

# MetLife Global Bond Fund

2026 IMPACT REPORT

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# 2025 at a glance

The MetLife Global Bond Fund aims to deliver mainstream risk-adjusted returns alongside supporting the Paris Agreement to limit global warming to 1.5°C and progress towards the UN Sustainable Development Goals.

**137**  
issuers

**2,754**  
projects

**152**  
countries

**91.7%**  
portfolio coverage<sup>1</sup>

**76bps**  
gross excess return<sup>2</sup>

**A\$142.5m**  
portfolio size<sup>3</sup>

## Environment<sup>10</sup>



**41,086MWh**

electric energy generated

Enough electricity to charge 18,020 EVs for a year<sup>4</sup>



**477,362km**

passenger distance supported

Equivalent to 1.24 journeys to the moon<sup>5</sup>



**2,423ha**

land managed

The area of 92,938 tennis courts<sup>6</sup>



**239,855m<sup>3</sup>**

water treated each year

Equivalent to water use of 4,831 people per year<sup>7</sup>

## Climate<sup>10</sup>



**47%**

Project Net Zero Alignment<sup>8</sup>



**69%**

Issuer Net Zero Alignment<sup>9</sup>



**65.8tCO<sub>2</sub>e/US\$m**

aggregate scope 1 and 2 weighted average carbon intensity (WACI) of issuer holdings (pg.19)

## Social<sup>10</sup>



**64**

jobs created/retained



**105**

students supported



**68**

children immunised

<sup>1</sup> Coverage includes all labelled bonds with reported impact data, unlabelled bonds and aligned bonds.

<sup>2</sup> Gross excess return vs benchmark in 2025.

<sup>3</sup> As at 31 Dec 2025.

<sup>4</sup> Estimate based on average EV energy consumption of 190Wh/km and average UK mileage of 12,000km per year: [EV Database](#)

<sup>5</sup> Average distance to the moon is 384,400km

<sup>6</sup> Estimate using average size of a tennis doubles court 23.77m x 10.97m (0.0261ha).

<sup>7</sup> Based on average daily water usage of 150l per person in the UK. Water use in Australia varies by state, averaging 150-200l per person

<sup>8</sup> 47% of eligible projects are considered 1.5°C-Aligned.

<sup>9</sup> 69% by count of issuers are 1.5°C-Aligned, 1.5°C-Aligning or Committed to Aligning.

<sup>10</sup> Impact KPIs are supported through projects financed by portfolio holdings.

Source: Issuer reporting.

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MetLife Investment Management's (MIM) SPECTRUM portfolios aim to deliver competitive risk-adjusted market returns while supporting the achievement of the Paris Agreement and the UN's Sustainable Development Goals.

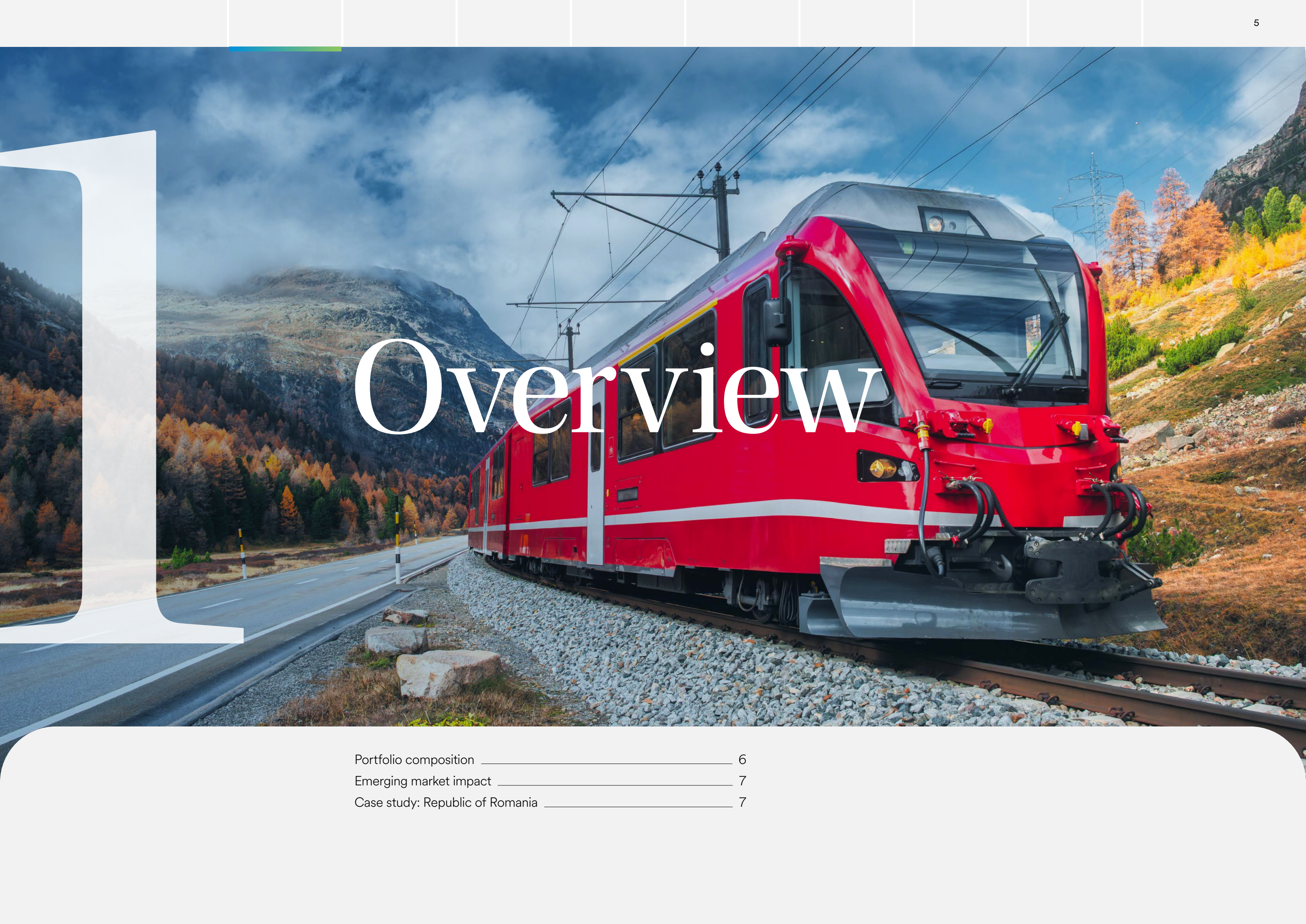
Leveraging MIM's deep traditional investment capabilities alongside dedicated sustainability expertise, in 2025 we continued to deliver impact by supporting projects around the globe from responsible issuers. The portfolio's low WACI, quantified environmental and social outcomes and rich case studies demonstrate measurable and meaningful impact.

As a global investment manager, MIM's commitment to sustainable investment is rooted in our parent MetLife's purpose: 'Always with you, building a more confident future,' and is closely aligned with MetLife's New Frontier strategy, which emphasizes disciplined growth, investment excellence, and the allocation of capital to support long-term value creation.



Brian Funk  
President, MetLife Investment Management



A red high-speed train is shown from a low angle, moving towards the viewer on a track. The train has a sleek, aerodynamic design with a white stripe along its side. The background features a dramatic mountain landscape with trees in autumn colors (yellows and oranges) and a cloudy sky. A road runs parallel to the tracks on the left.

# Overview

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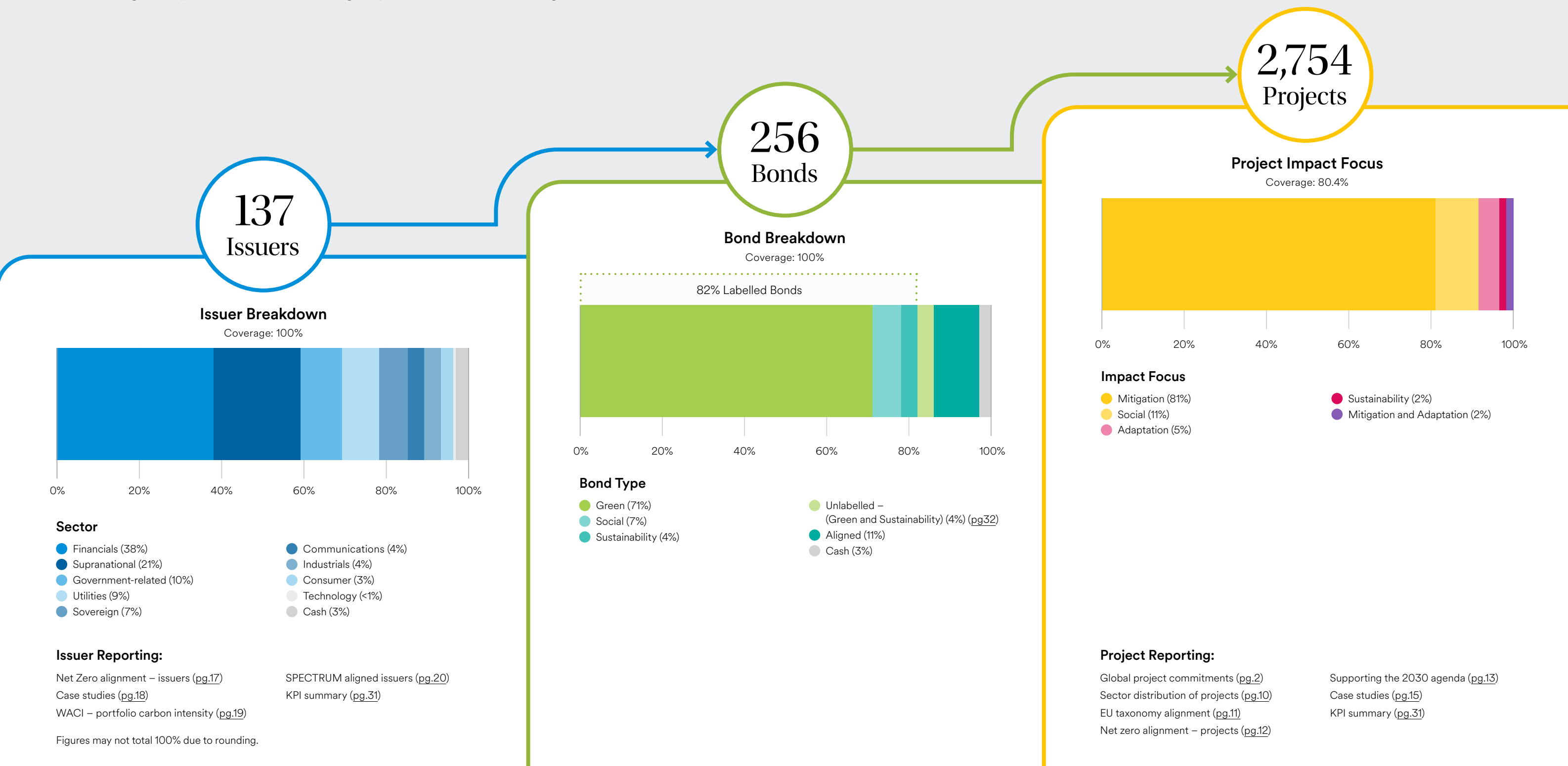
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# Portfolio composition

Investments in 137 issuers, through 256 bonds, supported impact for 2,754 projects.

The majority of these projects focused on climate-change mitigation, reflecting the portfolio's overweight position in labelled green bonds.

