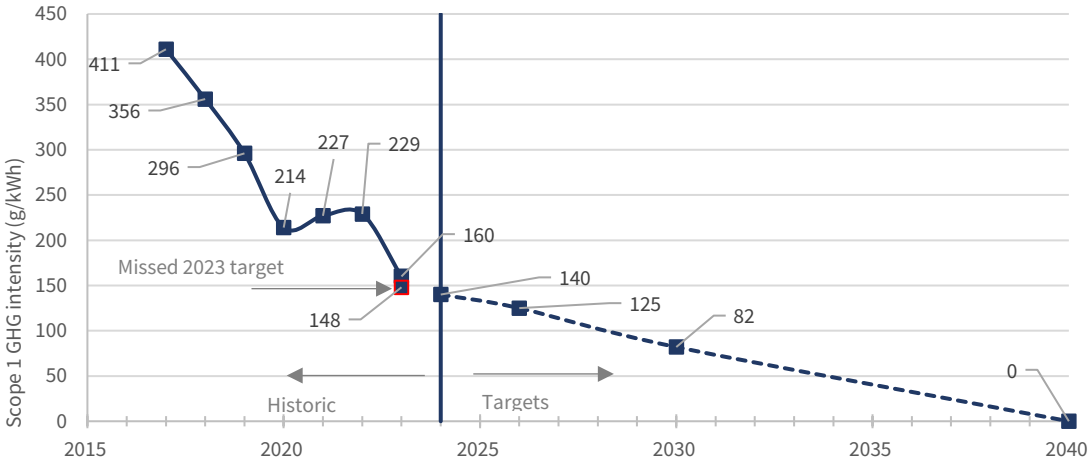
Enel

Enel (ticker ENELIM), an Italian utility, was the first issuer of SLBs in 2019, and so has already passed three SPT observation dates. Its 2021 and 2022 targets were achieved; however, its 2023 direct emissions intensity target was missed, triggering a 25bp step-up on ten bonds.[29]

Enel has five SLBs with an observation date at the end of 2024, all referencing the same SPT which is **a further reduction on its direct emissions intensity beyond the missed 2023 target.** Historic details and targets are shown in Figure 8 overleaf.

[26] "Introduction", Graanulinvest Group, accessed 12 Jun 2024.
[27] "Graanul Invest Group Sustainability-Linked Financing Framework", Graanul Invest, Sep 2021.
[28] "Sustainability Report 2022", Graanul Invest, accessed 20 Jun 2024.
[29] For more details on the KPI and subsequent market moves in the SLBs, see "Enel SLBs FY 2023 generation figures released", AFII, 22 Mar 2024 and "Enel SLBs: fortes fortuna juvat", AFII, 26 Apr 2024.

Figure 8. Enel Scope 1 emissions intensity historic values and targets. Source: Enel.



Enel's 2023 half-year discloses a figure of 173 g/kWh for H1 on 101,999 MW of generation.[30] H2 generation was 105,322 MW which implies a H2 intensity figure of 147g/kWh. This highlights, on a go-forward basis, how little improvement is needed to achieve the 2024 target.

Furthermore, in Q1 2024 Enel reported that 80.7% of its generation was emissions-free (hydro, wind, geothermal, solar or nuclear),[31] an increase from 71.5% for H1 2023 and 75.0% in H2 2023. This would suggest further emission intensity reductions have been achieved in the year.

We classify Enel's 2024 target as likely to be met, given the ongoing positive trajectory. We will observe its H1 generation and sustainability reporting with interest to gauge progress after the missed 2023 target.[32]

Japfa Comfeed TBK PT

Japfa (ticker JPFAIJ) is an Indonesian agri-food company, focused on animal feed production and breeding, livestock fattening, and processing and distribution.[33] It has one bond outstanding (ISIN XS2313088739), an SLB issued in Mar 2021 with maturity Mar 2026 and notional $350mm.

The bond has **one KPI with a target date Dec 2024 to construct water recycling facilities at poultry operations, specifically to install at eight slaughterhouses (out of 15 total) under Japfa operations and one at the hatchery within its poultry breeding unit.**

In its 2023 annual report, Japfa confirmed that eight were completed (of which three were finished in 2023), and it reported to be on track to build the ninth before the SLB target date.[34] We only have self-reported confirmation, but given the rate of increase, this claim seems credible, **and so we classify this SPT as likely to be met.**

[30] Half-year Sustainability disclosures at Jun 30, 2023 available at "Sustainability", Enel and 1H and FY 2023 Key Figures available at "Financials", Enel.
[31] Generation details are available in Key Figures at "Financials", Enel.
[32] For analysis on its recent return to the SLB market, see "Enel returns to the SLB market: per angusta ad augusta", AFII, 21 Jun 2024.
[33] "About us overview", Japfa, accessed 10 Jun 2024.
[34] "Japfa Ltd Annual Report 2023", Japfa, 1 Apr 2024.

