Sustainable Debt Global State of the Market Q1 2025

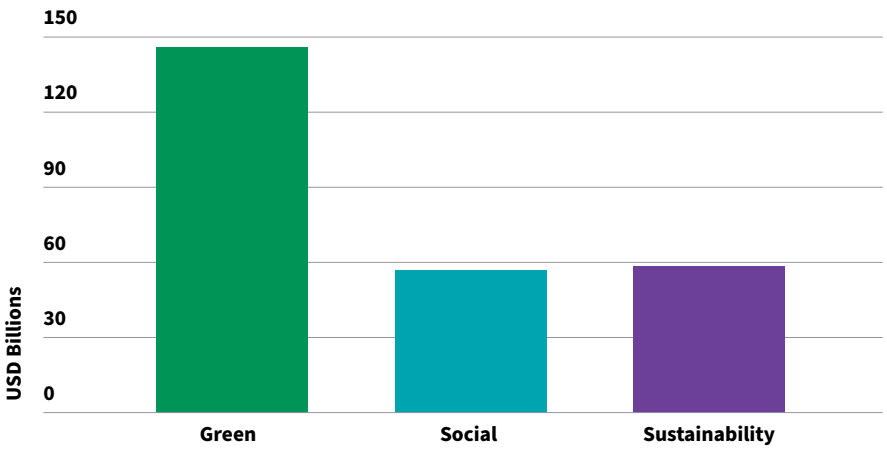
Highlights

- **As of the end of Q1 2025, Climate Bonds Initiative (Climate Bonds) had recorded an aligned cumulative volume of USD5.9tn green, social, sustainability, and sustainability-linked (GSS+) debt.**
- **In Q1 2025, aligned GSS+ bonds accounted for USD262.3bn**, an increase of 7% from the average quarterly volume recorded since 2021 (USD245.8bn).
- **Cumulative aligned sustainability volume broke through the USD1tn mark in Q1, reaching USD1.1tn.**
- **Q1 2025 volume for aligned social- and sustainability-labelled debt was robust with USD56.6bn and USD58.2bn issued, respectively.** This marked the strongest quarter for social debt since 2021, when volume increased sharply in response to COVID-19, and the second highest quarterly volume for sustainability debt.
- **A record volume of USD63.6bn was priced in Q1 2025 by development banks**, which have now issued a cumulative aligned volume of USD961.2bn to put them on course to join other GSS+ issuers (government-backed entities, financial and non-financial corporates) with over USD1tn in aligned cumulative GSS+ volume.

Scorecard: Aligned GSS+ debt

	Q1 2025		Cumulative since 2006	
	USDbn	% total	USDbn	% total
Green	146.6	56%	3,653.0	62%
Social	56.6	22%	1,165.4	20%
Sustainability	58.2	22%	1,057.3	18%
Sustainability-linked bonds	0.9	0%	58.6	1%
Total	**262.3**	**100%**	**5,934.3**	**100%**

Thematic breakdown of aligned volume in Q1 2025



Source: Climate Bonds Initiative

Climate Bonds INITIATIVE

Prepared by Climate Bonds Initiative

Cumulative GSS+ volume

As of the end of Q1 2025, Climate Bonds had captured aligned cumulative GSS+ volume of USD5.9tn, from 107 countries; plus supranationals which continue to be the top source of aligned cumulative GSS+ volume (USD889.6bn). The principal country sources of aligned sustainable debt are the USA (USD827.8bn), France (USD600bn), and China (USD579.7n).

The green theme continues to dominate, representing 62% of the cumulative aligned volume, while aligned social and sustainability volumes account for 20% and 18%, respectively. Sustainability-linked bonds (SLBs) have added just 1% to cumulative aligned volume (USD58.6bn).

