

2023-2024 Working Group Sustainability-Linked Bonds Terms of Reference

Working Group Coordinators:

| | |
|-----------|---------------|
| - HSBC | - J.P. Morgan |
| - Natixis | - PIMCO |

Overall Objective

The intention of the SLB WG is to progressively propose additional sustainability themes and high level KPIs in order to cover a broader scope of topics. The SLB WG will also continue to monitor developments in the SLB market and evaluate if updated guidance is needed.

Objectives for 2023-2024

1. Provide the market with new toolkits

- develop a **white paper/non-paper/'pathfinder' review** of the SLB market to date, highlighting impact, market participant perspectives, examples of good practices, and practices which raised concerns, potential innovative SLB structures, KPI registry uptake, possible ways in which the market could develop to increase impact created by the SLB format instrument.
- produce a **model SLB Financing Framework/bond offering documentation** language for a fictitious carbon-intensive company and explore the opportunities to provide additional language to encourage best practices to contribute to real-economy greenhouse emissions reductions (e.g., on scope 3).
- produce a succinct **guidance document on impact reporting**, in connection with impact reporting WG, including specific information recommended to be provided (e.g., quantifying the respective contribution of different levers, distinguishing real-economy outcomes from external factors) as well as impact reporting methodology.
- create an **Excel template or checklist** comprised of key data to be provided pre issuance and post issuance to allow investors to benchmark the ambition and track progress (building on ICMA's Sustainability-Linked Bond information template) or connect SLB to portfolio decarbonisation and optimisation.
- explore potential collaborations with external initiatives such as NZDPU¹ as **potential repositories of data** on SLBs linked to climate targets.

2. Maintaining up to date the existing guidance

- continue to identify relevant KPIs and calculation methodologies to update the Registry (e.g., on social or nature-related issues). consider adding media/entertainment and services (i.e. non-asset based) sectors.

¹ Net Zero Data Public Utility <https://www.nzdpu.com/>

- update the Q&A guidance, if substantive additional questions emerge following consultation with the original working group (co-ordinators to determine what constitutes ‘substantive’).

3. Regulatory advocacy

- Engage further thoughts & dialogue with EBA² on SLB for banks.

Membership

The working group is open to all Members & Observers (including NGOs, rating agencies, technical advisors, or consultants).

Active contributors should be limited to **20 institutions**, ensuring a balanced representation of issuers, underwriters, and investors as well as market data providers and law firms or legal counsels, depending on the topics.

WG members (5 January 2024)

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| ABN AMRO Bank | Emerging Markets Investors Alliance | Morgan Stanley |
| Allen & Overy LLP | Enel S.p.A. | Morgan Stanley Investment Management |
| Aluminium Stewardship Initiative | ESPAE School of Management of ESPOL | Morningstar Sustainalytics |
| American Bureau of Shipping | Euronext | MUFG |
| Amundi | European Bank of Reconstruction and Development (EBRD) | National Bank Financial |
| ANBIMA | Financial Services Agency of Japan | Nature Finance |
| Anthropocene Fixed Income Institute | FMO | Natwest |
| Association for Supporting the SDGs for the United Nations (ASD) | Food and Agriculture Organization of the United Nations | Nikko Asset Management |
| Australia and New Zealand Banking | FSC Global Development GMBH | Nomura International |
| AXA IM | Goldman Sachs | Nordea |
| Banco Santander | Helaba | Nordic Investment Bank (NIB) |
| Bank of America | Hong Kong Quality Assurance Agency | OFISO |
| Bank of China | Impact Investment Exchange (IIX) | OP Corporate Bank |
| Barclays | ING | Ostrum |
| BBVA | Institute for Global Environmental Strategies | Rabobank |
| BNP Paribas | Inter-American Development Bank | Raiffeisen Bank International AG (RBI) |
| BNP Paribas AM | International Finance Corporation | Rating and Investment Information |
| BOCI Asia Ltd | ISS Corporate Solutions | RBC |
| British Columbia IM | Japan Credit Rating Agency | S&P Global Ratings |
| Cassa depositi e prestiti S.p.A. | KBC Bank NV | Scotiabank |
| CDP Worldwide Limited | Latham & Watkins | Skandinaviska Enskilda Banken AB |
| China Lianhe Credit Rating Co. Ltd. | LBBW | SMBC Nikko Capital Markets |
| CIBC Capital Markets | LCH | Société Générale CIB |
| Citi Bank | Linklaters LLP | Sustainable Fitch |

² European Banking Authority

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|------------------------------|--------------------------------|------------------------------------|
| Clifford Chance LLP | Loan Market Association | T. Rowe Price International Ltd |
| CMS Francis Lefebvre Avocats | LSEG Data & Analytics | The Carbon Trust |
| Commerzbank | Luxembourg Stock Exchange | The Weir Group |
| Crédit Agricole - CIB | Mainstreet Investment Partners | UBS |
| DBS Bank Ltd | Mediobanca. | UN Women |
| Dentons | Miotech | United Overseas Bank limited (UOB) |
| Deutsche Bank | Mizuho International plc | Wells Fargo |
| DZ Bank | Moody's Investors Service | Westpac |