

Australian fixed income investors' perspectives on the green, social, sustainability (GSS) market.



The Commonwealth Bank of Australia, in partnership with KangaNews, recently launched the inaugural survey of fixed income investors on the green, social and sustainability market. Over 40 of Australia's largest funds and investment managers completed the survey providing a comprehensive overview of the GSS market.

Expected change in demand for GSS product – higher



44%

In 12 months



73%

In 3 years

Biggest driver of increased uptake of GSS issuance



71%

Due to increased member/investor demand

How long will it take before poor ESG performers struggle to access capital without paying a capital premium?



40%

Next 2 years



82%

Next 5 years

Willingness to pay a premium for a GSS bond



39%

Yes

Willing to pay more than 3bps



28%

Would you be prepared to buy a bond or loan product with a two-way margin adjustment if ambitious environmental or social targets were met and it aligned with your investment strategies and ESG priorities?



32%

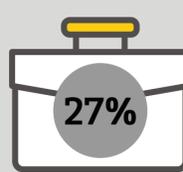
Yes



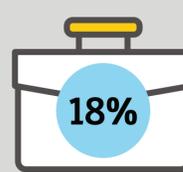
23%

Undecided

Of those who answered yes, what discount would you be prepared to accept?



3-5bp



6-8bp



More than 8bp

Willingness to buy bonds financing an issuer's transition to green from brown?



53%

Open to supporting for selective names and strict sector criteria