

#18 JUNE 2025

Figure of the month

**\$18,500
bn**

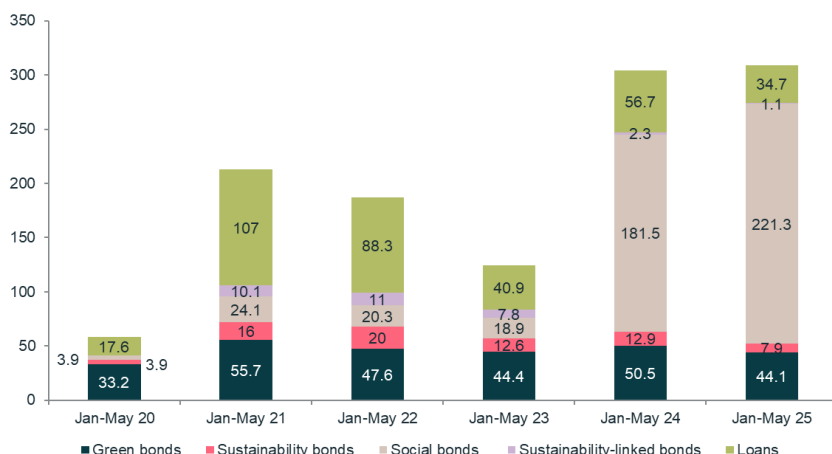
**Cost of climate
disasters in the
current century,
resulting in a
massive wealth
transfer between
sectors**

Source: Bloomberg, May 2025

Chart of the month

Sustainable debt issuance – United States

Contrary to popular belief, ESG debt sales in the US reached a record high in 2025. While corporate bond issuance fell by 46% (due to trade tensions and anti-ESG positions), social bonds from the government agency Ginnie Mae saw significant increases.



Source: Bloomberg Intelligence, June 2025.
Bonds include government, corporate issues, municipals and securitized products

This month in a nutshell

- **Climate disasters have cost \$18,500 billion** in the current century, resulting in a massive wealth transfer between sectors. This value transfer is particularly evident between **companies exposed to climate risks**, such as those in **agriculture** or **construction**, and **those offering solutions**, like insurance companies and firms specialized in energy transition.
- In June 2025, **the Community of Madrid issued its first green bond aligned with the European Union Green Bond Standards**, with a huge interest from investors: a final book order that has reached a record of **€68bn**. Since 2017, the issuer has issued €8bn of sustainability bonds and €5 billion of green bonds, totaling **more than €11bn in sustainable bonds issuances**. It is currently one of the **most committed SSA** (Sovereigns, Supranationals, and Agencies) **issuers in Europe** in this market.
- **Chocolate giants** are facing increasing ESG risks related to **cocoa sourcing**. These challenges are exacerbated by extreme climate conditions, such as intense heat and drought in West Africa. The sector is now drawing the attention of sustainable investors, who aim **to avoid deforestation and child labor** throughout the supply chain. In response to these issues, the companies involved **are striving to adopt sustainable practices and diversify their sourcing**.
- The European Union is making progress towards its 2030 climate goals, **aiming for a 55% reduction in greenhouse gas emissions (GHG) and a 42.5% share of renewable energy**. By 2030, net GHG emissions are expected to decrease by 54% compared to 1990 levels. However, **the agriculture and transport sectors are lagging behind**, and Belgium, Estonia, and Poland have not yet submitted their National Energy and Climate Plans.



Timothée Pubellier, CFA
Senior Fixed Income
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Additional notes

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