4) Targets 50:50

Four issuers, based on historical KPI performance, are classified as 50:50. The issuers are Coca-Cola Femsa, Eni SpA, Hapag-Lloyd AG and Legrand.

Coca-Cola Femsa

Coca-Cola Femsa (ticker KOF) issued two MXN-denominated SLBs in 2021; KOF MXN 11.3% FLOAT 26s (ISIN MX91KO0000G8) and KOF MXN 7.36% 28s (ISIN MX91KO0000F0). It had previously issued a green bond, and has subsequently issued a sustainability and a social bond.

The chosen KPI for its SLBs is Water Use Ratio (WUR), based on a unit of litres of water consumption per litre of beverage production, with a 2024 target to reduce to 1.36.

Figure 9. Coca-Cola Femsa historic water intensity figures. Source: Coca-Cola Femsa.

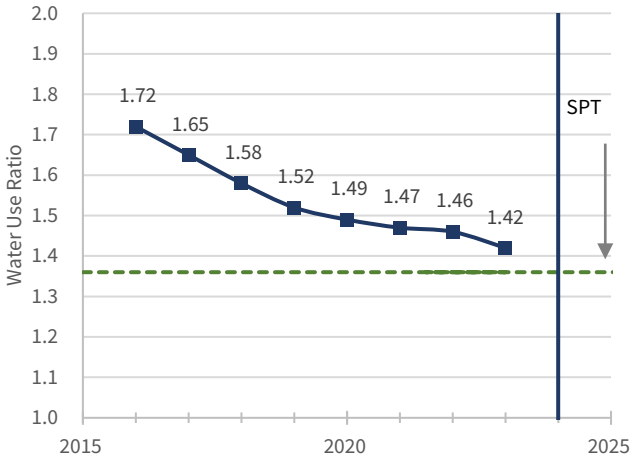


Figure 9 shows historic figures for this KPI; the latest figure of 1.42 requires an additional 0.04 reduction to meet the target, equal to the largest annual reduction in the past four years.

The SLB framework gives information on the ways Coca-Cola Femsa hopes to achieve its SPT, including water recovery, recycling and reuse.[35] Coca-Cola Femsa does report to CDP, a non-profit global disclosure system, under the water security program, but only its full responses from 2021 and earlier are available.[36] We note its score has reduced from B- (2019/2020/2021) to C (2022/2023), which suggests that some part of its disclosure or performance with regards to water has deteriorated.

The Beverage Industry Environmental Roundtable (BIER), a coalition of global beverage companies, releases periodic benchmarking documents that can help to contextualise Coca-Cola Femsa's water usage. The 2023 report suggests an average WUR of 1.77 for 2022, an improvement of 7.3% from 1.91 in 2ind017.[37] Over the same period Coca-Cola Femsa's WUR reduced 11.5% from 1.65 to 1.46.

This evidence combines to suggest the target is still a stretch, The annual improvement needed is equal to its best performance over the past four years. Coca-Cola Femsa's recent efficiency savings seem to be above market average, and its absolute efficiency is below the average, with further savings likely to become more difficult the more efficient a company becomes.

We classify this bond as 50:50 in acknowledgement of the challenges to meet the target.

[35] "Sustainability-Linked Bond Framework", Coca-Cola Femsa, accessed 14 Jun 2024.
[36] "Coca-Cola Femsa Sab-Ser", CDP, accessed 19 Jun 2024.
[37] "BIER 2023 Benchmarking Study Trends & Observations", Beverage Industry Environmental Roundtable, Jan 2024.

Eni SpA

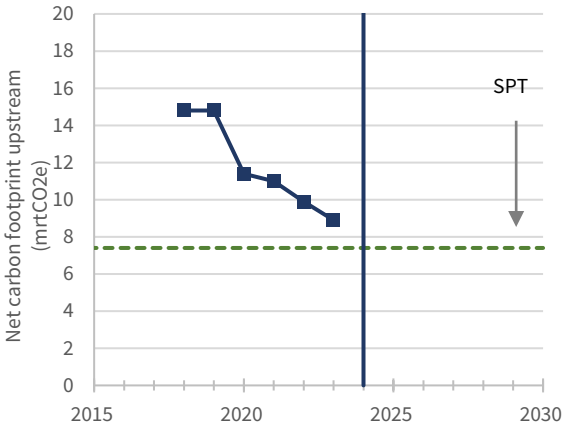
Eni SpA (ticker ENIIM) is an Italian integrated energy company, and the only oil major to have issued an SLB. It has issued four SLBs; three bullet bonds issued in Jun 2021,Feb 2023 and May 2023, plus a convertible SLB issued in Sep 2023.[38] One of these bonds, ISIN XS2344735811, has an observation date within 2024.

Despite Eni's financing framework including targets for Scope 3 absolute emissions and carbon intensity,[39] the bonds do not include such targets but use **two KPIs linked to renewable installed capacity and net upstream carbon footprint.**[40] The bond steps up if one or both targets are missed.[41]

The SPT for renewable energy (KPI1) is to have 5GW installed by Dec 2025, while the SPT for upstream emissions (KPI2) is to reduce to 7.4mtCO_2e by Dec 2024.