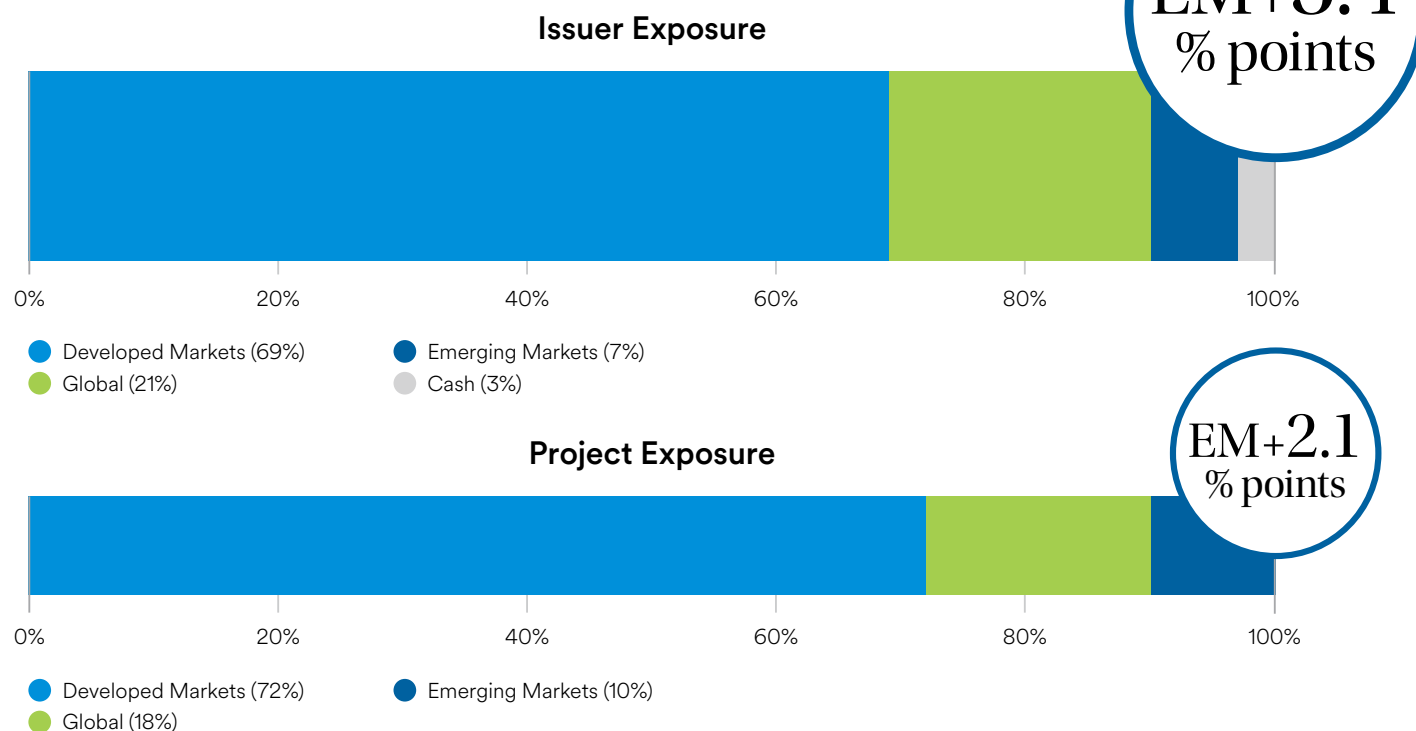
The portfolio predominantly holds labelled use of proceeds bonds, all of which have gone through the diligent SPECTRUM approval process (pg.29). MIM's sustainability view of the investments is based on issuer performance and the impact associated with the projects receiving allocations. This report provides information at both the funded-projects and issuer level.



# Emerging market impact

Over 2025, the portfolio increased emerging market (EM) exposure through investments in both sovereign and corporate issuers.<sup>1</sup>

From 2024 to 2025, emerging market exposure at the issuer level increased from 1.2% to 6.7% and at the project level from 8.1% to 10.2%.<sup>2</sup>



Increasing exposure to select EM bonds – predominantly in hard currency – has improved diversification, enhanced yield, and increased the opportunity set for both impact and alpha without materially increasing FX risk. Hard-currency EM debt offers access to attractive yields and differentiated return drivers relative to developed markets, particularly when allocations are targeted and risk-

aware. With its dedicated EM research and trading teams, MIM can navigate issuer fundamentals, political risk, and liquidity.

From an impact perspective, this has slightly increased exposure to projects in EM regions. However, EM project exposure has always been higher than EM issuer exposure as DM issuers support projects in EM regions.

<sup>1</sup> Emerging market as defined by IMF.

<sup>2</sup> Coverage for issuer exposure is 100% for 2024 and 2025. Coverage for project exposure is 85% in 2024 and 80.4% in 2025.

Source: Issuer reporting.

## EM Case Study



## Republic of Romania

Romania is experiencing rapid economic growth and social development. It was among the fastest-growing economies in the EU between 2010 and 2020 and continues to show resilience following the pandemic and Russia's invasion of Ukraine.

As an EU member, Romania aims to be net zero by 2050. It has also developed more ambitious plans under the Integrated National Energy and Climate Plan (INECP), targeting an 85% reduction on 1990-level greenhouse gas emissions by 2030, and climate neutrality by 2045.<sup>3</sup> Under this strategy, Romania is expecting to create 100,000 new green jobs by 2050, with further indirect job creation.

### Green Bond Framework<sup>4</sup>

In December 2023, Romania published its first **Sovereign Green Bond Framework to finance projects that support the INECP and the National Strategy for Sustainable Development, which both address the EU commitments to net zero and the UN SDGs.**

The green bond framework is broad ranging, with eligible project categories including investments in renewable energy, energy efficiency, pollution prevention and control, clean transport, sustainable water and wastewater management, climate-change adaptation, green buildings and sustainable management of living natural resources and land use.

As at the end of 2025, Romania had issued labelled bonds equivalent to the sum of RON10.85bn (US\$2.5bn). The eligible green asset pool is larger than total issuance so far and future green bond issuances are expected.



 **15.5km**  
sewer system

 **2,000m<sup>3</sup>**  
wastewater treated per day

### Green Bond Projects<sup>5</sup>

**Sustainable water and wastewater management represents the largest allocation category, receiving 42% of the total proceeds.**

This includes establishing a 15.5km-long sewer system and a wastewater treatment plant in the town of Berbesti in the south west, capable of treating 800m<sup>3</sup> of wastewater per day. Modernisation of a treatment plant in Ilfov, near Bucharest, will extend its capacity, serving an additional 10,500 people by treating 1,200m<sup>3</sup> of wastewater per day.

Clean transportation projects have received 17% of total bond proceeds. Among these projects are the development of cycling lanes at the local and metropolitan level. The municipality of Tutora, in the east, has benefitted from the creation of a new 5.9km bicycle lane that connects key local destinations. The long-term aim of this project is to reduce emissions from transport and encourage healthier, active lifestyles.

<sup>3</sup> Romania – Final updated NECP 2021–2030

<sup>4</sup> Government of Romania – Sovereign Green Bond Framework 2023

<sup>5</sup> Government of Romania – Sovereign Green Bond: Allocation Report 2025

# Projects

## Project Impact

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## Project Climate Performance

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# Global project commitments<sup>1,2</sup>

**152**  
countries supported

Clean transport – Canada

**388,000**  
passengers per day  
(pg.23)

Green offices – USA

**2.5GWh**  
saved  
(pg.15)

Access to education  
– BOAD, West Africa

**4,125**  
new classrooms  
(pg.24)

Income support for  
vulnerable families – Chile

**1.6m**  
beneficiaries  
(pg.25)

Protecting natural habitats  
– Netherlands

**136,548ha**  
of protected natural habitat  
(pg.15)

Cleaner aluminium production  
and renewable energy  
– Norway

**13.7TWh**  
of renewable energy per year  
(pg.18)

Connecting renewable  
energy to the grid  
– Sweden

**347MW**  
of new wind power  
(pg.12)

Clean-energy water  
management – UK

**100%**  
renewable energy  
(pg.18)

Sustainable farming  
– Italy

**26.7MWh**  
saved per year  
(pg.15)

Black rhino conservation  
– South Africa

**8%**  
increase in rhino population  
(pg.22)

Cardiovascular diagnosis  
technology – Romania  
(pg.15)

Expansion of wastewater  
treatment – Romania

**2,000m<sup>3</sup>**  
per day  
(pg.7)

High-speed broadband  
– Australia

**50%+**  
reduction in emissions  
(pg.23)

Project commitments –  
percentage of portfolio

0%

<0.1-0.2%

0.2-0.6%

0.6-1%

1-2%

2-3%

3-4%

4-5%

5-6%

6-7%

>7%

<sup>1</sup> Coverage of 80.4% of 2025 portfolio holdings.

<sup>2</sup> This report map uses the Winkel-Tripel projection, which reduces distortions to the size and location of land masses.

Source: Issuer reporting.

# Sector distribution of projects

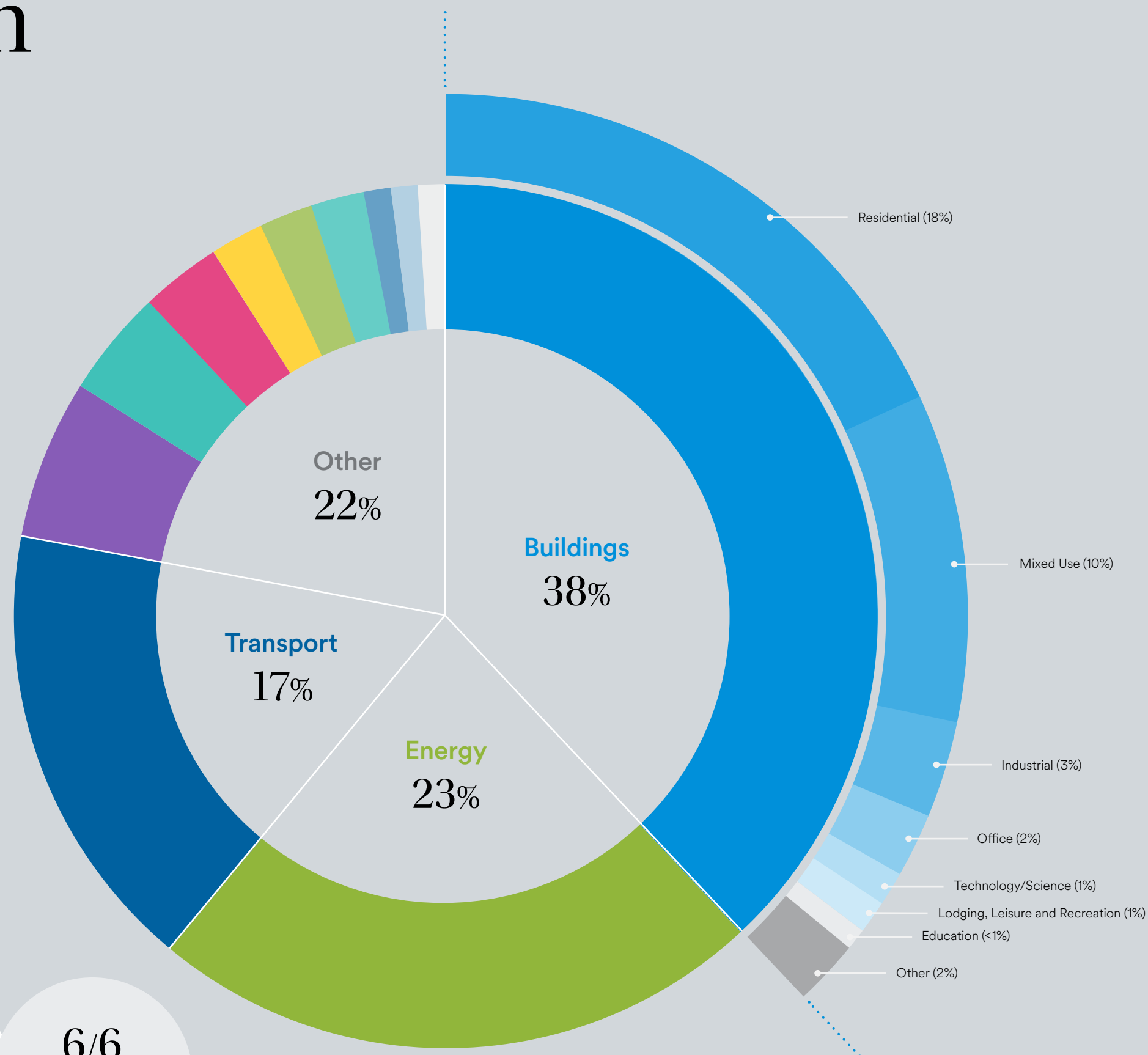
Supporting projects focusing on environmental and social impact.

Eligible sectors have been selected based on MIM's in-house sustainability expertise and consideration of external taxonomies, including the EU Taxonomy.

In 2025, the top three sectors to which impact-bond proceeds were allocated were all environmentally focused.

## Contribution to SPECTRUM Eligible Sectors<sup>1</sup>

- Buildings (38%)
- Energy (23%)
- Transport (17%)
- Social Housing (6%)
- Water and Wastewater Management (4%)
- Resilience (3%)
- Financial Inclusion and Sustainable Enterprise (2%)
- Information and Communication (2%)
- Global Health (2%)
- Resource Efficiency (1%)
- Land Management and Marine Environment (1%)
- Empowerment of Women and Vulnerable Groups (<1%)
- Education, Training and Employment (<1%)
- Food Security (<1%)



**8/8**  
environmental  
sectors  
supported<sup>2</sup>

**6/6**  
social  
sectors  
supported<sup>2</sup>

<sup>1</sup> Coverage of 80.4% of 2025 portfolio holdings.

<sup>2</sup> SPECTRUM eligible environmental and social sectors (pg.30).

Figures may not total 100% due to rounding.

Source: Issuer reporting.

# Project alignment with EU Taxonomy

Based on issuer reporting, 88% of the portfolio is aligned, likely aligned or potentially aligned with the EU Taxonomy on sustainable activities.

The EU Taxonomy is a benchmark classification on sustainable activities, providing a consistent reference for green economic activities. It requires an issuer to confirm alignment with three objectives: (i) substantial contribution to one of six environmental objectives by meeting the technical screening criteria (pg.32), (ii) do no significant harm (DNSH) to the remaining five objectives and (iii) complying with minimum social safeguards. More issuers report alignment with a substantial contribution objective than the DNSH and minimum social safeguard objectives. The EU Taxonomy is subject to periodic updates, and the sectoral eligibility criteria are currently under review.<sup>1</sup>

While mitigation was by far the most common substantial contribution objective supported by the

projects, other objectives such as climate-change adaptation also contributed to the alignment figure.

