

2022/2023 Working Group Climate Transition Finance

Terms of Reference

Overall Objective of the Climate Transition Finance Working Group:

The main objective of the CTF Working Group is to promote climate transition as a theme under the Principles as opposed to developing dedicated Transition Bond Principles, at this time. It will continue to provide market participants with information and education around recommended disclosures to foster credibility of an issuer's climate change-related commitments and practices in order to raise finance. To that end the working group will continue to develop guidance (The Handbook) and tools (Registry) to assist issuers from GHG emissions intensive industries access sustainable capital markets.

Objectives and deliverables for 2022/2023:

Following a survey among Working Group members, the working group will focus on the following four objectives:

- i) Making updates to the Climate Transition Finance Handbook and Q&A**
 - Additional guidance as to when the CTFH should be applied
 - Additional guidance on how the CTFH interfaces with The Principles
 - Additional guidance on Element 3: Climate transition strategy to be science-based including targets and pathways
 - Add references to other initiatives (e.g. GFANZ, PCAF, UK TPT)
 - Add references to the methodologies registry
 - Seek to include relevant case studies
- ii) Proposing formal updates to the GBP & SLBP to enhance the interlinkages and guidance to the Climate Transition Finance Handbook**
 - Provide guidance on when the CTFH should be applied
 - Differentiate key recommendations vs requirements, vs "Best Practice"
 - Add a reference to the CTFH in the GBP, SBP and SLBP
 - Clarify the use of the CTFH for themed bonds (e.g. blue bonds)
- iii) Coordination with other relevant transition initiatives like GFANZ, PCAF, UK TPT etc.**
 - Integrate with other disclosure frameworks related to sustainable finance
 - Ensure that all related guidance, resources and tools work together to avoid market confusion related to 'Transition' and these initiatives can be found in the same place
 - Work with SB, Impact and SLB Working groups to conduct a survey of existing direct and tangential references to just transition in current ICMA documents
 - Coordinate broad WG discussion on what the nature of ICMA guidance on the topic of just transition should be in the current landscape of many initiatives on transition finance.
 - Make clarifications to the CTFH if needed

iv) Elaborate further on the theme of “just transition” as part of the Climate Transition Finance Handbook

- Provide additional guidance on “just transition” and how it can be considered in the context of the CTFH and within the broader Principles. Clarify how to refer to it within debt capital markets.

Lead Co-Chair Coordinators	Sub-Working Group
JPM & Natixis	Updates to the CTF Handbook & Q&A
JPM & Natixis	Propose formal updates to the GBP & SLBP to enhance the interlinkages / guidance to the CTF Handbook
Fannie Mae & HSBC	Coordination with other relevant transition initiatives
Fannie Mae & HSBC	Just Transition

The CTF Working Group will coordinate proactively with existing other working groups under the Executive Committee of the Principles.

Tools:

- The CTF WG will also keep up to date the registry of the various tools and methodologies available to demonstrate science-based decarbonisation trajectories which is hosted on the ICMA website

Working Group coordinators

- Fannie Mae
- HSBC
- JP Morgan Chase
- Natixis

Working Group members

ABN AMRO Bank	Daiwa	Mainstreet Investment Partners
Actiam	DBS Bank Ltd	Mizuho International plc
Affirmative Investment Management	Dentons	Moody's/Vigeo-Eiris
Allen & Overy LLP	Deutsche Bank	Morgan Stanley
Allianz Global Investors	Development Bank of Southern Africa Limited	Morgan Stanley Investment Management Ltd.
Aluminium Stewardship Initiative Ltd	DLA Piper	MUFG
American Bureau of Shipping	DNB	National Australia Bank
American Forest Foundation	DNV Business Assurance Services UK Ltd	Natwest
Amundi	DZ Bank	Nomura International
Analistas Financieros Internacionales`	Emerging Markets Investors Alliance	Nordea
Ashurst Hong Kong office	Enel S.p.A.	Nordic Investment Bank (NIB)
Asia Pacific Loan Market Association	EUROFIMA	Ostrum

Association for Supporting the SDGs for the United Nations (ASD)	Euronext Dublin	PIMCO
ATP	European Bank of Reconstruction and Development (EBRD)	PineBridge Investments
Australia and New Zealand Banking Group Limited (ANZ)	European Investment Bank (EIB)	Pinsent Masons LLP
Aviva Investors	Financial Services Agency of Japan	Rabobank
AXA IM	FMO	Raiffeisen Bank International AG (RBI)
Banco BTG Pactual	Freddie Mac	Rating and Investment Information
Bank of America	Freshfields Bruckhaus Deringer LLP	RBC
Bank of Montreal (BMO)	FSC Global Development GMBH	Repsol
Barclays	Goldman Sachs	S&P Global Ratings
BlackRock	Goldman Sachs AM	Santander CIB
Bloomberg	Green Investment Group	Scotiabank
BNG	Herbert Smith Freehills LLP	Simmons & Simmons
BNP Paribas	Hong Kong Exchanges and Clearing	Skandinaviska Enskilda Banken AB (SEB)
BNP Paribas AM	Hong Kong Investment Funds Association	SMBC Nikko Capital Markets
BOCI Asia Ltd	Hong Kong Quality Assurance Agency	Société Générale CIB
BPCE SA	Insight Investment	South Pole
Brown Advisory LLC	Institute for Global Environmental Strategies	Standard Chartered Bank
Caixa Bank	International Finance Corporation (IFC)	SustainableFitch
CDP Worldwide Limited	Intesa Sanpaolo	T. Rowe Price International Ltd
CECEP Environmental Consulting	ISS Corporate Solutions – Powered by ISS ESG	TD Securities
Center for Public Policy Development - ESPOLE Polytechnic University	Itau Unibanco S.A.	The Carbon Trust
Center for Sustainable Finance – Vlerick Business School	Japan Credit Rating Agency	The Standard Bank of South Africa Limited
Central Bank of Hungary	JP Morgan Asset Management	Threadneedle Asset Management
China Chengxin Green Finance Technology	King & Wood Mallesons LLP	Total Energies
China Lianhe Credit Rating Co. Ltd.	KPMG LLP	Transition Pathway Initiative
CIBC Capital Markets	LaFarge Holcim	UBS
CICERO	Latham & Watkins	Union Investment
Citi Bank	LCH	Wells Fargo
Clifford Chance LLP	Linklaters LLP	Westpac
Climate Bonds Initiative	Lloyds Bank Corporate Markets plc	World Bank
Commonwealth Bank of Australia	London Stock Exchange	WWF
Crédit Suisse	Luxembourg Stock Exchange	Zurich Insurance