Historical figures for KPI2 are shown in Figure 10, including the 2023 figure of 8.9mtCO_2e.[42] A simple extrapolation of the recent trend would suggest the target will narrowly be missed.

Figure 10. Eni historical upstream emissions. Source: Eni.



We note, however, that the indicator is a net figure, including "high-quality carbon credits", which are reported to be 5.9mtCO_2e for 2023,[43] Implying 40% of emissions are currently offset.[44] The ability to reduce the KPI through offset purchases significantly increases the chance of achieving the target.

The exact definition of eligible carbon credits is not disclosed. Using an illustrative conservative market price of €10 per ton, we estimate that it would cost Eni €15mm to purchase offsets to achieve the needed 1.5mt reduction in 2023.

Missing the target would result in a 25bp step-up coupon, payable on €1bn of bonds for 3 years, with total (not discounted) value of €7.5mm.

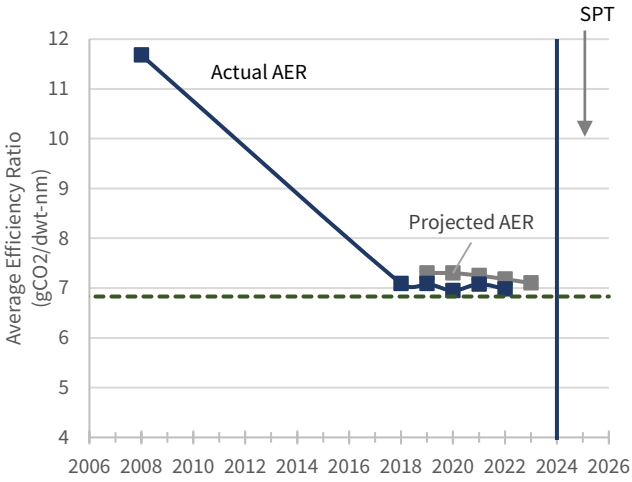
The inclusion of offsets in the KPI would seem to provide a guaranteed route to meeting the SPT, however the economic comparison may suggest it is not rational to achieve the target this way. **Given these circumstances we assign a rating of 50:50 to this bond.**

[38] This bond is covered in more detail in "Sustainability-Linked Bonds bumper week", AFII, 11 Sep 2023.
[39] "Eni Sustainability-Linked Financing Framework", Eni, Apr 2023.
[40] For more analysis on the SLFF please see "SLB bond radar: Eni (potentially) coming to market", AFII, 19 Jul 2022.
[41] "Drawdown Prospectus", Eni, 10 Jun 2021.
[42] Data is sourced from "Eni for 2023 Sustainability performance", Eni, accessed 6 Jun 2024.
[43] "Eni for 2023 a Just Transition", Eni, accessed 6 Jun 2024.
[44] 5.9mt of credits implies total non-adjusted emissions for 2023 of 14.8mt.

Hapag-Lloyd AG

Hapag-Lloyd AG (ticker HPLGR) is a German marine freight and logistics company with one SLB outstanding. The €300mm bond (ISIN XS2326548562), which has its SPT observation at the end of 2024, has one KPI, **to reduce the Average Efficiency Ratio (AER) to 6.83 by 2024**,[45] a trajectory defined from a 2008 baseline. Hapag-Lloyd's 2022 progress report noted an AER of 6.98 in 2022.[46]

Figure 11. Projected and actual Average Efficiency Ratio (AER) for Hapag-Lloyd. Source: Hapag-Lloyd.



Hapag-Lloyd provides explanations of its key programmes designed to improve efficiency. It launched a ship optimisation programme, leading to more efficient propellers, drag-reducing underwater coatings, and flow-optimised bulbous bows to be introduced by 2025.[47] The company also notes that they can use "slow steaming", the practice of operating transoceanic cargo ships at significantly less than their maximum speed, which is a relatively simple lever to pull to meet energy efficiency targets. It has also introduced a Fleet Optimisation Programme and bunkering biofuels.[48]

Since the optimisation programme began, improvements have been made to 82 vessels.[49] Hapag-Lloyd owned 123 vessels in 2023, making this 67% of the owned fleet to receive improvements. The company chartered a further 143 vessels in 2023. This further indicates that the company is making steps towards their target, even if recent moves in the KPI have been small.

The company seems to be using its available levers to achieve this target and has made progress in the previous years, although we note the majority of the reduction versus trajectory was from 2008-2018. However, given the high volatility of the actual AER since, compared to the predicted AER shown in Figure 11, there is scope for question as to whether the target will be hit and **so we have classified this SLB in the 50:50 category.**

[45] AER is a supply-based metric, designed to measure the theoretical carbon intensity of a fleet. It divides the emissions by cargo carrying capacity, no matter how full the ship is, and again by the distance the ship travelled in a year. The unit is gram of CO_2 per deadweight tonne per nautical mile (gCO_2/dwt-nm).
[46] "Sustainability-Linked Finance Progress Report", Hapag-Lloyd, accessed 6 June 2024.
[47] P47 "Annual Report 2023 (English)", Hapag-Lloyd, accessed 24 Jun 2024.
[48] P1 "Annual Report 2023 (English)", Hapag-Lloyd, accessed 24 Jun 2024.
[49] P52 "Annual Report 2023 (English)", Hapag-Lloyd, accessed 24 Jun 2024.

