

## 2021/2022 Working Group Social Bonds

### Terms of Reference

Overall Objective: The chief objective of the Social Bonds Working Group (SBWG) is to accelerate the development of the social bond market through the consolidation and promotion of the Social Bond Principles, and the establishment of a market forum for potential Social Bond issuers, investors, and other market participants.

Objectives for 2021-2022: Over the past year, the working group has successfully published a new Pre-issuance Checklist providing practical guidance on steps to issue Social Bonds. It also focused on further promoting the Social Bond market and organised a dedicated roundtable. The aim over the next year is to **(i)** review and respond to Social Bond Market Standards and Taxonomies proposals; **(ii)** promote Social Bonds with investors, issuers and policymakers while exploring market impediments; **(iii)** enhance impact reporting metrics and methods as needed; **(iv)** review and refine the SBP and other related documents as needed.

#### **(i) Social Bond Market Standards and Taxonomies proposals**

- EU social taxonomy: In July 2021, the Social Taxonomy subgroup of the EU Platform for Sustainable Finance issued a draft report on the Social Taxonomy and invited feedback (through Sept 6, 2021), which will culminate in the Commission publishing a report by the end of 2021 on the provision required for a social taxonomy. The SBWG will review and provide input to the various calls for feedback together with the Secretariat for consultation with ExCom throughout the process
- Follow other regional or national standards/taxonomies and contribute to related consultations/requests for feedback

Deliverables: Provide feedback to the Consultation(s) on the EU Social Taxonomy and others as needed.

#### **(ii) Promotion & Outreach**

- Webinars/podcasts/videos/articles to highlight deliverables and general Social Bond updates to be posted on the ICMA website. These may also explore blocking points and potential solutions for issuance of social bonds from corporate and emerging market issuers.
- Case studies: Finalize case study template (created in June 2020) and make available to issuers so they may upload on ICMA website.

Deliverables: Production/publication of webinars/podcast/videos/articles.

#### **(iii) Impact Reporting**

- Enhance impact reporting methods and metrics as needed.
- Explore possible refinements to “Mapping SDGs to Green, Social and Sustainability Bonds” (June 2020), especially in Annex I re: COVID-19.

Deliverables: Potential updates to the impact reporting methods, metrics and SDG mapping.

**(iv) Review and refine SBP, Q&A and related documentation, as needed**

The SBWG will monitor whether refinements or additions to the SBP, Q&A, and related documents, may be needed, for example, to encourage the use of the SBP by corporates or improve the communication around identification and management of risks associated with social projects.

Deliverables: Finalise Just Transition scoping paper.

**Working Group Coordinators:**

- BNP Paribas
- ACTIAM
- World Bank

**Working Group Members:**

Allen & Overy LLP	Euronext Dublin	National Bank Financial
American Carbon Registry	European Bank of Reconstruction and Development (EBRD)	National Rating Agency
Amundi	European Stability Mechanism	Natixis
Ashurst Hong Kong office	Financial Services Agency of Japan	Natwest
Association for Supporting the SDGs for the United Nations (ASD)	Fitch Ratings	Nomura International
Australia and New Zealand Banking Group Limited (ANZ)	Goldman Sachs AM	Nordea
AXA IM	GRESB	Nordic Investment Bank (NIB)
Bank of America	Hong Kong Exchanges and Clearing	OP Corporate Bank
Bank of Montreal (BMO)	Hong Kong Investment Funds Association	Ostrum
Barclays	Hong Kong Quality Assurance Agency	PeaceStartup Foundation
BlackRock	HSBC	Pinsent Masons LLP
BNG	ICE Data Services	Rabobank
BNPParibas AM	Impact Investment Exchange (IIX)	Raiffeisen Bank International AG (RBI)
BPCE SA	ING	Rating and Investment Information
Caixa	InspereX LLC	RBC
Cassa depositi e prestiti S.p.A. (CDP)	Institutional Shareholder Services Inc. (ISS)	Refinitiv
CECEP Environmental Consulting	Instituto de Crédito Oficial (ICO)	S&P Global Ratings
Center for Public Policy Development – ESPOL Polytechnic University	Inter-American Development Bank (IADB)	Santander CIB
Center for Sustainable Finance – Vlerick Business School	International Finance Corporation (IFC)	SFIL/CAFFIL
Citi Bank	International Fund for Agricultural Development (IFAD)	Simmons & Simmons
Clifford Chance LLP	Intesa Sanpaolo	Skandinaviska Enskilda Banken AB (SEB)
Climate Bonds Initiative	Itau Unibanco S.A.	Slaughter and May
Commerzbank	Japan Credit Rating Agency	SMBC Nikko Capital Markets
Commonwealth Bank of Australia	Kestrel Verifiers	Social Value Institute

Council of Europe Development Bank	King & Wood Mallesons LLP	Société Générale CIB
Crédit Agricole – CIB	Linklaters LLP	Stockholm Environment Institute
Crédit Suisse	Lloyds Bank Corporate Markets	Sustainalytics
Daiwa	Loan Market Association	Symbiotics
Dentons	Local Initiatives Support Corporation	TD Securities
Development Bank of Japan	Luxembourg Stock Exchange	The Standard Bank of South Africa Limited
DLA Piper	Mainstreet Investment Partners	Threadneedle Asset Management
DNV Business Assurance Services UK Ltd	Mediobanca – Banca di Credito Finanziario S.p.A.	UN Women
EDF	Mirova	UNICEF Luxembourg
Ernst & Young Hua Ming LLP	Mizuho International plc	UniCredit
Erste Asset Management	Moody's/Vigeo-Eiris	Union Investment
ESG Tech	MUFG	VEB.RF
		Wells Fargo