Comprehensive reporting of EU Taxonomy alignment by issuers is still developing, so it is likely that the true alignment of the portfolio could be higher than reported here. SPECTRUM portfolios are unlikely to reach full alignment with the EU Taxonomy for two primary reasons. First, the portfolios support socially focused projects and activities, and the taxonomy remains underdeveloped in this area. Second, the portfolios hold issuers outside of the EU, and complying with the criteria in the EU Taxonomy, particularly under the DNSH criteria and where there is reference to EU regulation, is challenging for non-EU-domiciled issuers.

Aligned with  
**Substantial Contribution** objective

(Supported projects and activities have been categorised into five groups pg.32)



Aligned with  
**Do No Significant Harm** objective



Aligned with  
**Minimum Social Safeguards** objective



<sup>1</sup> EU consultation on taxonomy on sustainable activities  
Coverage of 80.4% of 2025 portfolio holdings.  
Figures may not total 100% due to rounding.  
Source: Issuer reporting.

# Net zero alignment at the project level

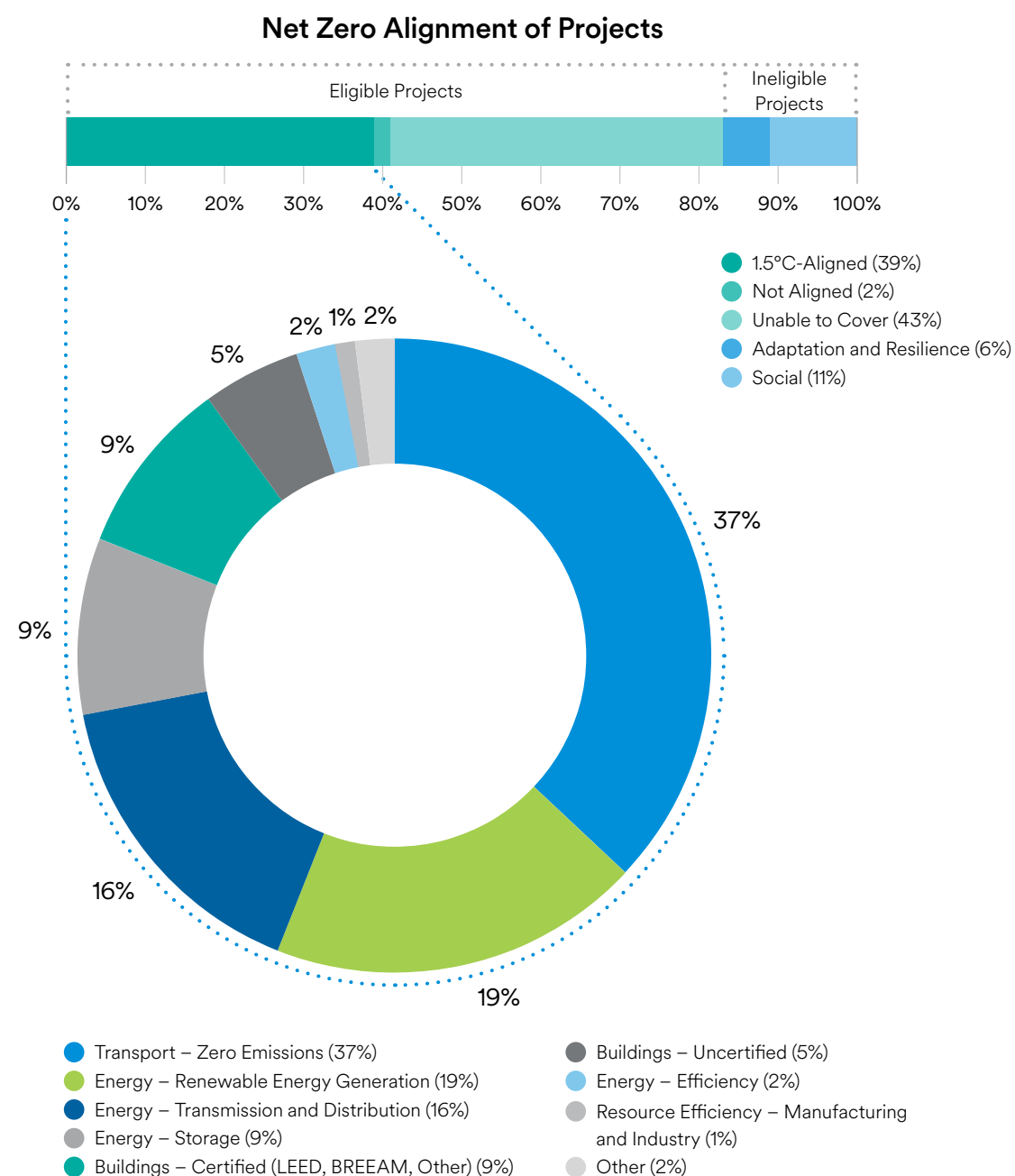
Of projects eligible for assessment in 2025, 47% were considered 1.5°C-Aligned.



Across the whole portfolio, 39% of projects were considered 1.5°C-Aligned, up from 32% in the previous year. Zero-emissions transport projects accounted for the largest share of 1.5°C-Aligned projects, followed by renewable-energy generation and investments in transmission and distribution infrastructure. New categories of projects are now judged as aligned, such as manufacturing and industry.

However, 43% of projects could not be assessed for net zero alignment owing to a lack of information. This is the same proportion as last year. A lack of information does not necessarily equate with a lack of alignment: a third of these unassessed projects are green buildings, most of which have green-building certifications that include requirements on energy efficiency, and sustainable construction and operation. Buildings projects can be considered 1.5°C aligned if their energy use is reported, usually in kWh/m<sup>2</sup>, and meets sector-specific thresholds.<sup>1</sup> Passivhaus certification and confirmation of alignment with the EU Taxonomy can also be used as proxies for 1.5°C-Aligned.

The remaining 17% of projects were ineligible for assessment. This was because they are either adaptation or social-focused projects.



1.5°C-Aligned ✓

## Connecting renewable energy to the grid – Sweden

Ellevio – Green Bond<sup>2</sup>

Proceeds from Ellevio's green bond have been used to finance grid connections to renewable energy sources and increased transmission capacity across Sweden.

Renewable energy sources now account for 97% of the electricity fed in from connected production plants. In 2024 alone, Ellevio connected 347MW of new wind power to the grid. It continues to invest in grids that bring more renewable energy projects online, including battery and large-scale solar park projects that will come on stream imminently.

 **347MW**  
new wind power

<sup>1</sup> Net Zero Whole Life Carbon Roadmap 2021  
Coverage of 80.4% of 2025 portfolio holdings.

<sup>2</sup> Ellevio's Green Bond Investor Report 2025

# Supporting the 2030 agenda

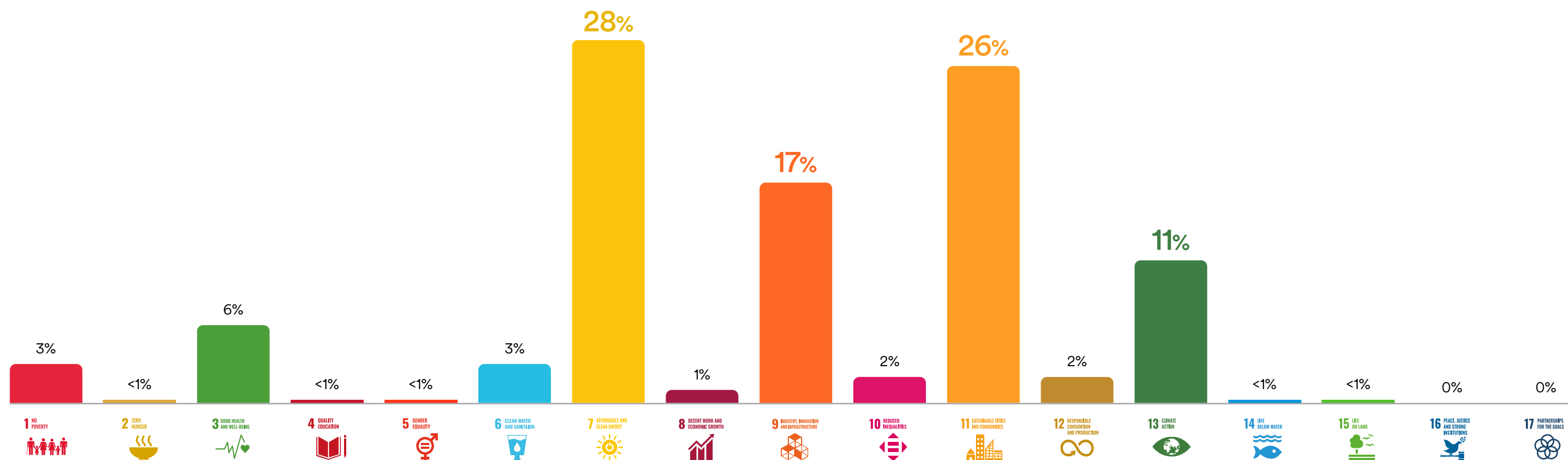


Projects financed by this portfolio support SDGs 1-15.<sup>1</sup> The largest share of portfolio holdings is in climate-related green bonds, with a corresponding concentration of SDG alignment in climate-related SDGs 7, 9, 11 and 13.

The UN's Sustainable Development Goals (SDGs) set out a blueprint for peace and prosperity for people and the planet by 2030. To assess portfolio alignment with the SDGs, each project is tagged in-house to the SDGs it supports. The approach identifies both the primary and additional SDGs supported by the projects and weights them by order of relevance. This allows for a consistent assessment of project alignment and ensures that the issuer's tagging to SDGs is critically reviewed.

The UN's 2025 SDG progress report shows that the world is falling well short of the 2030 goals.<sup>2</sup>

While there is adequate progress on 35% of the 139 targets that could be tracked, particularly across areas such as poverty reduction, child mortality, electricity access and the battle against certain diseases, there are significant gaps elsewhere. Progress against almost half (48%) of the targets shows moderate to severe deviation from the required trajectory, and a further 18% have fallen below the baseline levels set in 2015. The results highlight the urgent need for critical actions and investments to deliver progress at speed and scale between now and 2030.



<sup>1</sup> UN, Department of Economic and Social Affairs: Sustainable Development – the 17 Goals

<sup>2</sup> SG SDG Progress Report 2025

Coverage of 80.4% of 2025 portfolio holdings.

# Project Case Studies

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| Protecting natural habitats – Netherlands           | 15 |
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## Project Case Studies



## Building green offices – USA

Alexandria Real Estate – Green Bond<sup>1</sup>

Alexandria Real Estate's green bond proceeds have been used to finance a number of green building projects, including 399 Binney Street, a 16,025m<sup>2</sup> office and laboratory complex in Boston, USA.

Binney Street has been developed to a LEED Gold standard, delivering energy savings of 2.5GWh and 1,302m<sup>3</sup> of water savings per year.



**1,302m<sup>3</sup>**  
of water savings



**2.5GWh**  
of energy savings



## Protecting natural habitats – Netherlands

Dutch State Treasury – Green Bond<sup>2</sup>

Proceeds from the Dutch State's green bond programme have been allocated to the protection of the Bruine Bank, in the North Sea.

Designated a Natura 2000 site, the sand bank supports a rich variety of fish, benthic species, and seabirds. Natura 2000 is a Europe-wide network of protected areas aimed at supporting biodiversity through habitat preservation. The Bruine Bank is one of more than 160 Natura 2000 sites in the Netherlands, totalling over 1.2m hectares.



**136,548ha**  
of protected natural habitat



## Cardiovascular diagnosis technology – Romania

Banca Transilvania – Sustainability Bond<sup>3</sup>

Proceeds from sustainability bonds issued by Banca Transilvania have been used to finance new cardiovascular diagnosis technology at Cardio Med, a leading clinic in Targu Mures, Romania.

The new Coronary Angio CT combines CT and MRI information in a single examination, allowing for more efficient and better detection and control of disease risk factors, and management of coronary health issues.



## Sustainable farming and employment creation – Italy

Cassa Depositi e Prestiti – Social Bond<sup>4</sup>

Proceeds from Cassa Depositi e Prestiti's social bond have supported 217 SMEs in economically deprived regions of Italy.

One such SME is Azienda Agricola Aragona di Alessandro Barbera, a small farming enterprise located in Sicily. Bond proceeds have supported investments in water and energy efficiency, with an estimated saving of 94 million litres of water and 26.7MWh per year. The operations have also financed 165MWh per year of renewable energy production through solar PV installation and created 43 additional jobs as a result of increased production.



**165MWh**  
renewable energy



**94m litres**  
of water savings



<sup>1</sup> Alexandria Real Estate, Green Bond Report 2024

<sup>2</sup> State of the Netherlands, Green Bond Report 2022

<sup>3</sup> Banca Transilvania Allocation and Impact Report 2025

<sup>4</sup> CDP Social Bond Report 2025



# Issuers

## Issuer Climate Performance

|                                   |    |                                                 |    |
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# Issuers' commitment to net zero

An assessment of issuers' decarbonisation targets and emissions-reduction pathways with net zero by 2050.