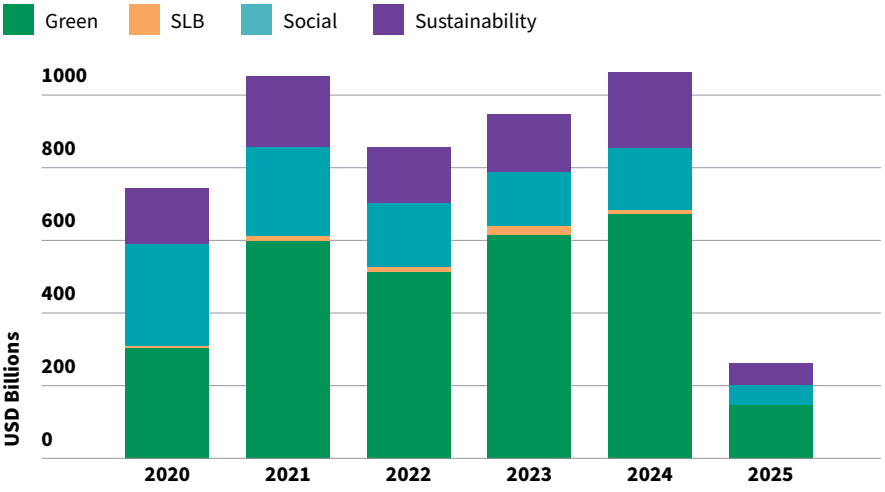
More than 70 currencies have been deployed to price aligned GSS+ deals, with the majority denominated either in EUR (39%) or USD (30%), and CNY the third most prevalent (8%).

Three issuer types account for over USD1tn each in cumulative GSS+ volume: government-backed entities (USD1.6tn), financial corporates (USD1.3tn), and non-financial corporates (USD1.2tn).

Quarterly GSS+ volume

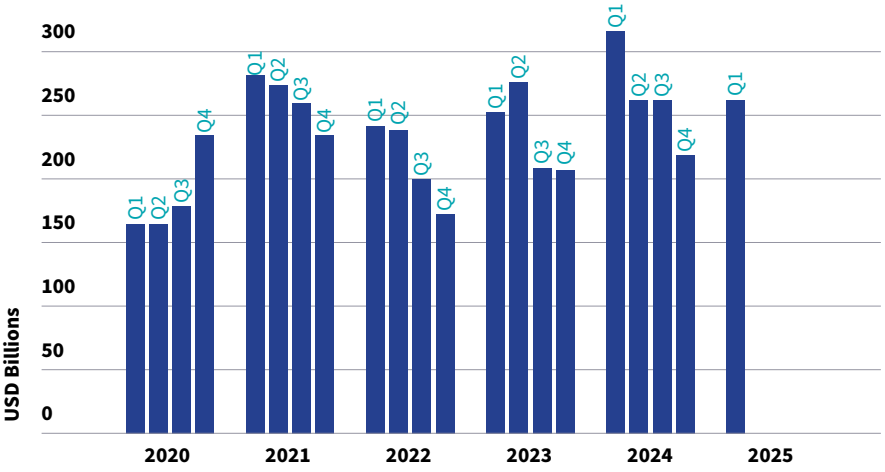
In Q1 2025, aligned volume reached USD262.3bn, the third strongest first quarter recorded by Climate Bonds (after Q1 2021 and Q1 2024). Following record levels in aligned volume in Q1 2024, this figure represents a Q1 YoY decline of -17%. By issuer type, the decline was primarily due to lower volumes from non-financial corporates (-52%) and sovereign issuers (-41%), partially offset by increased aligned volume from government-backed entities (+9%) and record quarterly volume from development banks (+39%).