Legrand SA

Legrand SA (ticker LRFP) is a French industrial group with two SLBs outstanding, one of which observes its targets in 2024. That €700mm bond (ISIN FR001400I5S6), which has its SPT observation at the end of 2024, is linked to two KPIs out of the four in Legrand's framework, and missing either will result in a 12.5bp step-up.

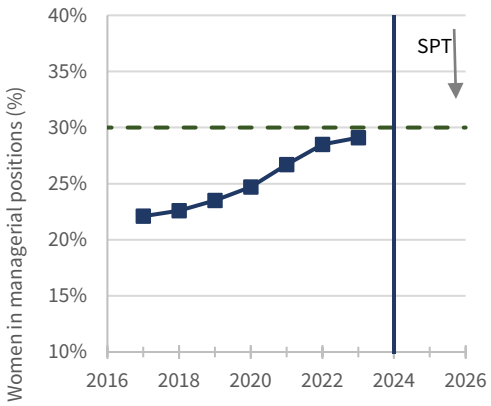
The first KPI is the combined target of **obtaining supplier-committed emissions reduction targets of 400 $ktCO_2e$ and engaging 250 key suppliers to have emissions reduction targets by 2024.** Data is shown in Table 3.

Table 3. Legrand supplier committed reductions. Source: Legrand.

	Number of suppliers engaged		Supplier committed reduction	
Year	Target	Actual	Target	Actual
2022	50	111	80	127
2023	126		200	
2024	250		400	

The second KPI is **to have women representation in managerial positions of 30% by 2024.** Both KPIs present challenges in estimating the likelihood of success.

Figure 12. Legrand women representation in managerial positions, %. Source: Sustainalytics.



KPI1 has extremely limited data. Reporting for 2022 (see Table 3) shows a significant outperformance on both parts compared to targets albeit during the first year of such engagements, and still well below the SPT. The second part of this KPI in particular, to achieve a number of engagements with suppliers, seems well within the control of the company, and thus likely achievable.

Historic data for KPI2 is illustrated in Figure 12, which shows the target is nearly, but not quite, achieved.

Legrand does support a number of company diversity initiatives, including internal networks,[50] gender parity targets,[50] appointments of senior leaders and policies, [51] and publishing its gender equality score (which is a legal requirement in France), showing an increase of eight points since the index was first published in 2018. [52]

Legrand has also obtained the 'GEEIS – Diversity' label covering 67.5% of employees. This confirms that the group implements "steering, training and communications tools to work towards equal opportunities" and is issued by Arborus,[53] an international network and endowment fund devoted to gender equality and diversity in the workplace.

In conclusion, both KPIs are challenging to analyse. The first KPI represents new initiatives, which despite being well within Legrand's control, require significant advances to achieve the targets. The second KPI linked to female representation seems to have strong support from Legrand via internal initiatives, but as the gender equality movement has shown, achieving results is never

[50] P60, "Universal Registration Document 2023", Legrand, accessed 18 Jun 2024.
[51] P147, "Universal Registration Document 2023", Legrand, accessed 18 Jun 2024.
[52] "Legrand publishes its 2023 gender equality index", Legrand, accessed 18 Jun 2024.
[53] "The GEEIS Label", Arborus, accessed 18 Jun 2024.

guaranteed. **We classify this bond as 50:50 as we have an absence of evidence to conclude that the targets will be achieved or missed.**

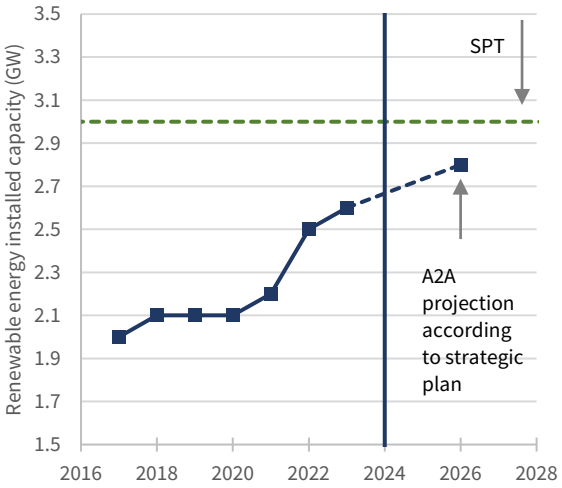
5) Targets likely to be missed

According to our analysis, three issuers are likely to miss their 2023 targets: ASTM SpA, EC Finance and London & Quadrant Housing.