Net Zero Alignment (NZA) is based on the quality and ambition of related targets, progress and current performance.



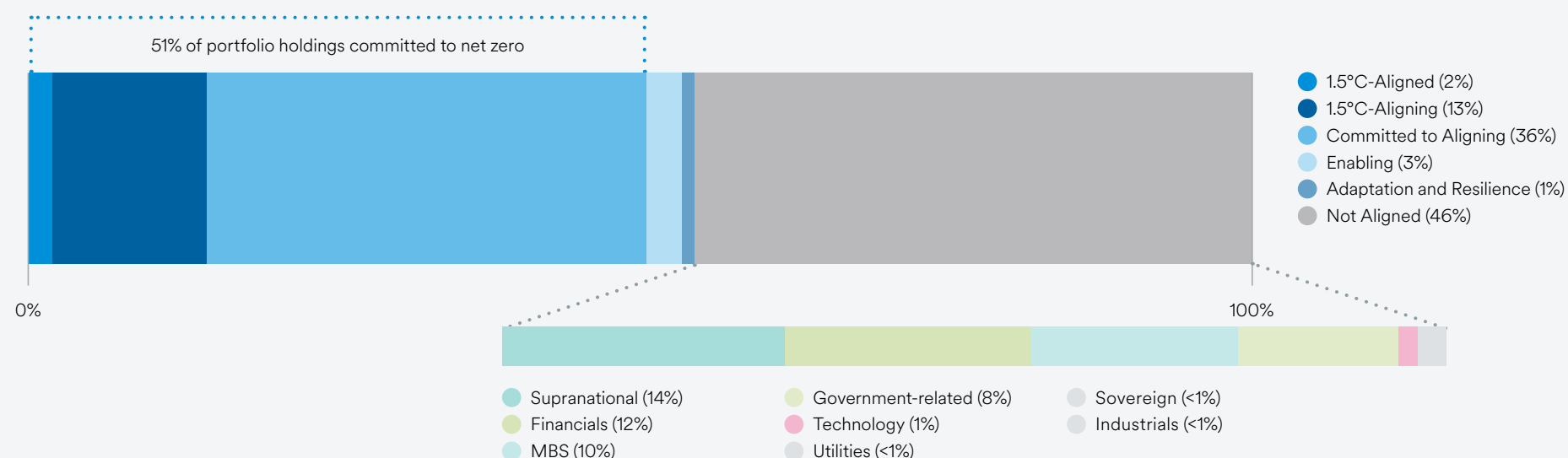
## Results

In 2025, 51% of the portfolio holdings had robust commitments towards achieving net zero by 2050.<sup>1</sup>

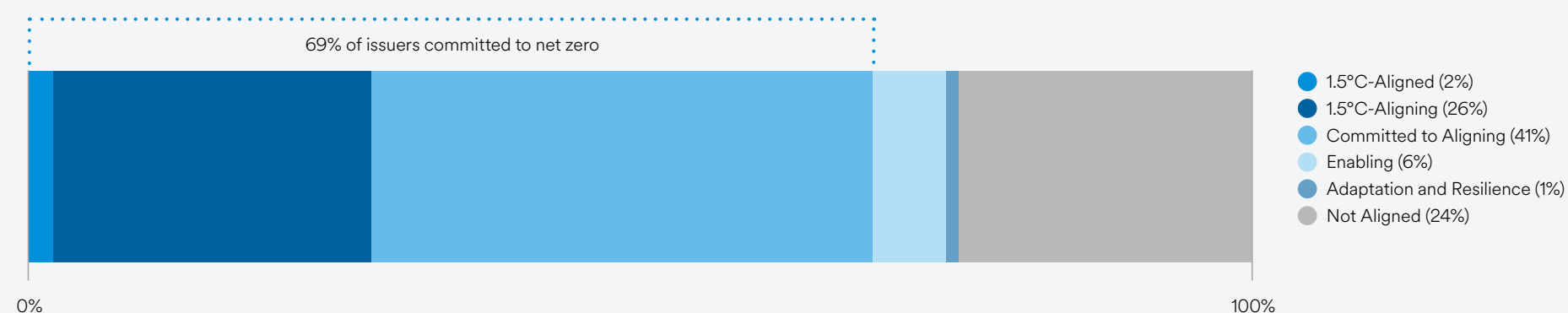
This is a small decrease from the 52% in 2024, and is attributable to larger holdings in US mortgage-backed securities (MBS) and some multilateral development banks. While these issuers have robust frameworks, supporting impactful green and social projects, they do not have specific commitments to net zero and so are considered non-aligned. At the same time, there have been smaller holdings in 1.5°C-Aligning issuers.

In absolute terms, **69% of issuers are Committed to Aligning** and there was a three percentage-point increase in the absolute number of issuers considered 1.5°C-Aligned or 1.5°C-Aligning compared to 2024. For example, this includes a new investment in Norsk Hydro ([pg.18](#)).

Portfolio Weight



Absolute Number of Issuers



<sup>1</sup> All issuers held in the portfolio have been assessed. Figures may not total 100% due to rounding.



1.5°C-Aligned ✓

## Norsk Hydro – Norway

Norsk Hydro is primarily a fully integrated Norwegian aluminium producer with mining and refining operations in Brazil, and smelting operations in Norway, Brazil, Qatar, Australia, Slovakia and Canada.

It also has a renewable energy segment. Aluminium issuers face challenges setting Science Based Targets initiative (SBTi) net zero targets owing to the energy-intensive nature of production, complex scope 3 emissions, and uncertainty around recycling.<sup>1</sup> However, Norsk Hydro has delivered independently robust commitments.

### Net Zero Commitments<sup>2</sup>

- Reduce absolute scope 1 and 2 emissions by 10% by 2025, and by 30% by 2030 from a 2018 baseline
- Reduce scope 3 emissions by 30% by 2030 from a 2018 baseline and net zero by 2050
- Develop low- and close-to-zero-emissions aluminium products by 2025 and 2030

### KPIs

- Developed Hydro CIRCAL using 100% post-consumer scrap with a carbon footprint below 0.5tCO<sub>2</sub>e/t of aluminium – well below the global average of 14.8tCO<sub>2</sub>/t aluminium<sup>3</sup>
- Achieved 2025 target to reduce scope 1 and 2 emissions by 10%
- 25% reduction in scope 3 emissions from 2018 to 2025
- 13.7TWh of renewable energy production each year<sup>4</sup>

Norsk Hydro has also been assessed under the TPI Carbon Performance Assessment 2028 to be aligned to 1.5°C. As a result of both its TPI assessment and net zero commitments, it is considered to be 1.5°C-Aligned. In addition to its strong targets and performance, Norsk Hydro has made transition investments, including launching business segments dedicated to new technologies such as green hydrogen.



**13.7TWh**  
renewable energy

<sup>1</sup> SBT – Barriers for Aluminium Companies to set SBTs

<sup>2</sup> Hydro: Sustainability: Our approach

<sup>3</sup> A low carbon, recycled aluminium.

<sup>4</sup> Norsk Hydro Integrated Annual Report 2025



1.5°C-Aligning ✓

## United Utilities – UK

United Utilities is a water utility company, operating in the northwest of England. The company supports around 8 million people with water and wastewater services, and manages 56,000ha of land, including areas in national parks.<sup>5</sup>

United Utilities has SBTi-verified near-term net zero targets aligned to the 1.5°C scenario. Commitments and progress towards these goals include:

### Net Zero Commitments<sup>6</sup>

- Reduce absolute scope 1 and 2 emissions by 42% by 2030 from a 2020 baseline
- Reduce scope 3 emissions by 25% by 2030
- 66% of construction suppliers to have SBTs by 2025

### KPIs

- Achieved 10.5% reduction in scope 1 and 2 emissions by 2025
- Purchased 100% renewable electricity
- 83ha of woodland created between 2020 and 2025

United Utilities has published near and long-term SBTi targets and, therefore, can be considered 1.5°C-Aligning. United Utilities is also important in relation to adaptation and resilience in the northwest of England since it manages water infrastructure and land.



**83ha**  
woodland created

<sup>5</sup> United Utilities Annual Report 2025

<sup>6</sup> United Utilities: Climate change mitigation

# WACI – a snapshot of portfolio carbon intensity

The weighted average carbon intensity (WACI) of issuers in the portfolio is calculated in line with PCAF recommendations.<sup>1</sup>

WACI offers a point-in-time snapshot of the portfolio's current carbon intensity.

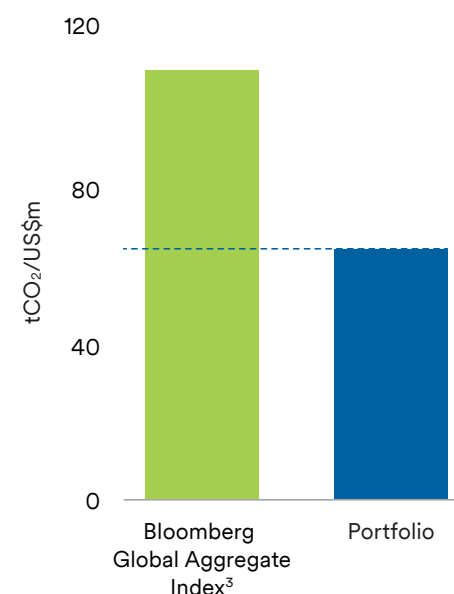
The portfolio had an aggregated scope 1 and 2 WACI of

**65.8**  
tCO<sub>2</sub>e/US\$m<sup>2</sup>

## Benchmarking Portfolio WACI

The portfolio's scope 1 and 2 WACI is already well below the benchmark WACI and is likely overstated as green bond financed projects typically represent lower-emitting parts of operations.<sup>2,3</sup> Benchmark WACI is 110.5tCO<sub>2</sub>e/US\$m.

## Benchmark WACI Comparison



## Corporates and Agencies WACI

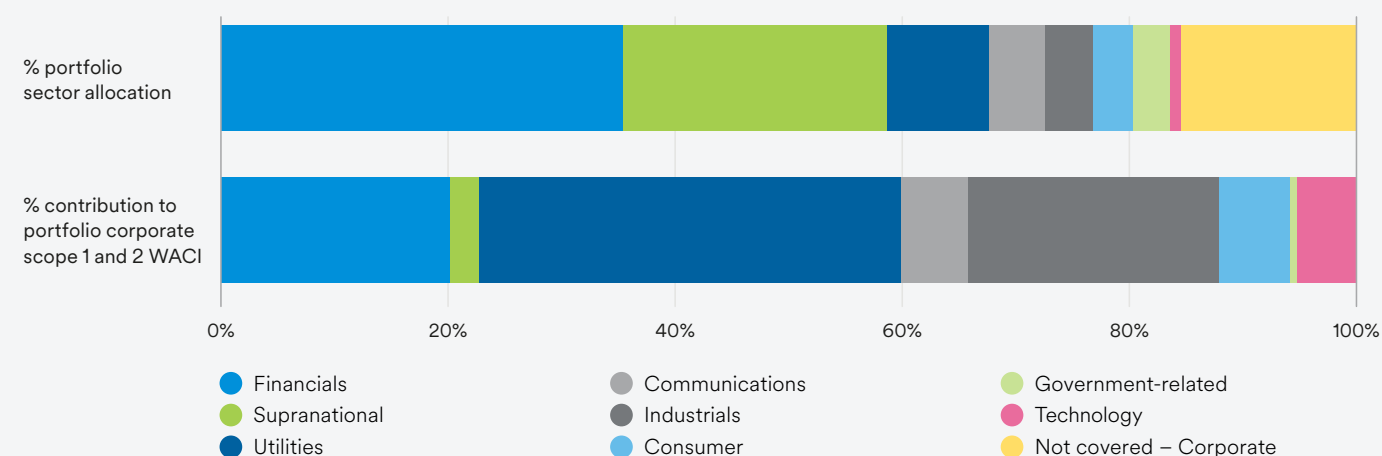
The utilities sector is the largest contributor to the portfolio's scope 1 and 2 WACI. The team has engaged with issuers in this sector to evaluate their current carbon performance and their plans for meeting commitments amid rising future demand.

