

## 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 NZDPU<sup>1</sup> 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.

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<sup>1</sup> 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 EBA<sup>2</sup> 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)**

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

<sup>2</sup> European Banking Authority

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