A2A SpA

A2A, an Italian utilities company (ticker AEMSPA), has issued several ESG-labelled bonds. It has six green bonds outstanding, with proceeds designated to, among other things, renewable energy,[54,55] pollution prevention and control, district heating, and the electric distribution network,[56] as well as two SLBs, one of which (a €500mm 2028 maturity bond ISIN XS2457496359) has its observation date in 2024.

Figure 13. A2A SpA historical and projected renewable energy capacity installed. Source: A2A SpA.



This SLB is linked to **one KPI on the installation of renewable energy capacity, with a target of reaching an installed capacity of 3.0 GWh by 2024.** The bond pays a 25 bps step-up if this is not achieved by 31 December 2024.

The company defines 'Renewable Energy Capacity' in the Base Prospectus for the bond as "*… the maximum instantaneous power (technical data sheet or dati di targa) expressed in GW that a renewable power plant, (which can include any of the following types of plants: solar photovoltaic panels, solar thermal energy systems, hydropower, hydroelectric and wind turbines) is able to produce*".[57]

Notably, A2A's current projections are to achieve 2.8 GW of installed capacity by the end of 2026, i.e. that it will not have achieved the SPT two years after the target date. [58] Historic levels are shown in Figure 13.

A2A is taking steps forwards in renewable installation, but of small magnitude. For example, in 2023 the company invested €54 mm in photovoltaic and wind power plants with the aim of increasing its renewable sources. This was 16% of the Group's capital expenditure for the year. We note that a greater percentage (53%) was allocated to non-renewables, with 25% being used for extraordinary maintenance.[59]

Further, A2A's investment in renewables in 2023 included starting up a wind farm in Sicily with an installed capacity of 30MW (0.03GW) for which capex will have been expended in previous years.

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[54] P3, "Green Bond Report Issuance 2021", A2A SpA, accessed 19 Jun 2024.
[55] P1, "Green Bond Report Issuance 2019", A2A SpA, accessed 19 Jun 2024.
[56] P4, "Green Bond Report Issuance 2023", A2A SpA, accessed 19 Jun 2024.
[57] P80, "Base prospectus", A2A, accessed 19 Jun 2024.
[58] Renewables GW installed section, "Energy Transition Strategy", A2A, accessed 26 Jun 2024.
[59] "Report Operation 2023", A2A, accessed 19 Jun 2024.

This indicates that capex and increase in renewables capacity are likely to have a non-linear relationship.[59] The group acquired a 70% stake in Parco Solare Friulano, which could lead to a project with a total installed capacity of over 150 MW, but this is unlikely to be installed in 2024.[60]

The increase needed to achieve the target is higher than any yearly increase achieved to date. More relevantly, notwithstanding immediate renewables decommissioning, a miss is being predicted by the company itself. **We therefore consider this target is likely not to be achieved.**

EC Finance PLC (Europcar)

EC Finance PLC (ticker EUROCA) is a financing subsidiary of Europcar, a European vehicle rental company. It has one SLB outstanding, a €500mm 2026 maturity bond issued in 2021 (ISIN XS2389984175), which observed its SPTs at the end of 2024.

It has two KPIs, **the first being a combined KPI, to reduce the average emissions intensity of cars in the company's fleet from 120gCO_2/Km in 2019 to 93 gCO_2/Km and to reduce the average emissions of vans in the company's fleet from 186 gCO_2/Km to 144 gCO_2/Km by 31 December 2024.** The company must hit both of these individual targets for the SPT to be achieved.

The second KPI is to have 'green' vehicles, those that emit less than 50g CO_2/Km, account for 20% of the fleet by the end of 2024.[61,62]

Missing either SPT1 or SPT2 would result in a 12.5bp step-up on the bond for each missed target.[63]

Table 44 shows the historic reporting on these KPIs. Note, since 2022 only overall fleet emissions have been disclosed, so we have estimated the distinct car and van emissions by applying the same overall percentage change. Also, we have estimated a 2024 target for the full rental fleet, using the car/van split implied from 2021 reporting. **All KPIs require significant improvements to achieve the targets.**

Table 4. Europcar historic KPI details and targets, and estimated figures. Source: Europcar, AFII.

Year	Emissions from rental fleet – Cars	Emissions from rental fleet - Vans	Emissions from rental fleet - all	% green vehicles
2019	120	186		<1%
2020	111	150		3%
2021	119	195	147	6%
2022	*114**	*187**	141	9%
2023	*109**	*179**	135	12%
2024 Target	**93**	**144**	*112**	**20%**

Decarbonisation of the rental vehicle sector has been challenging. Competitor Hertz has recently disposed of some 20,000 EVs, one-third of its EV fleet, citing decreased customer demand. In addition, Hertz has experienced higher expenses in converting its fleet to EVs, via increased