Scope 1 and 2 WACI

**48**

tCO<sub>2</sub>e/US\$m revenue<sup>4</sup>

## Corporate Portfolio Allocation vs. WACI Contribution



## Sovereigns and Regulators WACI

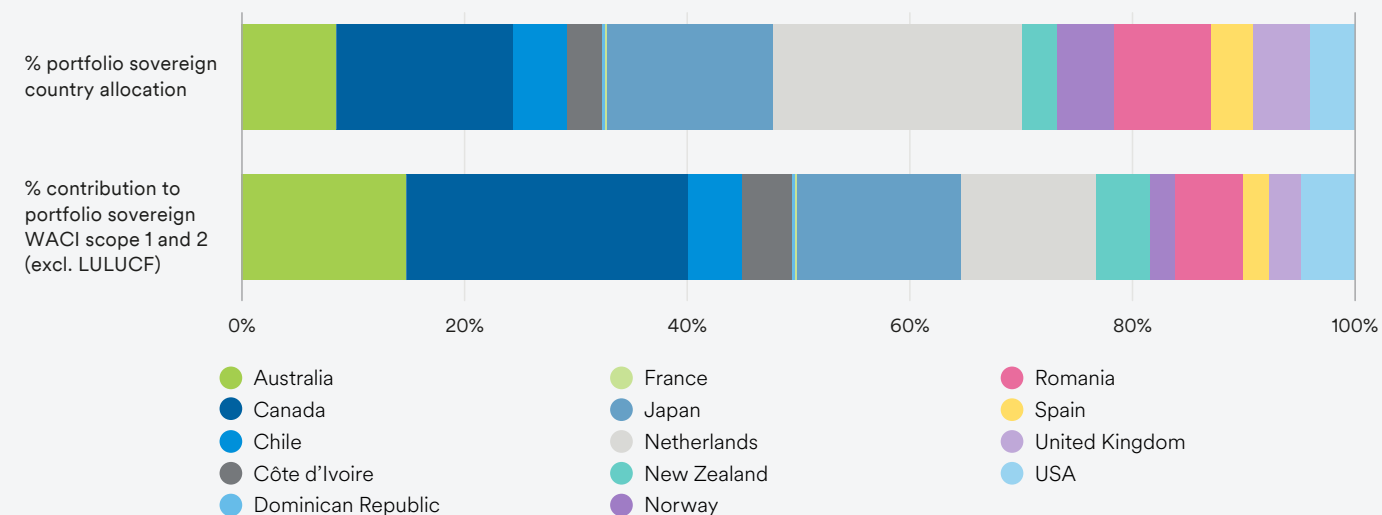
Canada shows a disproportionate contribution to WACI. However, portfolio exposure is limited to Ontario and Quebec, which do not have significant oil production.

Scope 1 and 2 WACI excluding LULUCF

**165.9**

tCO<sub>2</sub>e/PPP-adjusted GDP US\$m<sup>5</sup>

## Sovereign Portfolio Allocation vs. WACI Contribution



<sup>1</sup> PCAF Global GHG Accounting and Reporting Standards for Financials

<sup>2</sup> Aggregated scope 1, 2 and 3 WACI was 825tCO<sub>2</sub>e/US\$m. These figures reflect an aggregate coverage of 83.9% of the portfolio for WACI calculation and are excluding Land Use, Land Use Change and Forestry (LULUCF).

<sup>3</sup> The benchmark WACI is calculated using S&P Trucost data via Aladdin. The portfolio WACI is calculated in-house, also using S&P Trucost data.

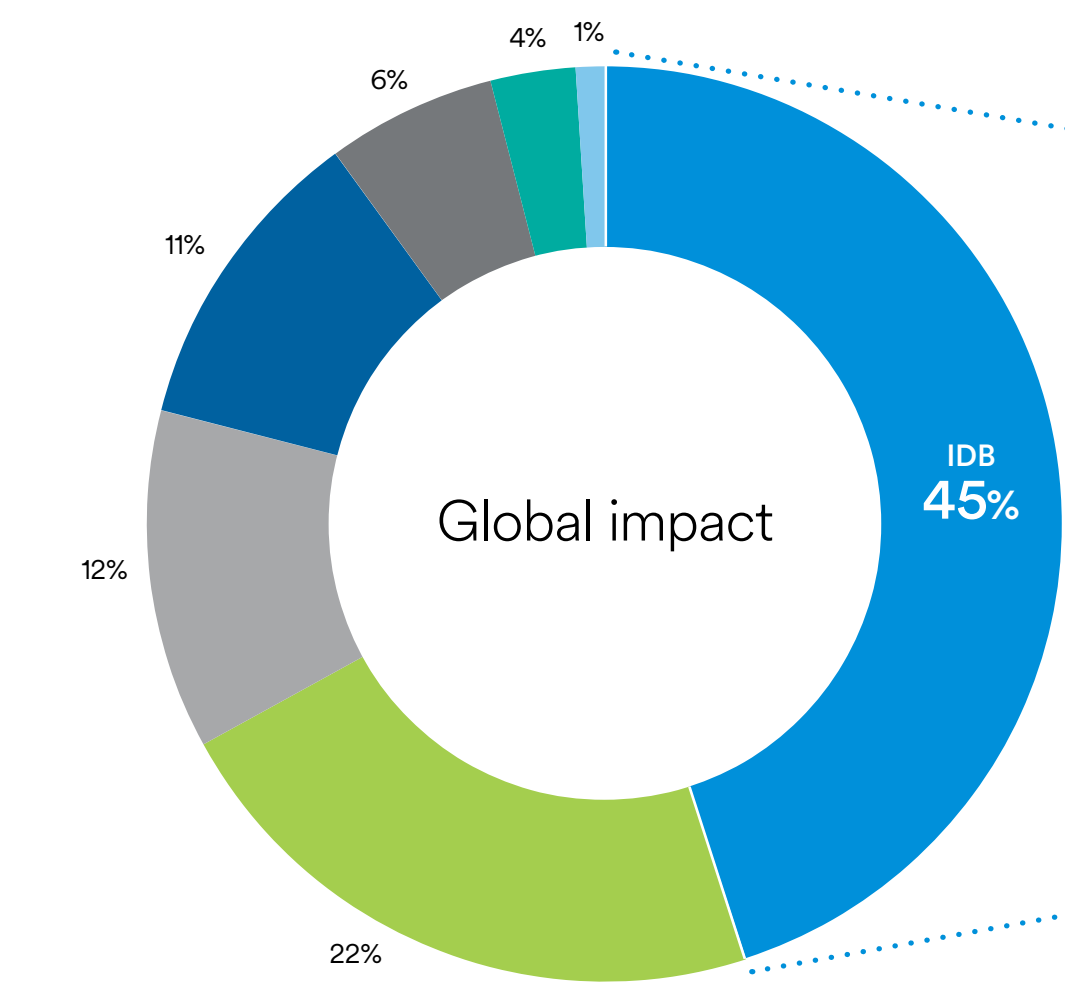
<sup>4</sup> WACI increases to 920.1 when including scope 3. Coverage of 84.9%.

<sup>5</sup> WACI increases to 290.6 when including scope 3. Coverage of 100%.

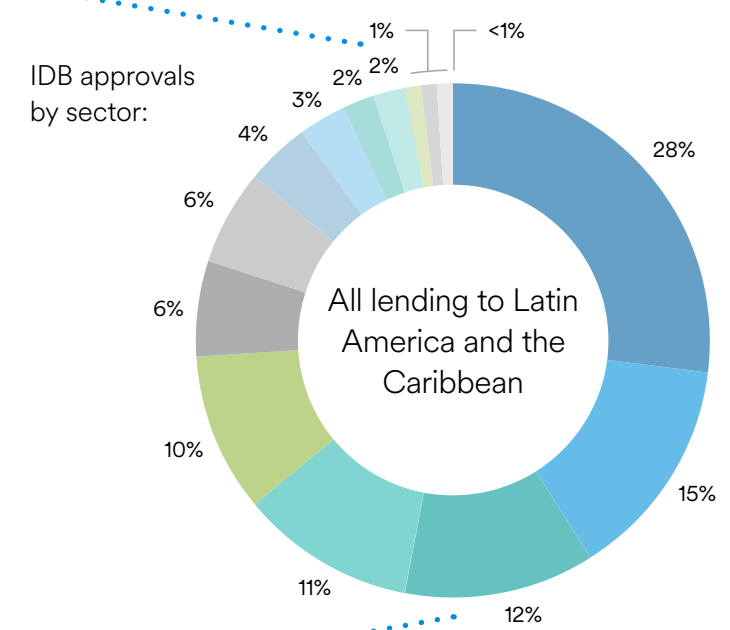
# SPECTRUM aligned issuers

In 2025, 11% of the portfolio was invested in seven SPECTRUM aligned issuers.

To be considered SPECTRUM aligned, issuers must derive at least 50% of their revenues from SPECTRUM eligible sectors ([pg.30](#)).



- Inter-American Development Bank, IDB (45%)
- International Bank for Reconstruction and Development, IBRD (22%)
- Japan Finance Organization for Municipalities, JFM (12%)
- European Investment Bank, EIB (11%)
- Banque Ouest Africaine de Développement, BOAD (6%)
- Asian Development Bank, ADB (4%)
- African Development Bank, AfDB (1%)



- Reform/Modernisation of the State (28%)
- Transport (15%)
- Agriculture and Rural Development (12%)
- Water and Sanitation (11%)
- Financial Markets (10%)
- Social Investment (6%)
- Health (6%)
- Energy (4%)
- Trade (4%)
- Urban Development and Housing (3%)
- Agriculture and Rural Development (2%)
- Education (2%)
- Private Firms and SME Development (1%)
- Environment and Natural Disasters (1%)
- Science and Technology (1%)
- Sustainable Tourism (<1%)

## Inter-American Development Bank (IDB)<sup>1</sup>

The largest exposure to an aligned issuer was with IDB, a leading multilateral development bank that lends to countries in Latin America and the Caribbean. IDB provides financial and technical support to improve health and education, advance infrastructure and achieve sustainable development with the ultimate goal of improving lives in the countries to which it lends. In 2025, IDB maintained its commitment for at least 50% of new approvals to include green and climate finance, alongside its ongoing target for 30% of climate financing to support climate adaptation. During the year, the Bank delivered over US\$35bn in total financing, reflecting a record scale-up in support for sustainable development across the region.

<sup>1</sup> IDB 2025 Annual Report  
Figures may not total 100% due to rounding.  
Source: Issuer reports and websites.



# Investment Case Studies

|                                                              |    |
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| Rhino Bond – South Africa                                    | 22 |
| National Broadband Network Company Ltd. (NBN Co) – Australia | 23 |
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# Rhino Bond – South Africa

The International Bank for Reconstruction and Development (IBRD), part of the World Bank Group, is a global development institution providing financing, policy advice and technical assistance to low- and middle-income countries.

Its mission is to reduce poverty and promote sustainable development through investments across a broad range of programmes supporting social and environmental impacts.

## Outcome Bond Framework

IBRD has issued a series of outcome-based instruments designed to deliver measurable impact by linking investor returns to specific outcomes.

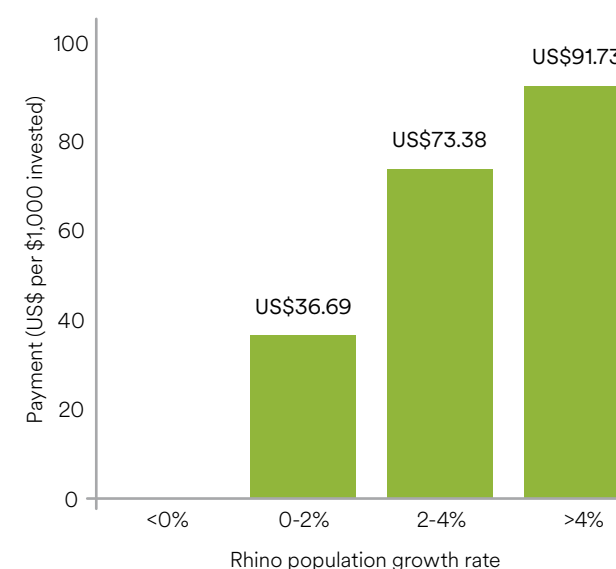
The first of these, the UNICEF bond, was issued in 2021, followed by the Wildlife Conservation Bond (the Rhino Bond) in 2022. Four further outcome bonds have since been issued, targeting both social and environmental outcomes.<sup>1</sup>

The Wildlife Conservation Bond targets an increase in populations of black rhino, a species classified as critically endangered by the International Union for Conservation of Nature (IUCN). Under the structure, investors forgo traditional coupon payments, which are

instead channelled toward funding on-the-ground conservation efforts in South Africa. At maturity, investors receive their principal from IBRD and earn a conservation success payment funded by the Global Environment Facility (GEF), contingent on pre-defined rhino population growth rates<sup>2</sup> (see chart).

Population growth is independently calculated by Conservation Alpha and verified by the Zoological Society of London (ZSL), providing strong assurance around impact measurement.

### Conservation Payment by Growth Range



**8%**  
increase in black rhino  
populations



**153,000ha**  
of protected area

## Project Financed

IBRD is channelling conservation-investment payments directly to national park authorities in South Africa through instalments totalling R152m (around US\$10m).

This supports rhino conservation across a 153,000-hectare protected area in the Addo Elephant National Park and the Great Fish River Nature Reserve, locations selected for their ecological importance and proven capacity to deliver conservation outcomes.

The funding is used to expand established conservation measures, including improving water provision and strengthening anti-poaching security through additional personnel, equipment and training, upgraded fencing,

enhanced aerial monitoring, better communications, and closer national and regional coordination. In addition to direct biodiversity benefits, the programme contributes to wider sustainable development goals by supporting local employment and tourism.

