The Sustainability Bond Guidelines 2017

Introduction
A market has developed for bonds aligned to both the Green Bond Principles (GBP) and the Social Bond Principles (SBP). These transactions reflect the continuing development of the use of proceeds bond market. Such bonds are typically designated as Sustainability Bonds. Specific examples of such transactions can be found on the Resource Centre at www.icmagroup.org/gssbresourcecentre.

These guidelines have been published to confirm the relevance of both the GBP and SBP in this context and facilitate the application of their guidance on transparency and disclosure to the Sustainability Bond market. The common four core components of the GBP and SBP and their recommendations on the use of external reviews and impact reporting therefore also apply to Sustainability Bonds.

The goal of this document is to promote the integrity of the Sustainability Bond market and to ensure that issuers are better able to anticipate and fulfill the expectations of investors. It aims to facilitate the availability of information for the review and evaluation of expected or realized positive green and social impacts by investors. It also assists underwriters by promoting the expected disclosure of information and methodology.

Sustainability Bond Definition
Sustainability Bonds are bonds where the proceeds will be exclusively applied to finance or re-finance a combination of both Green and Social Projects. Sustainability Bonds are aligned with the four core components of both the GBP and the SBP with the former being especially relevant to underlying Green Projects and the latter to underlying Social Projects.

It is understood that certain Social Projects may also have environmental co-benefits, and that certain Green Projects may have social co-benefits. The classification of a use of proceeds bond as a Green Bond, Social Bond, or Sustainability Bond should be determined by the issuer based on its primary objectives for the underlying projects.

It is important to note that Sustainability Bonds should not be considered fungible with bonds that are not aligned with the four core components of the GBP and/or the SBP.

Resource Centre
Recommended templates and Green, Social and Sustainability Bond resources are being made available at the Resource Centre at www.icmagroup.org/gssbresourcecentre. Completed templates can be published online for market information at the Resource Centre by following the instructions at the link above.

Disclaimer
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