[60] "A2A acquires permit to build one of largest solar farms in northern Italy", Reuters, 7 May 2024.
[61] See page xii, Use of Terms and Conventions; Presentation of Financial and Other Information for the Offering Memorandum of Europcar Mobility Group €500 mm 3.00% Sustainability-Linked Senior Secured Notes due 2026.
[62] This is reported as being aligned with the EU Taxonomy for sustainable activities, but we note this limit seems to come from the EU Clean Vehicles Directive as shown in Table 2, Annex, "Directive (EU) 2019/1161 of the European Parliament and of the Council of 20 June 2019 amending Directive 2009/33/EC on the promotion of clean and energy-efficient road transport vehicles", accessed 26 Jun 2024.
[63] See page 1, Offering Memorandum of Europcar Mobility Group €500 mm 3.00% Sustainability-Linked Senior Secured Notes due 2026.

collision and damage costs from customers who are not familiar with EV driving.[64] Sixt reported lower demand for EV rentals compared to combustion vehicles in its 2023 letter to shareholders.[65] There are further customer demand challenges coming from confusion on charging infrastructure and speed.[66]

Performance against the KPIs is correlated. Emissions intensity is calculated using fleet composition, fixed factors for emissions per km (sourced from ADEME, the French environment and energy management agency), and actual usage.[67] However, investing in a low carbon fleet will not deliver decarbonisation unless customer demand is present, so achieving KPI2 feels like a necessary but not sufficient condition to achieve KPI1.

Average fuel emission intensities for Electric Vehicles from ADEME give 21gCO_2/Km.[68] Using this as the intensity for all green vehicles implies bluntly an intensity of 155gCO_2/Km for the rest of the fleet in 2021, which gives <3% error to the data for 2022 and 2023. This implies that even if a 20% increase in green vehicles is achieved, the total emissions intensity will only reduce to 128gCO_2/Km, around 15% higher than the estimated target reduction. This indicates that an increased fleet of green vehicles alone is unlikely to achieve the required emissions intensity savings.

EC Finance PLC does seem to recognise the challenges around these targets. Its 'One Sustainable Fleet' programme includes efforts to train its employees on the features of electric and plug-in hybrid vehicles to encourage more recommendations to customers, and create a network of easy-to-use EV charging facilities, for which the company is partnering with Shell Recharge Solutions' business hub for monitoring, managing and controlling charging infrastructure.[69]

In the Second Party Opinion (SPO) on its financing framework, both targets "*demonstrate an advanced level of ambition compared to sector peers' performances*".[70] More recently Hertz is reported to have 11% of its fleet as EVs (prior to the sell off),[71] which is a tighter condition than green vehicles, but the percentage is just over half Europcar's target. Sixt report 18% but this includes mild hybrids, so it is a broader condition than Europcar.[65] This evidence combines to suggest that the SPTs on this SLB represent a target beyond the average decarbonisation for the rental car sector, which ultimately is driven by customer preference.

Delivering on its targets is not entirely within the direct control of EC Finance, but rather dependent on overall transition of customer demand, which has been slow.[72] Significant improvement is needed from the latest reporting to achieve the targets, and there is no evidence

[64] "Rental giant Hertz dumps EVs, including Tesla, for gas cars", Reuters, 12 Jan 2024.
[65] "Sixt 2023 Annual Report", Sixt, 25 Mar 2024.
[66] "Renting Electric Cars Makes Sense – Why Did Hertz Sell Off Teslas?", Forbes, 9 Feb 2024.
[67] "Europcar Mobility Group", Europcar, accessed 27 Jun 2024.
[68] This averages all the different categories of EV using "ADEME Full Carbon Base", European Data, 5 Jul 2020.
[69] P40, "CSR Report 2023", EC Finance PLC, accessed 24 Jun 2024.
[70] "Second Party Opinion", V.E., Sep 2021.
[71] "There is more to Hertz Dumping 20,000 EVs from fleet than appearances suggest", MotorTrend, 11 Jan 2024.
[72] We note that a small ABS SLB issued by a Singaporean car rental company has missed its 2023 target as detailed in "Sustainability Linked Bond Annual Review", Morningstar Sustainalytics, 28 Jun 2024. The level of SPT is not directly comparable, however it serves to add evidence to the challenges of reducing emissions intensity for vehicle rental.

available that the sector has reached a point where such a level of decarbonisation can be achieved. **We conclude it is likely that this SLB will miss at least one of its three SPTs.**

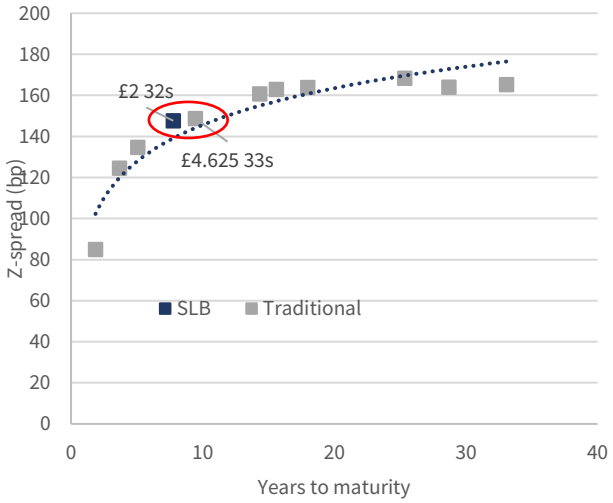
London & Quadrant Housing

London & Quadrant Housing (ticker LONQUA) is a UK-based residential developer and housing association. It issued one GBP-denominated SLB in Jan 2022 (ISIN XS2430702105).