As of end-2024, the project had recorded an 8% increase in black rhino populations at target sites, reversing a projected annual population decline of 3.7%, modelled prior to implementation.<sup>3</sup>

<sup>1</sup> [IBRD funding program](#)

<sup>2</sup> [World Bank Group press release March 2022](#)

<sup>3</sup> [World Bank – Implementation Status & Results Report](#)



## NBN Co – Australia

National Broadband Network Company Ltd. (NBN Co) serves 20 million people every day and carries over 80% of Australia's data. It is responsible for delivering high-speed internet access across the country, including to remote communities.

From a climate perspective, the issuer is performing well with a 2045 Net Zero SBTi-verified target aligned with the 1.5°C scenario and positive performance. NBN Co has also recently achieved its target to source 100% of its electricity from renewables.<sup>1</sup>

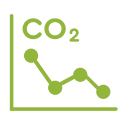
### Sustainability Bond Framework<sup>2</sup>

NBN Co's sustainability bond framework, first published in 2022 and updated in 2024, allows for the issue of social, green and sustainability bonds. The proceeds finance a broad range of projects in support of the issuer's strategy to increase digital inclusion by expanding its broadband network to underserved communities and enhancing digital capabilities, while simultaneously improving the energy efficiency of its network.

As of mid-July 2025, NBN Co has issued €3.35bn and A\$3.15bn worth of bonds, primarily green bonds, as is reflected in the allocation of 80% of net proceeds to green projects and 20% to social projects.



 **622,000**  
homes benefitted

 **50%+**  
reduction in emissions

### Green Bond Projects<sup>3</sup>

The green bond held in the portfolio financed energy-efficiency projects. This includes investments into Fibre to the Premises (FTTP) technology. These are full fibre connections that use fewer active network components and are therefore more energy-efficient than other network technologies as well as more resilient to climate-change impacts and extreme weather events.

An upgrade to the remaining Fibre to the Node (FTTN) network across Australia, announced in 2025, will benefit approximately 622,000 homes and businesses, more than half of which are located in regional Australia.

This will improve resiliency and add connections in more remote locations. These additional upgrades also helped to deliver on NBN Co's commitment to enable more than 10 million households and businesses (90% of the NBN Co fixed-line network) to access the fastest residential speeds by the end of 2025.

In addition, these investments have contributed to significant energy efficiency improvements: fibre technology is up to 70% more efficient than older network technologies. Between 2021 and 2025, energy intensity reduced by 35.4%, from 11.42kWh/TB to 7.38kWh/TB. This is associated with a 50%+ reduction of associated emissions from 8.87kgCO<sub>2</sub>e/TB to 3.88kgCO<sub>2</sub>e/TB.



## Province of Ontario – Canada

Ontario is Canada's most populous province and second largest by area. It is home to the national capital, Ottawa and the country's largest city, Toronto.

Carbon emissions in the province have decreased 22% since 2005, demonstrating good progress towards its target of 30% emissions reduction by 2030. To achieve the target, Ontario is pursuing grid decarbonisation by phasing out coal, limiting new natural gas generation and increasing the share of renewable energy as outlined in the Clean Energy Plan.<sup>4</sup> Additional priorities include public transport initiatives and climate adaptation.

### Sustainability Bond Framework<sup>5</sup>

Ontario was an early adopter of green bonds, publishing a green bond framework in 2014. This was replaced in December 2023, by a sustainable bond framework under which both green bonds and social bonds can be issued. Ontario issued over C\$20bn of green bonds under the original framework.

The categories of project eligible under the framework reflect the priority areas of infrastructure and climate adaptation: clean transport, energy efficiency, clean energy, land management, and climate adaptation and resilience. The updated sustainable bond framework added further specificity to the types of projects to which proceeds can be allocated. For example, it now includes green buildings within energy efficiency.



 **15.6km**  
of new rail

 **388,000**  
passengers per day

### Green Bond Projects<sup>6</sup>

Ontario's green bond issuances have funded 29 projects: 87% of proceeds have been allocated to nine clean transportation projects; 11% to 19 energy efficiency projects; and 2% to a climate adaptation project.

The largest of these projects is GO Expansion, the expansion and electrification of the existing GO Transit rail network serving the Toronto and Hamilton area. The goal is to transform the system into an all-day rapid transit network, promoting greater use and reducing local emissions and noise impacts.

Starting in 2030, the expansion is expected to increase capacity on the network, equivalent to taking 111,628 passenger vehicles off the road per year.

The Ontario Line Subway is also part of the province's programme for developing a clean public transport system. This new 15.6km transit line will increase the Toronto subway capacity by 388,000 passengers per day, and bring public transit systems within walking distance for an additional 227,500 people.<sup>7</sup>

<sup>1</sup> IT Brief – Australia

<sup>2</sup> NBN Sustainability Bond Framework 2024

<sup>3</sup> NBN Sustainable Bond Report 2025

<sup>4</sup> Powering Ontario

<sup>5</sup> Province of Ontario Sustainable Bonds

<sup>6</sup> 2025 Ontario Green Bond Newsletter

<sup>7</sup> Metrolinx: Projects and programs – Ontario Line



# Banque Ouest Africaine de Développement – West Africa

Banque Ouest Africaine de Développement (BOAD) is a multilateral development bank, supporting economic integration and development in West Africa. The issuer provides lending to finance public and private projects in five priority areas that target improvement in livelihoods and address social issues. The priority areas are transport infrastructure and ICT; production of and equitable access to energy and natural resources; agricultural production and food security; real estate including social housing; and health and education.

The member states of BOAD score below both the global and the Sub-Saharan average on the UNDP Human Development Index, with low rates of literacy, access to drinking water and electricity. To address this, BOAD puts poverty reduction at the centre of all its projects. It has also made commitments under the Paris Climate Agreement to align spending to net zero, including US\$400m to climate finance.<sup>1</sup>



## Sustainability Bond Framework<sup>2</sup>

BOAD became the first African sustainability bond issuer in 2021, for which it was awarded the Environmental Finance sustainability bond of the year (supranational, sub-sovereign and agency).<sup>3</sup> Under this framework, BOAD can issue green, social and sustainable bonds. To date, it has issued two sustainability bonds under the framework, one denominated in euros and one in US dollars, with a combined value of US\$1.38bn.

Categories of project eligible under the framework reflect the breadth of programmes supported by the bank's lending. They include access to affordable basic infrastructure such as clean water and electricity, access to essential services including health and education, employment creation, renewable energy generation, clean transport, sustainable land and water management, and climate resilience.



**50MWp**  
solar energy production



**600**  
jobs created



**4,125**  
new classrooms

## Green and Social Projects<sup>4</sup>

**Proceeds from BOAD's sustainability bonds have financed both green and social projects across West Africa.**

Green projects include a 94ha solar PV power plant project in Togo with a production capacity of 50MWp. The plant has added 90,255MWh of clean energy to the grid per year. It serves 158,333 Togolese households per year and is expected to avoid over 1mtCO<sub>2</sub>e over its lifetime. While the project is green, it also has social benefits through the creation of 600 jobs during project implementation and an additional 13 jobs during project operation.

Social projects aim to support access to education, gender equality and digital inclusion. This includes the construction of 4,125 classrooms, benefitting 217,898 students, 51% of whom are girls. These classrooms replace temporary shelters that often result in inconsistent education for students, particularly as a result of climate-related hazards. Construction, therefore, helps to provide quality learning conditions for students and reduce the drop-out rate in the target schools.

<sup>1</sup> BOAD – Environment and Climate Finance

<sup>2</sup> BOAD – Sustainability Bond Framework 2021

<sup>3</sup> Environmental Finance's Bond Awards 2021

<sup>4</sup> BOAD – Sustainability Bond Reporting 2024



# Republic of Chile

Chile is committed to the UN SDGs and the 2030 Agenda through national strategies and targets focused on carbon neutrality and inclusive growth.

The Sustainable Development Report, which tracks and ranks the performance of UN Member States on their progress towards the UN SDGs, ranks Chile 35th of 167, the highest ranking in South America.<sup>1</sup> However, there are enduring development challenges around high levels of inequality and the need for improved public services. In 2022, Chile set its carbon neutrality target for 2050 into law through The Framework Law on Climate Change, which targets 80% renewable energy by 2030 and aims for emissions to peak by 2025, with additional interim targets to be reviewed every five years. Climate Action Tracker rates Chile as ‘almost sufficient’ in its policies and actions – the highest rating given to any country in the world so far.

## Sustainability Bond Framework<sup>2</sup>

**Chile’s Ministry of Finance published its Sustainable Bond Framework in November 2020.** This updated an earlier green bond framework to allow for the issue of social and sustainable bonds and marked a shift from a purely environmental perspective to a broader sustainability approach.

The updated framework includes categories supporting national development goals and international commitments such as green buildings, renewable energy, support for targeted populations, access to basic services, and food security.

Since 2020, Chile has issued all three types of bonds, with social bonds at over US\$20bn as at end of 2025, representing the largest share.

 **2.2 million**  
students in education

## Social Bond Projects<sup>3</sup>

**Chile’s social bonds have financed a range of projects, with a strong focus on the elderly, education, housing and food security.**

The Aporte Familiar Permanente (Permanent Family Contribution) programme supplemented incomes for 1.6 million beneficiaries, with an average contribution of Ps248,397 per beneficiary, equivalent to US\$278.

 **65,281**  
families accessing home ownership

Other programmes have supported:

- 2.2 million students in educational establishments
- 1.6 million school students through school-meal programmes
- 65,281 families through access to home ownership

<sup>1</sup> SDG Dashboard and Trends – Chile

<sup>2</sup> Chile’s Sustainable Bond Framework 2020

<sup>3</sup> Green, Social and Environmental Bonds – Allocation, Eligibility and Environmental Impact 2023 Report





# 4

# Engagement

# Engaging with issuers

Engagements enable the Public Fixed Income (PFI) Sustainability Research team to build closer relationships with issuers and develop a more granular understanding of their sustainability strategies. They also provide a platform to encourage issuers to raise the bar on ambition, data and transparency around sustainability, and to provide feedback and promote best practice for issuers currently excluded from the portfolio.

ESG engagements are categorised as:

- **Disclosure and Reporting:** engagements related to the issuer’s sustainability reporting.
- **Market:** engagements with market players such as working groups, brokers and intermediaries, or market initiatives; and engagements with issuers that relate to a roadshow, a new or updated sustainability framework or a general issuer update.
- **Thematic:** engagements with issuers and/or other entities regarding a specific pre-defined ESG theme.
- **Controversy:** engagements on controversies.

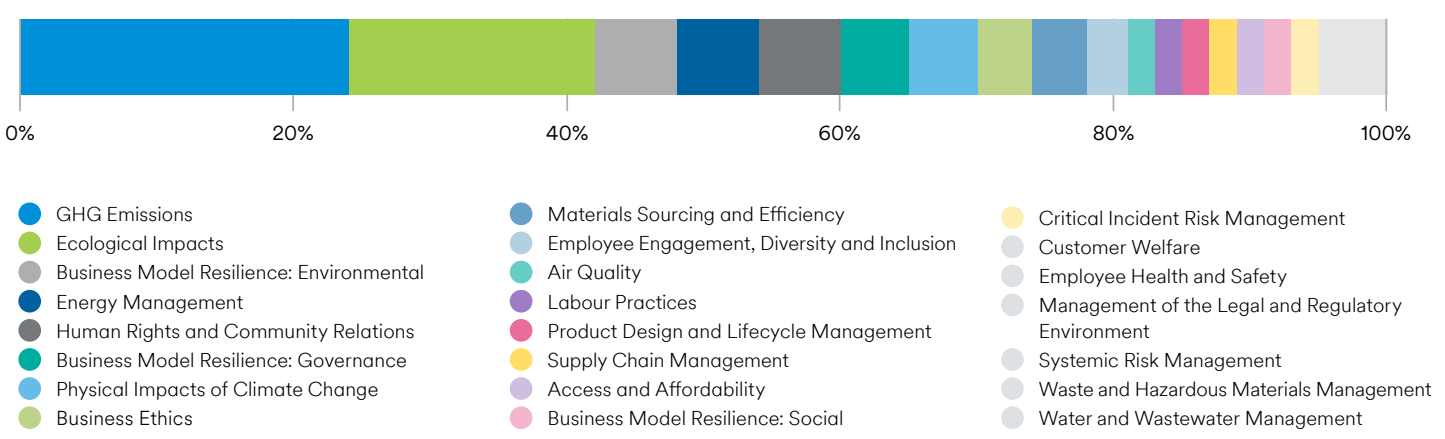
In 2025, MIML became a signatory to the UK Stewardship Code, reinforcing its commitment to transparent and responsible stewardship.<sup>1</sup> In line with MIM’s wider stewardship focus, the PFI Sustainability

Research team also engages with issuers that sit outside of the SPECTRUM strategies. Examples of such meetings include for the MetLife Net-Zero targets, CDP Non-Disclosure Campaign 2024 and PRI Advance.<sup>2</sup> These engagements are not captured in the SPECTRUM engagement statistics.