Cumulative aligned GSS+ issuances since 2020



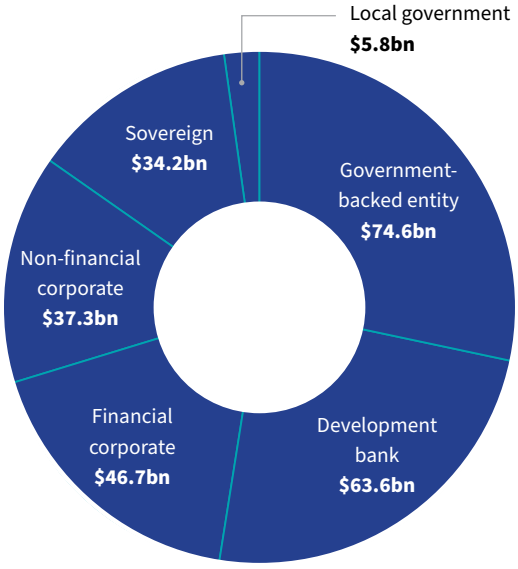
Source: Climate Bonds Initiative

Quarterly aligned GSS+ volume since 2020



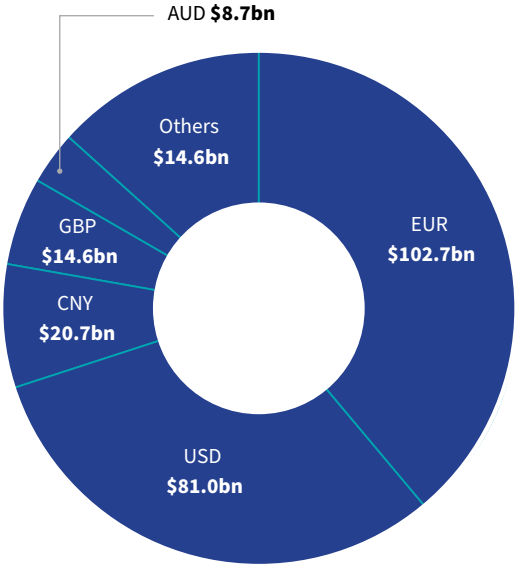
Source: Climate Bonds Initiative

Issuer type breakdown of aligned GSS+ issuance in Q1 2025



Source: Climate Bonds Initiative

Currency breakdown of aligned GSS+ volume in Q1 2025, USD bn



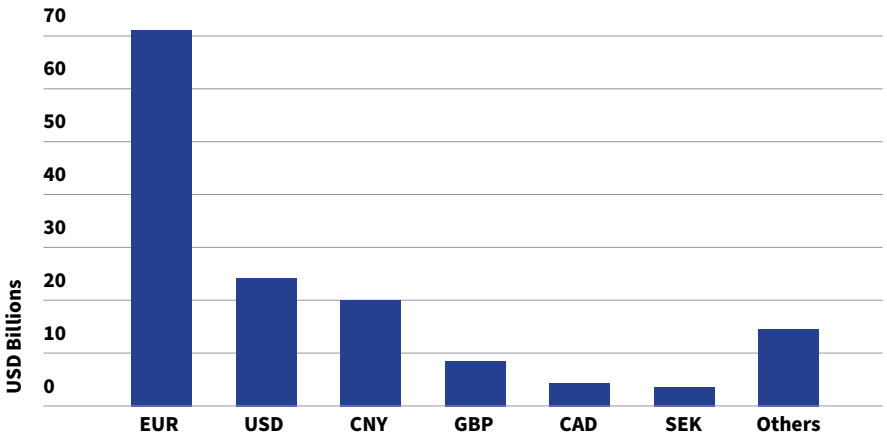
Source: Climate Bonds Initiative

Q1 2025 market highlights

Green

- As of the end of Q1 2025, Climate Bonds had recorded cumulative aligned green bond volumes of USD3.7tn, accounting for 62% of GSS+ cumulative aligned GSS+ volume.
- Q1 2025 aligned green bond volume reached USD146.6bn, which remains in line with the average aligned quarterly volume since 2021 (USD150.1bn).
- Aligned green bonds were priced in 27 currencies in Q1 2025 and the currency breakdown broadly matched that of the cumulative volume with EUR dominating (49%), followed by USD (17%), and CNY (14%). In February 2025, the Asian Development Bank (ADB) issued the first green bond denominated in the GHS (USD10.4m).
- Aligned green bonds captured in Q1 2025 originated from supranationals and 36 countries. China was the primary source with volume of USD20.7bn split across 62 deals. Supranationals ranked second contributing USD17.5bn across 16 bonds followed by Germany with USD15.8bn across 33 deals. The most prolific country by deal count was the USA with 357, amounting to USD14.1bn, the fourth highest volume.
- The European Investment Bank (EIB) was the leading issuer of aligned green bonds with USD9.9bn across five deals, driven by its two Euro-denominated green bonds in January and March amounting to EUR9bn (USD9.4bn). The Agricultural Bank of China followed closely with USD8.24bn over two transactions, achieving its highest quarterly aligned green volume in Q1 2025, which far exceeds its cumulative volume (USD5.4bn) since 2015.