The bond has three SPTs which are observed in Mar 2024, **to reduce Scope 1+2 emissions by 20%, to achieve a minimum average energy efficiency, and to build new affordable homes.**[73]

On 20 Mar 2024 L&Q Housing guided the market that the emissions target would likely be missed.[73,74]

Figure 14. LONQUA bond spreads. Source: Bloomberg, accessed 26 Jun 2024.



The bond will pay an increased coupon of 12.5bp for 7.5 years if the target is confirmed to have been missed, which is expected in Sep 2024.

Current pricing on the SLB (as shown in Figure 14), when comparing to a close vanilla bond LONQUA £4.625% 33s, suggest the market still expected the target to be achieved, as there is limited option value evident.[75]

6) Observation date delayed

One issuer has restructured its bonds to delay the observation date.

Ukrenergo

NPC Ukrenergo (ticker NPCUKR), a state-owned Ukrainian power company. It issued an $825mm SLB in 2021 with two KPIs linked to targets in 2024.

The Ukraine invasion adversely impacted its ability to meet its SPTs (and indeed make payments under its bond obligations); it sought bondholder consent to amend the terms, which was received on 11 August 2022.[76]

The term amendments included "*deferral of the […] SPTs testing date by 24 months*" and the intention potentially to readjust once electricity transmission of the group returns to pre-war levels.[76]

As such, this bond falls out of our cohort.

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[73] "SLB update", London & Quadrant Housing Trust, 20 Mar 2024.
[74] For our analysis at the time of this announcement please see "L&Q Housing Trust SLB 'builds' in a coupon step-up", AFII, 26 Mar 2024.
[75] For details of the AFII option pricing approach please see "An option pricing approach for Sustainability-Linked Bonds", AFII, 8 Nov 2022.
[76] P72, "Annual Report 2023", Ukrenergo, accessed 24 Jun 2024.

7) No data

For one issuer family, Herens Holdco & Midco, we have been unable to source either confirmation of the bond details or recent sustainability reporting.

As these are two privately owned companies in the same corporate structure, their bonds are one of the few tools that investors can use to influence these companies and promote transparency.

Herens Holdco & Herens Midcon (Arxada)

Herens Midco is a subsidiary of Herens Midco, known as Arxada (ticker LNZING), which is a global specialty chemical company headquartered in Switzerland. The ultimate parent is owned by Bain Capital Private Equity and Cinven.[77]

In 2021 it issued two SLBs, one from Midco rated CCC (€0.46bn 5.25% 29s ISIN XS2340137343) and one from Holdco rated B- ($0.35bn 4.75$ 28s ISIN USL47909AA11).

We find very limited public information on these bonds. We see no public financing framework, although its 2022 sustainability report referring to SLBs and SLLs states, "*The adopted KPIs tied to the Sustainability-Linked Financial Instruments are (i) our greenhouse gas ("GHG") emissions intensity and (ii) waste intensity with target reductions set from a 2018 baseline.*"[78]

While emissions data is available for 2022, the details of the intensity measure have not been revealed, and so we can understand neither the target, nor how progress is being made towards it.

To support potential investors, better transparency would enable more effective market analysis.

Conclusions

Sustainability-Linked Bonds are still a developing product. Volumes in 2022 and 2023 have reduced from the market peak in 2021, however particular case studies have demonstrated the value to investors of the step-up option value.[79] There are also notable areas of market growth including Japanese corporates and sovereigns.[80,81]

In this paper, we have presented a cohort of bonds with SPT observation dates in 2024, and our analysis on the likelihood of those targets being achieved. This probability will drive the option value of step-up coupons for investors, and so could be an input into market pricing.

It is a diverse group of issuers and bonds, with broad geographical and sectoral representation. There is also diverse performance against the SPTs within this group. Seven issuers have either MET or Currently MET the targets, perhaps indicating a lack of ambition. On the other side, seven issuers are classified either as 50:50 or Likely Miss indicating a degree of uncertainty in the targets being achieved, that they do represent trajectories away from a business-as-usual progress.

In all cases, the SLB has been a positive tool to elevate dialogue on sustainability performance for these issuers. When investors own a security with a value dependent on a KPI, this promotes transparency, dialogue and ultimate engagement, towards stronger sustainability performance.