Engagement in the last 12 months:

In the 12 months to the end of December 2025, there were 70 unique engagements covering 126 combined ESG topics. Many engagements cover more than one SASB topic, since the team explores multiple relevant ESG factors to maximise the value of each meeting. GHG emissions was a common topic again this year and ecological impacts also featured prominently, supported by the nature-focused thematic engagement in the first half of the year.

SASB Topics Covered in Engagements



## 33% Disclosure and Reporting

Example

Following a review of a Japanese healthcare issuer’s labelled bond framework, the team held a targeted engagement to raise concerns around the issuer’s impact reporting and the breadth of its eligibility criteria, which allow proceeds to be allocated to business activities without clear demonstration of social impacts.

**Outcome:** The issuer acknowledged these gaps and advised that it plans to add more granular social-impact KPIs and expand future reporting on them. The team provided guidance on market-standard expectations for potential SPECTRUM inclusion, helping to inform improvements for subsequent iterations of the issuer’s framework.

## 36% Market

Example

After exploring an opportunity for a private-placement structure with a financial services issuer, the team engaged to assess how this structure could deliver more targeted environmental impact and explore the credentials of the eligible projects.

**Outcome:** The structure allows investors to access specific impactful projects, some of which fit within the SPECTRUM taxonomy. The bond was admitted to the SPECTRUM universe and, although not purchased due to pricing, the engagement proved the impact potential of private-placements.

## 1% ESG Controversy

Example

The team engaged with a pulp and paper issuer that is involved in multiple lawsuits and disputes relating to indigenous land rights and has been accused of failing to manage supply chain deforestation risks.

**Outcome:** The company failed to provide sufficient reassurance on its policies and performance on deforestation and land rights. The engagement provided a stronger understanding of how the issuer manages biodiversity risks and the team shared expectations around best practice in these areas. Owing to the concerns about land-rights abuse and deforestation, the issuer was excluded from the SPECTRUM universe.

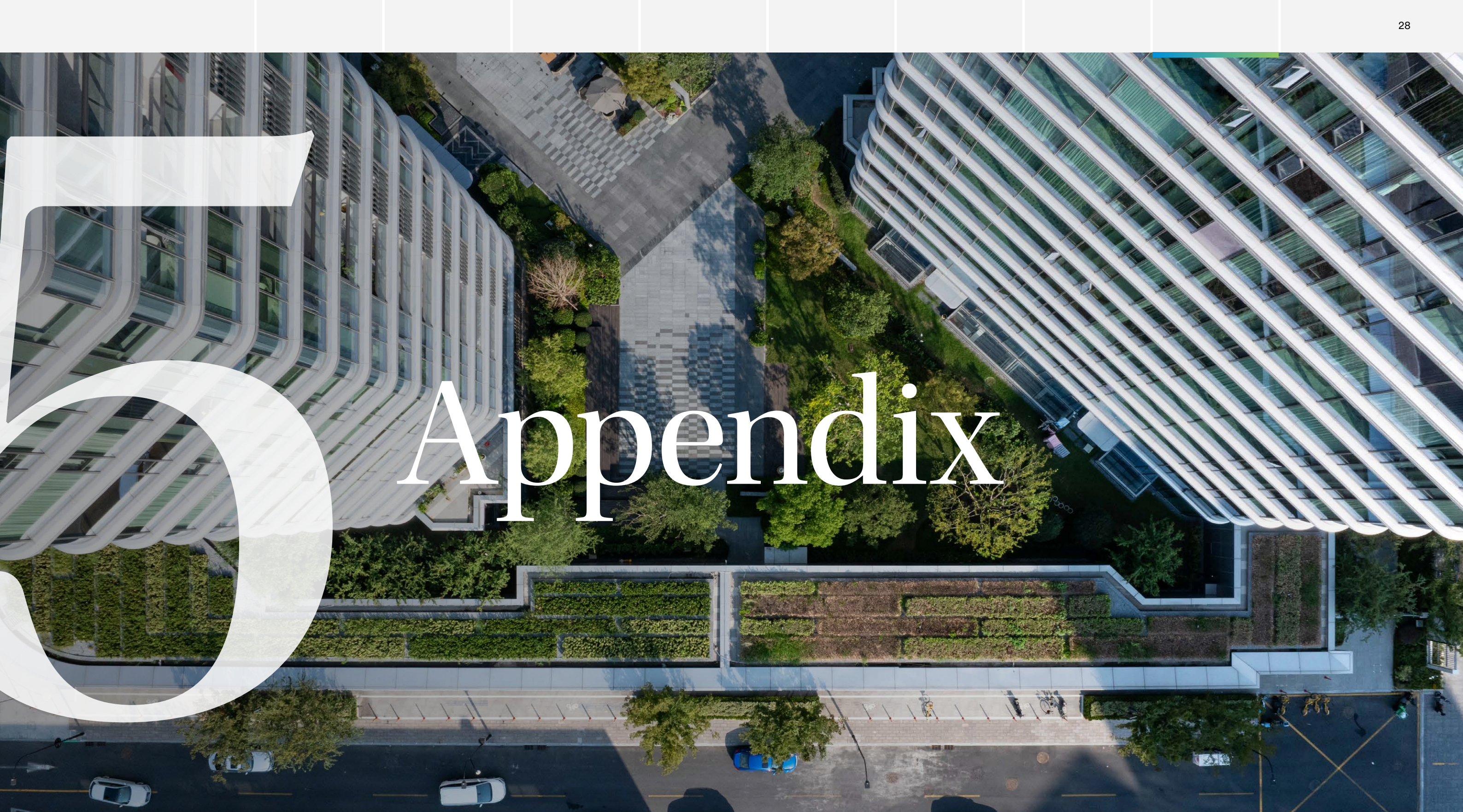
## 30% Thematic

Example – Net Zero Banking Alliance

Following the Net Zero Banking Alliance (NZBA)’s transition from a membership-based coalition to a voluntary guidance framework, the team undertook a focused engagement with relevant financial issuers. The aim was to understand whether the structural change to the NZBA affected banks’ commitment to their net zero targets.

**Outcome:** Issuers reaffirmed that their climate strategies and net zero commitments remain intact despite the NZBA’s restructuring. The engagement provided reassurance that the change in NZBA governance has not materially weakened banks’ transition ambitions and helped validate the continued robustness of net zero signals for impact-reporting purposes.

<sup>1</sup> UK Stewardship Code 2026  
<sup>2</sup> MetLife Net Zero targets  
Figures may not total 100% due to rounding.



# Appendix

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# A track record of excellence in impact investing

This portfolio is managed using the SPECTRUM verification process, a MIM proprietary research methodology. SPECTRUM was launched in 2014 and has been used since then to grow and maintain an impact investment universe, from which this portfolio invests. It is an evolving methodology that is reviewed regularly to ensure it remains appropriate for a sustainable finance market that is both expanding and maturing.

## The SPECTRUM Methodology

- S SUSTAINABLE**  
Aligned with the strategy's aim of supporting the UN SDGs and Paris Agreement on climate change
- P POSITIVE EXTERNALITIES**  
Positive environmental and/or social externalities associated with the issuance
- E ETHICS AND ISSUER CONDUCT**  
Issuers must have appropriate governance, policies and operational conduct
- C CREDIT**  
Issuers must have a strong financial structure
- T TRANSPARENT**  
Issuers with clear and transparent reporting and disclosure
- R RESPONSIBLE ISSUER**  
Issuers with strong integrity and environmental and social standards, as well as a clear commitment to a sustainable model
- U USE OF PROCEEDS**  
Ability to determine use of proceeds to assure funded activities meet the SPECTRUM criteria
- M MATERIAL AND MEASURABLE**  
Issuers with reporting on material and measurable environmental and social impact

● Sustainability ● Credit

SPECTRUM uses three types of analysis – an impact assessment and an issuer ESG review, both conducted by the sustainability research team, and a credit analysis, conducted by the credit research team. Include or exclude decisions are awarded on all three elements and a bond must be awarded 'include' on all three assessments to be included in the SPECTRUM investable universe. This ensures all investments in the investable universe support impactful projects from responsible issuers with robust credit fundamentals.

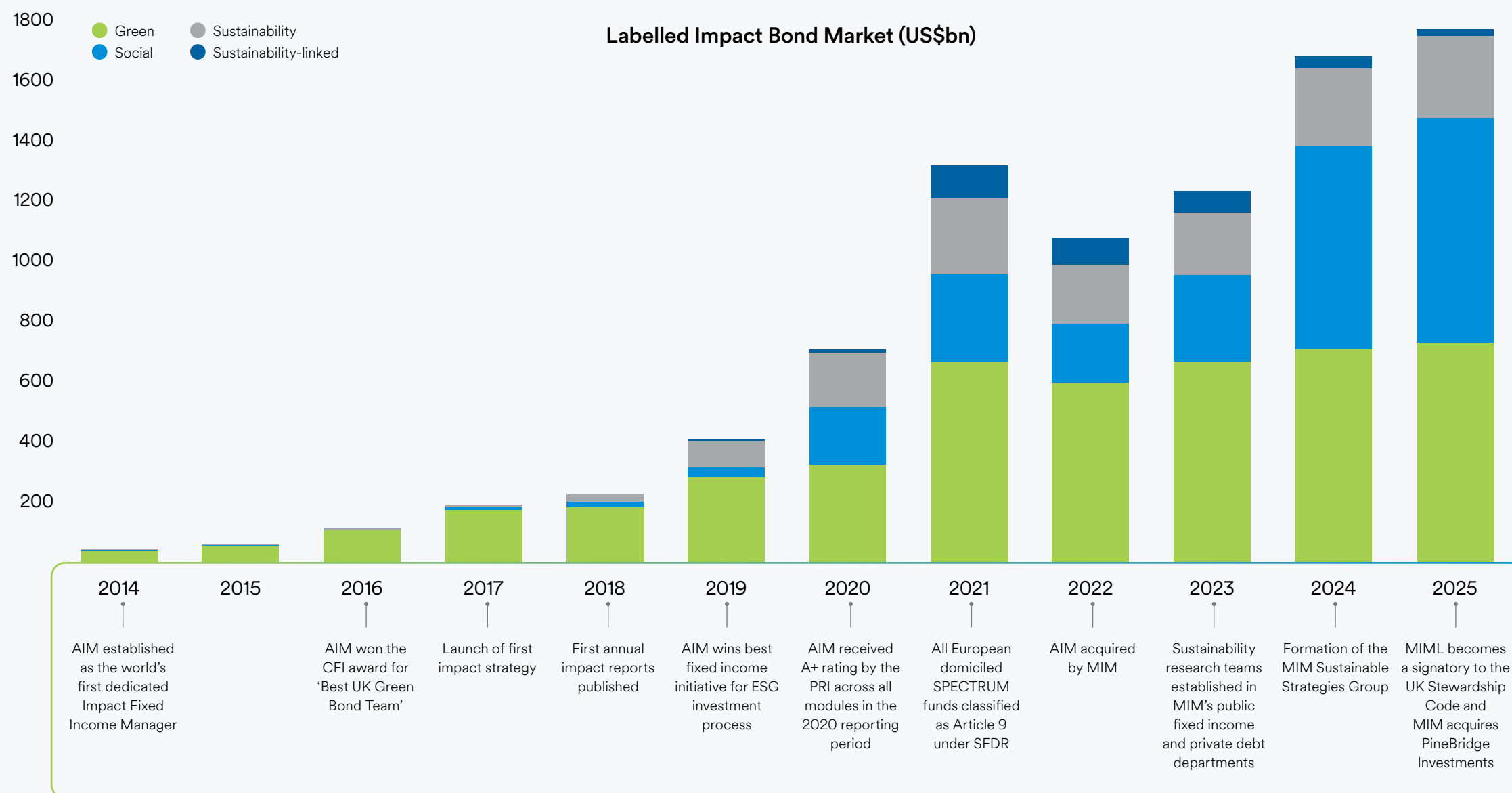
## A Long Pedigree in Green Bonds

The SPECTRUM methodology was designed as an independent in-house verification process for impact bonds. It is a positive selection methodology that prioritises positive environmental and social performance and which allows context to be considered. This demands detailed research by analysts with strong sustainability expertise. The SPECTRUM methodology was built by the founding Affirmative Investment Management (AIM)

team, which included several individuals who were instrumental in the birth of the green bond market, both from the perspective of issuing green bonds and of managing dedicated green bond strategies. AIM's leadership in the field was key to its acquisition in 2022 by MIM, and the integrity and independence of the SPECTRUM methodology has been prioritised ever since.

## Investable Universe

The MIM SPECTRUM investable universe is predominantly composed of labelled, use-of-proceeds green, social and sustainability bonds. It also includes some unlabelled pure-play bonds and some aligned issuers (pg.20).



<sup>1</sup> Source: BloombergNEF. Labelled bond issuance shows an increase for recent years compared to previous data, driven by the retroactive labelling of older mortgage-backed securities issued by Fannie Mae, Freddie Mac, and Ginnie Mae.

# SPECTRUM eligible sectors

Investments from the portfolio are made in projects that have positive environmental and social impacts under the eligible sectors of the SPECTRUM taxonomy.