Currency breakdown of aligned green volume in Q1 2025

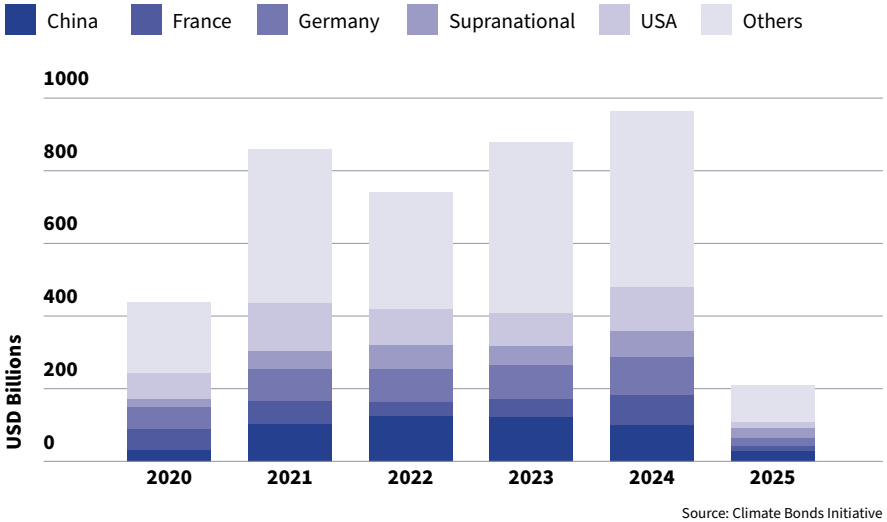


Source: Climate Bonds Initiative

Top non-sovereign CBI-aligned green issuers

	Country	USD bn
European Investment Bank (EIB)	Supranational	9.9
Agricultural Bank of China Limited	China	8.2
European Union	Supranational	5.2
KfW	Germany	4.8
PGE Polska Grupa Energetyczna SA	Poland	3.1
SWCH Commercial Mortgage Trust 2025-DATA	USA	2.4
Electricite de France SA	France	1.7
Hapag-Lloyd AG	Germany	1.6
Erste Group Bank AG	Austria	1.6
China Minsheng Banking Corp., Ltd.	China	1.4
Total Top 10		**39.9**