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[77] "Current investments", Bain Capital, accessed 14 Jun 2024 and "Arxada", Cinven, accessed 14 Jun 2024.
[78] "2022 Sustainability Report", Arxada, accessed 14 Jun 2024.
[79] "Enel Forced to Raise Coupons on $11Billion of ESG Bonds", Bloomberg, 23 Apr 2024.
[80] "Viability Test Looms for Japan's Sustainability-Linked Bonds", Bloomberg, 25 Jun 2024.
[81] "Sustainability-Linked Bonds in sovereign financing: A new frontier", Nordea, 15 Apr 2024.

Appendix

Table 5 shows the smaller bonds that we have not analysed in this paper. There are some interesting sectors represented, as well as some PERP bonds, so we may review them in more detail at a future stage.

Table 5. SLBs with observation date in 2024 with size below $300mm. Source: Bloomberg, accessed 3 Jul 2024.

Issuer	ISIN	Pricing Date	Maturity Date	Observation Date	Currency	Amount Outstanding
AXPO HOLDING AG	CH1160188335	25-Jan-22	04-Feb-25	30-Sep-24	CHF	0.2
BEWI ASA	SE0016276398	24-Aug-21	03-Sep-26	31-Dec-24	EUR	0.3
BTS GROUP HOLDINGS PCL	TH0221035502	06-May-22	06-May-25	31-Mar-24	THB	0.7
CCCC FIRST HIGHWAY ENGIN		28-Sep-22	PERP	31-Dec-24	CNY	1.0
CHINA CONST 3RD ENGINEER		19-Dec-23	PERP	31-Dec-24	CNY	1.2
CHINA RESOURCES BUILDING	CND10007W356	22-Apr-24	22-Apr-27	31-Dec-24	CNY	1.0
CULLINAN HOLDCO	XS2397354015	07-Oct-21	15-Oct-26	31-Dec-24	EUR	0.3
FUYO GENERAL LEASE	JP382627ALC5	18-Dec-20	24-Dec-27	31-Jul-24	JPY	10.0
GLP J-REIT	JP304751AM90	17-Sep-21	28-Sep-28	31-Dec-24	JPY	6.0
HBIS GROUP CO LTD		08-Dec-23	08-Dec-26	31-Dec-24	CNY	1.2
HBIS GROUP CO LTD		08-Dec-23	08-Dec-26	31-Dec-24	CNY	0.8
HUANENG LANCANG HYDRO		06-Jul-22	PERP	31-Dec-24	CNY	2.0
HUANENG LANCANG HYDRO		09-Aug-22	PERP	31-Dec-24	CNY	2.0
HUANENG LANCANG HYDRO	CND10006TPH9	26-Jul-23	26-Jul-26	31-Dec-24	CNY	2.0
HUANENG POWER INTL INC		22-Jul-22	PERP	31-Dec-24	CNY	2.0
HUANENG POWER INTL INC	CND10005J4K3	05-Aug-22	05-Aug-25	31-Dec-24	CNY	2.0
HUZHOU CITY INV DEV GP	CND10005R764	13-Oct-22	13-Oct-27	31-Dec-24 / 31-Dec-26	CNY	1.2
HYUNDAI CAPITAL SERVICES	KR6029883D76	10-Jul-23	11-Jul-25	31-Dec-24	KRW	70.0
HYUNDAI CAPITAL SERVICES	KR6029882D77	10-Jul-23	11-Feb-25	31-Dec-24	KRW	70.0
MEDIA CENTRAL HOLDING	NO0012940347	16-Jun-23	23-Jun-27	31-Dec-24 / 31-Dec-25 / 31-Dec-26	EUR	0.2
NEW HOPE GROUP CO	HK0000971645	20-Dec-23	29-Dec-26	31-Dec-24 / 31-Dec-25	CNY	1.0
NEW HOPE GROUP CO	HK0000998218	25-Mar-24	03-Apr-27	31-Dec-24 / 31-Dec-25 / 31-Dec-26	CNY	1.0
NINGBO WATER ENVIRONMENT	CND10007WG71	26-Apr-24	26-Apr-27	31-Dec-24 / 31-Dec-25	CNY	0.3
NJ FINANCIAL CITY CONSTR	CND10004WMQ6	23-Feb-22	23-Feb-27	31-Dec-24	CNY	1.5
SHANDONG HI-SPEED GROUP	CND10007BGF8	23-Aug-23	PERP	31-Dec-24	CNY	1.5
SHENZHEN AIRPORT GROUP		21-May-24	21-May-27	31-Dec-24	CNY	0.5
SICHUAN AIRPORT GROUP	CND10007G615	15-Jan-24	15-Jan-27	31-Dec-24	CNY	1.0
WUXI HUAGUANG ENV	CND100081F15	07-Jun-24	07-Jun-27	31-Dec-24 / 31-Dec-25	CNY	0.3

Version Log

Date	Comment
9 Jul 2024	Document published
7 Feb 2025	Figure 12 updated. Had previously erroneously shown data for women in key positions, rather than managerial positions.
25 Apr 2025	Corrected details of ownership arrangement between EC Finance and Europcar.
5 Jun 2025	Corrected details of outstanding Legrand SLBs.

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