This taxonomy has been developed by the team's deep sector knowledge, long tenure in sustainable investments and with consideration to external best-practice frameworks, such as the EU Taxonomy. Eligibility is continually updated, integrating minimum requirements following changes in technology and regulations. Project sectors are either environmental or social, although there can be crossover.

## Environmental Sectors:



### Energy

- Renewable-energy generation
- Energy efficiency and renewable-energy storage technologies
- Grid transmission, distribution, and infrastructure efficiencies and resilience
- District heating and cooling infrastructure



### Resilience

- Infrastructure and systems aimed at preventing and reducing the impact of climate change, including flood-prevention infrastructure, warning systems and disaster response



### Resource Efficiency

- Pollution prevention and remediation: air, water and soil
- Waste management, reduction and recycling
- Circular economy-related activities
- Efficient and lower-carbon manufacturing products and processes



### Transport

- Clean and low-carbon public and private fleets and related infrastructure
- Policies and planning supporting the uptake of sustainable transport



### Information and Communication

- Infrastructure development and enhanced efficiency of telecommunications and broadband networks
- Computer programming, consultancy and related activities aimed at delivering positive environmental impacts



### Land Management and Marine Environment

- Sustainable agriculture and forestry
- Integrated landscape planning
- Biodiversity conservation and ecosystem restoration
- Sustainable enterprise fishing



### Water Resource Management

- Water-use efficiency: new and retrofitted water supply and consumption infrastructure
- Water restoration and water-quality management, particularly with innovative materials and technologies, and practices



### Buildings

- Buildings certified against recognised sustainability building standards
- Buildings undergoing energy-efficiency improvements

## Social Sectors:



### Education, Training and Employment

- Access to education, safe schools, teaching materials and teachers, food programmes and financial incentives for families
- Employment training for new and re-entering job seekers in green and new-economy sectors



### Global Health

- Access to immunisation and other medical resources and services, through financing, distribution infrastructure and training
- Access to healthcare in the form of hospitals, clinics, trained healthcare workers and information
- Innovation in healthcare products, financing, distribution and services



### Empowerment of Women and Vulnerable Groups

- Activities promoting gender equality, e.g. education and training for women and girls
- Access to improved maternal and child-health services
- Social and regulatory services to support protection and resilience of vulnerable and war-ravaged groups



### Financial Inclusion and Sustainable Enterprises

- Access to microfinance and financial services in underserved communities through regulation, financial institutions and technology
- Access to funding for SMEs
- Technical, energy and resource-efficiency capacity building for SMEs



### Food Security

- Crop insurance and risk-sharing schemes to increase producer resilience to climate and other stresses
- Water-rights institutions to protect access by vulnerable groups
- New cropping techniques and resilient crop varieties
- Expanded market access through financial, regulatory and physical infrastructure



### Social Housing

- Affordable housing for vulnerable groups
- Access to credit for housing for disadvantaged groups
- Shelter/temporary housing facilities
- Activities and initiatives addressing homelessness
- Integrated community planning

# KPI summary

The figures below can be used to calculate impacts associated with individual contributions to the portfolio.

| Project KPIs <sup>1</sup>                   | Total Portfolio Impact      | Impact per A\$m Invested  |
|---------------------------------------------|-----------------------------|---------------------------|
| GHG emissions avoided (annual) <sup>2</sup> | 25,544tCO <sub>2</sub> e    | 218tCO <sub>2</sub> e     |
| Electric installed capacity                 | 14MW                        | 0.12MW                    |
| Electric energy generated                   | 41,086MWh                   | 351MWh                    |
| Energy savings                              | 3,198MWh                    | 27MWh                     |
| Added passenger capacity daily              | 2,404 people daily          | 21 people daily           |
| Amount of waste treated                     | 432 tonnes/year             | 4 tonnes/year             |
| Volume of water treated                     | 239,855m <sup>3</sup> /year | 2,049m <sup>3</sup> /year |
| Area of land managed                        | 2,423ha                     | 21ha                      |
| Jobs created/retained                       | 64 jobs                     | 1 job                     |
| Green building area                         | 14,650m <sup>2</sup>        | 125m <sup>2</sup>         |
| Students with access to school              | 105 students                | 1 student                 |
| Children immunised                          | 68 children                 | 1 child                   |
| Thermal energy generated                    | 610MWh                      | 5MWh                      |
| Added renewable capacity connected          | 4MW                         | 0.04MW                    |
| Passenger distance supported                | 477,362 passenger km        | 4,078 passenger km        |

| Issuer KPIs                                                     | Value/Unit                                   | Coverage |
|-----------------------------------------------------------------|----------------------------------------------|----------|
| Portfolio scope 1 and 2 WACI                                    | 66tCO <sub>2</sub> e/US\$m                   | 83.9%    |
| Portfolio scope 1, 2 and 3 WACI                                 | 825tCO <sub>2</sub> e/US\$m                  | 83.9%    |
| Corporates and Agencies scope 1 and 2 WACI                      | 48tCO <sub>2</sub> e/US\$m revenue           | 84.9%    |
| Corporates and Agencies scope 1, 2 and 3 WACI                   | 920tCO <sub>2</sub> e/US\$m revenue          | 84.9%    |
| Sovereign and Regulators scope 1 and 2 WACI excluding LULUCF    | 166tCO <sub>2</sub> e/PPP-adjusted GDP US\$m | 100%     |
| Sovereign and Regulators scope 1, 2 and 3 WACI excluding LULUCF | 291tCO <sub>2</sub> e/PPP-adjusted GDP US\$m | 100%     |

<sup>1</sup> Coverage of 80.4% of 2025 portfolio holdings.

<sup>2</sup> There are accuracy challenges in aggregating emissions avoided figures across issuers due to the variety of methodologies used.

Source: Issuer reporting.



# Definitions

## EU Taxonomy Alignment

### 1. EU Taxonomy-Aligned – Issuer-reported

The issuer has confirmed the alignment of this project or activity with the criteria on substantial contribution to one of the EU Taxonomy’s environmental objectives in its labelled bond materials.

### 2. Eligible – Likely Aligned – Not Reported

There is guidance for these types of projects in the EU Taxonomy and they likely already meet the EU Taxonomy’s substantial contribution thresholds. However, EU Taxonomy alignment is not referenced in project reporting. For example, solar projects have been categorised in this group as it is likely they will meet the gCO<sub>2</sub>e/kWh threshold set in the EU Taxonomy.

### 3. Eligible – Potentially Aligned – Not Reported

There is guidance for these types of projects in the EU Taxonomy, but a full alignment analysis would need to be completed to determine whether substantial contribution criteria are met. For example, waste management-related projects have been categorised in this way.

### 4. No EU Taxonomy Guidance

These types of projects do not have guidance under the EU Taxonomy yet. For example, healthcare projects have been categorised in this way.

### 5. Unlikely Aligned

There is guidance for these types of projects in the EU Taxonomy, but these projects are considered unlikely to satisfy the EU Taxonomy’s threshold.

These are largely rail projects that do not have a clear indication as to whether electrification is planned.

## Project Net Zero Alignment

### 1.5°C-Aligned

The project technology or performance is aligned with a 1.5°C scenario.

### Adaptation and resilience

Projects that support climate adaptation and resilience, and do not satisfy criteria for 1.5°C-Aligned.

### Social

Social-focused projects.

### Not Aligned

Projects that do not fall into the above categories.

## Issuer Net Zero Alignment

### Net zero

Issuers with a carbon performance that is currently at or lower than the required performance in 2050 today.

### 1.5°C-Aligned

Issuers with verified near-term (2030) science-based targets aligned with a 1.5°C scenario, or issuers that are assessed as 1.5°C-Aligned by the TPI Carbon Performance Assessment in 2035. In addition, the issuer must meet one of the following criteria related to current carbon performance:

- i) the issuer’s annual emission reductions are in line with the linear annual reduction rates required to meet their near-term target
- ii) the issuer’s carbon intensity is below an independently modelled pathway carbon intensity for the issuer, or its sector, in the most recent year for which data is available (independent external providers include TPI)
- iii) the issuer’s carbon intensity is below the sector average carbon intensity for the most recent year for which data is available.

### 1.5°C-Aligning

Issuers with verified near-term (2030) science-based targets aligned with a 1.5°C scenario, or issuers that are assessed as 1.5°C-Aligned by the TPI Carbon Performance Assessment in 2035. These issuers are either not meeting the current carbon performance requirements, or carbon data is unavailable.

### Committed to Aligning

Issuers with verified near-term (2030) science-based targets aligned with a 2°C or well-below-2°C scenario, issuers that are assessed as WB2D aligned by the TPI Carbon Performance Assessment in 2035 and/or issuers with a long-term commitment to achieve net zero emissions by 2050.

### Enabling

Issuers providing products and services that enable decarbonisation in other companies and organisations, and that do not satisfy the criteria for ‘1.5°C-Aligned’, ‘1.5°C-Aligning’ or ‘Committed to Aligning’.

### Adaptation and Resilience

Issuers whose activities support adaptation and resilience to the effects of climate change, and that do not satisfy the criteria for ‘1.5°C-Aligned’, ‘1.5°C-Aligning’ or ‘Committed to Aligning’.

### Not Aligned

Issuers that do not fall into the above categories.

# Glossary

**ADB** – Asian Development Bank

**AfDB** – African Development Bank

**AIM** – Affirmative Investment Management

**A\$** – Australian dollar

**Benthic species** – organisms that live on, in, or near the bottom of aquatic environments

**BOAD** – Banque Ouest Africaine de Développement

**BREEAM** – Building Research Establishment Environmental Assessment Methodology

**bps** – Basis points

**C\$** – Canadian dollars

**CDP** – Carbon Disclosure Project

**CO<sub>2</sub>** – Carbon dioxide

**CO<sub>2</sub>e** – Carbon dioxide equivalent

**DNSH** – Do No Significant Harm

**EIB** – European Investment Bank

**EM** – Emerging market

**ESG** – Environmental, social and governance

**EV** – Electric vehicle

**FTTN** – Fibre to the Node

**FTTP** – Fibre to the Premises

**gCO<sub>2</sub>e/kWh** – grams of CO<sub>2</sub> equivalent per kilowatt hour

**GDP** – Gross domestic product

**GEF** – Global Environment Facility

**GHG** – Greenhouse gases

**GWh** – Gigawatt-hour

**ha** – hectare

**IBRD** – International Bank for Reconstruction and Development (part of the World Bank Group)

**IDB** – Inter-American Development Bank

**INECP** – Integrated National Energy and Climate Plan

**IUCN** – International Union for Conservation of Nature

**JFM** – Japan Finance Organization for Municipalities

**kgCO<sub>2</sub>e/TB** – kilogrammes of CO<sub>2</sub> equivalent per terabyte

**KPI** – Key performance indicator

**kWh** – kilowatt hour

**kWh/m<sup>2</sup>** – kilowatt hours per square metre

**kWh/TB** – kilowatt hours per terabyte of data: a measure of energy consumption to carry data

**LEED** – Leadership in Energy and Environmental Design

**LULUCF** – Land use, land-use change and forestry

**MBS** – Mortgage-backed securities

**MIM** – MetLife Investment Management

**MIML** – MetLife Investment Management Limited

**mtCO<sub>2</sub>e** – million tonnes of carbon dioxide equivalent

**MW** – Megawatt

**MWh** – Megawatt-hour

**MWp** – Megawatt-peak

**NBN Co** – National Broadband Network Company Ltd.

**NECP** – National Energy and Climate Plan

**NZA** – Net Zero Alignment

**NZBA** – Net Zero Alliance Bank

**PCAF** – Partnership for Carbon Accounting Financials

**PFI** – Public Fixed Income

**PRI** – Principles for Responsible Investment

**Ps** – Chilean peso

**R** – South African rand

**RON** – Romanian lei

**SASB** – Sustainability Accounting Standards Board (now part of IFRS)

**SBT** – Science-based targets

**SBTi** – Science Based Targets initiative

**SEC** – Securities and Exchange Commission

**SDG** – Sustainable Development Goals

**SFDR** – Sustainable Finance Disclosure Regulation

**SME** – Small and medium-sized enterprises

**Solar PV** – Solar photovoltaic

**SPECTRUM** – Verification methodology ([pg.30](#))

**tCO<sub>2</sub>e** – tonnes of CO<sub>2</sub> equivalent

**tCO<sub>2</sub>e/PPP-adjusted GDP US\$m** – tonnes of CO<sub>2</sub>e per Purchasing Power Parity-adjusted GDP (gross domestic product) in millions of US dollars

**tCO<sub>2</sub>e/US\$m** – tonnes of CO<sub>2</sub> equivalent per million of US dollars

**TPI** – Transition Pathway Initiative

**TWh** – terawatt-hour

**UNDP** – United National Development

**Unlabelled** – Bonds from issuers with approximately 95% of revenues aligned to the SPECTRUM environmental and/or social taxonomy

**WACI** – Weighted average carbon intensity

**Wh/km** – Watt-hours per kilometre

**ZSL** – Zoological Society of London

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