Top 5 sources of aligned green volume since 2020

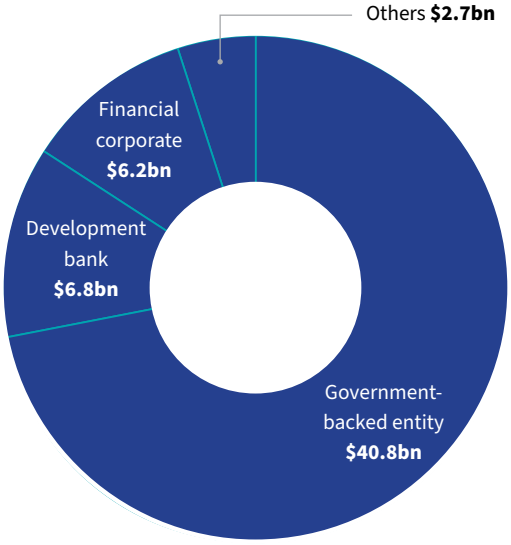


Source: Climate Bonds Initiative

Social

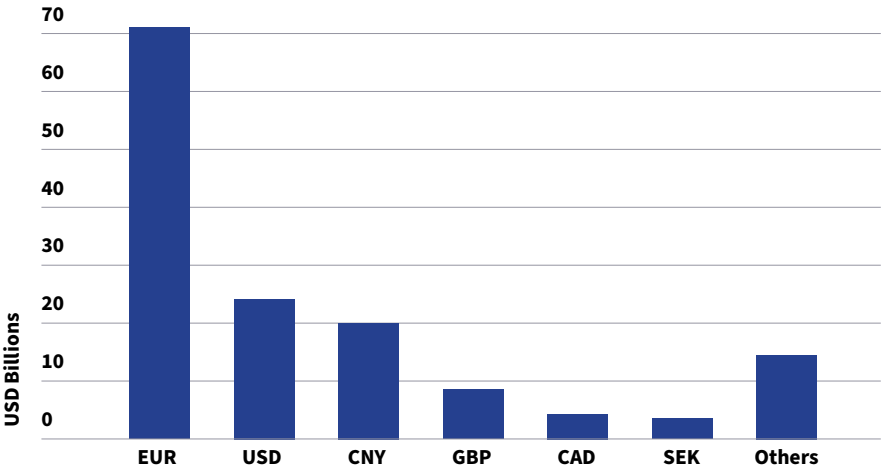
- Aligned social debt reached USD56.6bn in Q1 2025. This is a 17% YoY increase, which marked the highest volume recorded since 2021 when there was a sharp rise in social bonds targeted to the COVID-19 response and recovery.
- The strong volume priced in Q1 2025 led to a cumulative volume of USD1.2tn, signalling continued momentum for the theme, following its recent breach of the USD1tn cumulative volume milestone in 2024.
- Aligned social deals originated from 18 countries plus supranationals and were in 12 currencies. ADB priced a USD57m social bond in HUF marking a first for the currency in the aligned social debt market with its health-focused bond in January 2025.
- Led by the continued social bonds issued from US government-backed entities Ginnie Mae (USD14.9bn) and Freddie Mac (US3.2bn), USD-denominated social debt amounted to USD29.9bn in Q1 2025, placing it ahead of all other currencies this quarter and marking a record quarterly volume.
- The International Finance Corporation (IFC) headlined its aligned GSS+ transactions within a USD2bn social bond in January 2025, the largest USD-denominated social bond issued by a supranational entity. Q1 2025 was IFC's most prolific quarter, pricing a total of USD3.5bn in social bonds and, deploying bonds in CHF and AUD. The strong reception of its bonds comes on the heels of IFC's recently updated Social Bond Framework and the positive evaluation of its first Second Party Opinion (SPO) from Sustainable Fitch.[1,2]

Issuer type breakdown of aligned social debt in Q1 2025



Source: Climate Bonds Initiative

Currency breakdown of aligned social volume in Q1 2025



Source: Climate Bonds Initiative

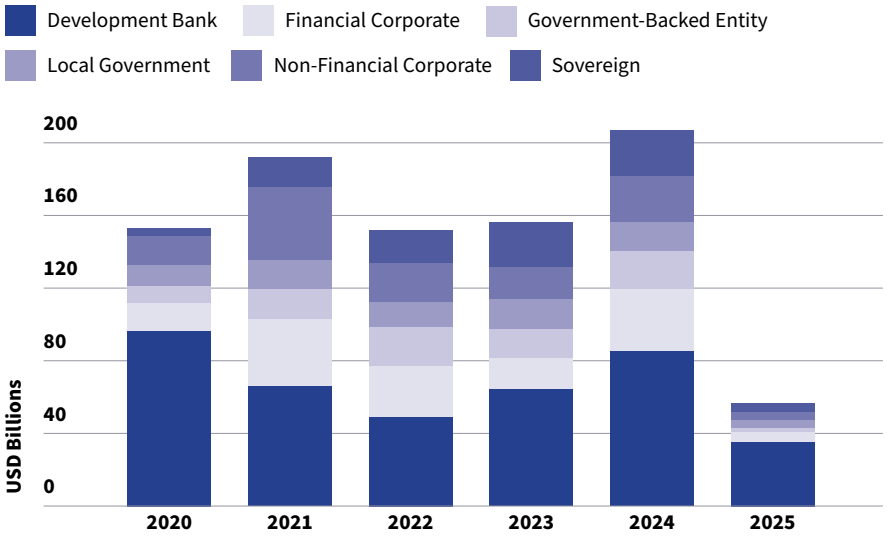
Top non-sovereign CBI-aligned social issuers

	Country	USD bn
Ginnie Mae	USA	14.9
Korea Housing Finance Corporation	South Korea	4.8
International Finance Corp (IFC)	Supranational	3.5
Freddie Mac	USA	3.2
BNG Bank NV	Netherlands	3.0
Caisse d'Amortissement de la Dette Sociale	France	2.6
Unedic	France	2.2
Council Of Europe Development Bank	Supranational	1.8
Nederlandse Waterschapsbank NV	Netherlands	1.7
Bpifrance SACA	France	1.7
Total Top 10		**39.4**

Sustainability

- Cumulative aligned sustainability volume crossed the USD1tn mark totalling USD1.1tn by the end of Q1 2025.
- Aligned sustainability volume of USD58.2bn was recorded in Q1 2025, the second largest quarterly output registered by Climate Bonds for this theme.
- Development banks accounted for the robust volume in Q1 2025, with 64% of total volume (USD37.3bn). The World Bank Group, via the International Bank for Reconstruction and Development and the International Development Association, was lead issuer with USD26.4bn across 87 deals.
- The active presence of the World Bank and other multilateral organisations ensured supranationals led the volume of sustainability bonds by source pricing USD32.6bn.

Issuer breakdown of annual aligned sustainability volume since 2020



Source: Climate Bonds Initiative

Top non-sovereign CBI-aligned Sustainability issuers

	Country	USD bn
International Bank for Reconstruction and Development (World Bank)	Supranational	22.4
International Development Association	Supranational	4.0
Agence Francaise de Developpement EPIC	France	3.3
European Investment Bank (EIB)	Supranational	3.1
CABEI (Central American Bank for Economic Integration)	Supranational	2.4
Al Rajhi Sukuk Ltd	Saudi Arabia	1.5
Junta de Andalucia	Spain	1.1
Autonomous Community of Madrid Spain	Spain	1.0
Ile de France	France	1.0
Export-Import Bank of Korea	South Korea	0.9
Total Top 10		**40.7**

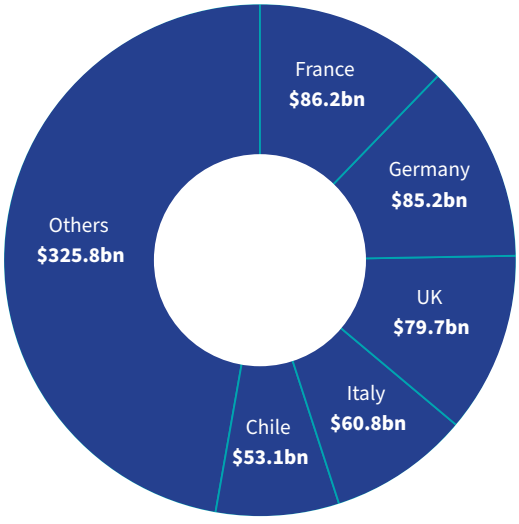
GSS+ sovereigns

As of the end of Q1 2025, Climate Bonds had recorded 626 cumulative aligned GSS+ sovereign instruments from 59 sovereigns with a combined volume of USD690.8bn. In Q1 2025, USD34.2bn aligned GSS+ debt was issued by 16 sovereigns across 33 securities, which represents a 5% increase versus the end of Q4 2024.

Reflecting the broader GSS+ market, green remains the largest sovereign theme accounting for USD 27.7bn in Q1 2025 (81%) of the volume priced and USD552.1bn (80%) of the cumulative volume. In Q1 2025, the three leading GSS+ sovereign issuers were Italy (USD7.1bn), the UK (USD6.2bn), and Austria (USD5.1bn). However, the GSS+ cumulative aligned sovereign market is led by France (USD86.2bn), followed closely by Germany (USD85.2bn), and the UK (USD79.7bn); with all aligned bonds issued belonging to the green theme exclusively.

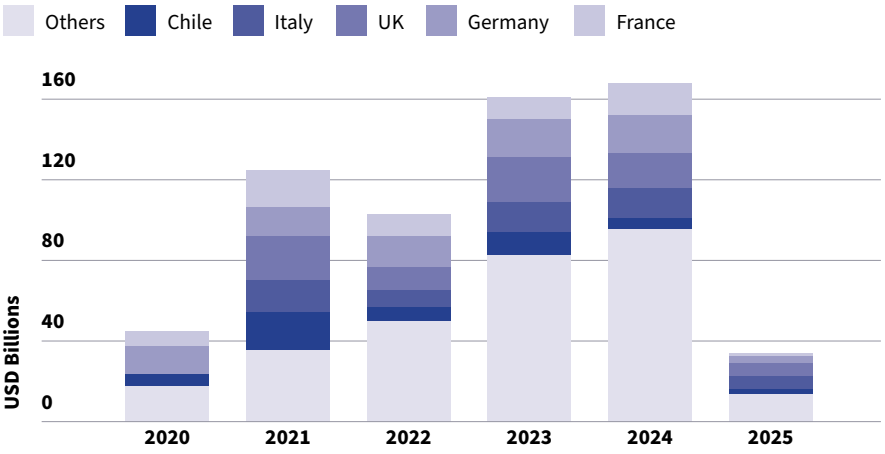
Sustainability continues to be the second largest theme with cumulative aligned volume of USD91.6bn from 28 issuers, led by Mexico (USD21.8bn), Thailand (USD14.4bn), and Peru (USD12.9bn).

Country breakdown of cumulative aligned GSS+ sovereign volume



Source: Climate Bonds Initiative

Country breakdown of annual aligned GSS+ sovereign debt since 2020



Source: Climate Bonds Initiative

Aligned sovereign GSS+ deals in Q1 2025

Country	Theme	Currency	USD bn
Italy	Green	EUR	7.1
United Kingdom	Green	GBP	6.2
Austria	Green	EUR	5.1
Germany	Green	EUR	3.6
Philippines	Sustainability	USD/EUR	2.0
Chile	Social	EUR	1.7
Canada	Green	CAD	1.4
Mexico	Sustainability	MXN	1.4
France	Green	EUR	1.3
India	Green	INR	1.2
Hungary	Green	EUR/HUF	1.1
Peru	Sustainability	PEN	0.8
Uzbekistan	Sustainability	EUR	0.5
Australia	Green	AUD	0.4
New Zealand	Green	NZD	0.2
Indonesia	Green	IDR	0.1
Total Top 10			**34.2**

GSS+ bonds captured by Climate Bonds

Bonds meeting the requirements outlined in Climate Bonds screening methodology qualify for inclusion in the datasets and are classified as aligned.

Labelled bonds for which there is not enough information to determine eligibility for database inclusion are classified as pending until sufficient disclosure is available to decide.

Bonds failing to meet the requirements of Climate Bonds screening methodology are classified as non-aligned and are excluded from the datasets.

Volume captured by CBI, USD bn

Country	Aligned	Pending	Non-Aligned	Cumulative GSS+
Cumulative as of 31 March 2025	5,934.3	32.9	1,252.4	7,219.7
Q1 2025	262.3	8.4	32.9	303.6

Endnotes

1. Spring Investor Newsletter, May 2025, International Finance Corporation, IFC Investors Newsletter: Spring 2025 Edition
2. International Finance Corporation: Second Party Opinion - Social Bond Framework, 10 January 2025, Sustainable Fitch, second party opinion - IFC Social Bond Program

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