**Sustainability-Linked Bonds**

**External Review Form**

***This form complements the Bond Information Template that should have been filled in by the issuer. It provides additional information on the role of the External Reviewer when assessing the issuer’s sustainability framework.*** ***This form may be used or adapted, where appropriate, to summarise the scope of the review.***

**Section 1. Basic Information**

**Issuer name:**

**Bond ISIN[[1]](#footnote-2)***:*

**Independent External Review provider’s name for pre-issuance review:**

**Completion date of this form:**

**Section 2. Overview**

**SCOPE OF REVIEW**

The review:

[ ]  assessed the 5 core components of the SLBP (**complete review**) and confirmed the alignment with the SLBP.

[ ]  assessed only some of them (**partial review**) and confirmed the alignment with the SLBP; please indicate which elements:

|  |  |
| --- | --- |
|[ ]  Selection of Key Performance Indicators (KPIs) |[ ]  Bond characteristics |
|[ ]  Calibration of Sustainability Performance Targets (SPTs) |[ ]  Reporting |
|[ ]  Verification |  |  |

**ROLE(S) OF INDEPENDENT REVIEW PROVIDER**

|  |  |
| --- | --- |
|[ ]  Second Party Opinion |[ ]  Certification |
|[ ]  Verification |[ ]  Scoring/Rating |
|[ ]  Other *(please specify)*: |  |  |

**Does the review include a sustainability quality score[[2]](#footnote-3)?**

|  |  |
| --- | --- |
|[ ]  Of the issuer |[ ]  Of the selected KPIs/SPTs |
|[ ]  Of the framework |[ ]  Other (please specify): |
|[ ]  No scoring |  |  |

**ISSUER’S OVERARCHING OBJECTIVES**

**Does the review include:**

[ ]  An assessment of the issuer’s overarching sustainability objectives and strategy, and the policies and/or processes towards their delivery?

[ ]  An identification and assessment of environmental, social and governance related risks of adverse impact through the Issuer’s [actions] and explanations on how they are managed and mitigated by the issuer?

[ ]  A reference to the issuer’s relevant regulations, standards, or frameworks for sustainability-related disclosure and reporting?

**CLIMATE TRANSITION STRATEGY[[3]](#footnote-4)**

**Does the review assess:**

[ ]  The issuer’s climate transition strategy & governance?

[ ]  The alignment of both the long-term and short/medium-term targets with the relevant regional, sector, or international climate scenario?

[ ]  The credibility of the issuer’s climate transition strategy to reach its targets?

[ ]  The level/type of independent governance and oversight of the issuer’s climate transition strategy (e.g. by independent members of the board, dedicated board sub-committees with relevant expertise, or via the submission of an issuer’s climate transition strategy to shareholders’ approval).

[ ]  If appropriate, the materiality of the planned transition trajectory in the context of the issuers overall business (including the relevant historical datapoints)?

[ ]  The alignment of the issuer’s proposed strategy and targets with appropriate science-based targets and transition pathways[[4]](#footnote-5) that are deemed necessary to limit climate change to targeted levels?

[ ]  The comprehensiveness of the issuer’s disclosure to help investors assess its performance holistically?[[5]](#footnote-6)

**Overall comment on this section:**

**Section 3. Detailed pre-issuance review**

*Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.*

**SELECTION OF KEY PERFORMANCE INDICATORS (KPIs)[[6]](#footnote-7)**

**Definition, Scope, and parameters**

|  |  |  |  |
| --- | --- | --- | --- |
| [ ]  | Clear definition of each selected KPIs | [ ]  | Clear calculation methodology |
| [ ]  | Other *(please specify)*: |  |  |

**Relevance, robustness, and reliability of the selected KPIs**

|  |  |  |  |
| --- | --- | --- | --- |
| [ ]  | Credentials that the selected KPIs are relevant, core and material to the issuer’s sustainability and business strategy | [ ]  | Evidence that the KPIs are externally verifiable, if that is not already the case  |
| [ ]  | Credentials that the KPIs are measurable or quantifiable on a consistent methodological basis | [ ]  | Evidence that the KPIs can be benchmarked |
| [ ]  | Current verification or assurance status | [ ]  | Other *(please specify):* |

**Overall comment on this section:**

**CALIBRATION OF SUSTAINABILITY PERFORMANCE TARGETS (SPTs)[[7]](#footnote-8)**

**Rationale and level of ambition**

|  |  |  |  |
| --- | --- | --- | --- |
| [ ]  | Evidence that the SPTs represent a material improvement compared to issuer’s own performance over baseline | [ ]  | Credentials on the relevance and reliability of selected benchmarks and baselines |
| [ ]  | Evidence that SPTs are consistent with the issuer’s sustainability and business strategy | [ ]  | Other *(please specify)*: |

**Does the review assess if the specificities of the sector and/or local context have been identified and addressed?**

|  |  |  |  |
| --- | --- | --- | --- |
| [ ]  | Yes | [ ]  | No |
| [ ]  | Not applicable |  |  |

**Relevance and reliability of selected benchmarks and baselines**

|  |  |  |  |
| --- | --- | --- | --- |
| [ ]  | Issuer’s past performance | [ ]  | Issuer’s peer performance |
| [ ]  | Science-based trajectories *(please specify the references)*:  | [ ]  | Other *(please specify)*: |

**Does the review assess the credibility of the issuer’s strategy and action plan to achieve the SPTs?**

|  |  |  |  |
| --- | --- | --- | --- |
| [ ]  | Yes | [ ]  | No |

**Does the review identify the key factors that may affect the achievement of the SPTs?**

|  |  |  |  |
| --- | --- | --- | --- |
| [ ]  | Yes | [ ]  | No |

**Does the review opine on:**

|  |  |  |  |
| --- | --- | --- | --- |
| [ ]  | the timelines for the target achievement | [ ]  | the target observation date(s) |
| [ ]  | the trigger event(s) | [ ]  | Other *(please specify)*: |
| [ ]  | potential recalculations or adjustments description |  |  |

**Overall comment on this section:**

**BOND CHARACTERISTICS**

**Does the review assess whether the bond’s financial and/or structural characteristics are commensurate and meaningful?**

|  |  |  |  |
| --- | --- | --- | --- |
| [ ]  | Yes | [ ]  | No |

**Does the review opine on the fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner?**

|  |  |  |  |
| --- | --- | --- | --- |
| [ ]  | Yes | [ ]  | No |

**Overall comment on this section:**

**REPORTING**

**Does the review assess the commitments of the issuer to report:**

**Content:**

|  |  |  |  |
| --- | --- | --- | --- |
| [ ]  | The performance of the selected KPIs | [ ]  | Verification  |
| [ ]  | The level of ambition of the SPTs | [ ]  | Assurance report  |
|  |  | [ ]  | Other *(please specify):* |

**Frequency:**

|  |  |  |  |
| --- | --- | --- | --- |
| [ ]  | Annual | [ ]  | Semi-annual |
| [ ]  | Other *(please specify):* |  |

**Means of Disclosure**

|  |  |  |  |
| --- | --- | --- | --- |
| [ ]  | Information published in financial report, or annual report and accounts | [ ]  | Information published in sustainability report or sustainability suite of reporting |
| [ ]  | Information published in ad hoc documents | [ ]  | Other *(please specify):* |

**Overall comment on this section:**

**Section 4. Post-issuance**

**CHANGE TO PERIMETER REVIEW[[8]](#footnote-9) *(if applicable)***

**Material change:**

|  |  |  |  |
| --- | --- | --- | --- |
| [ ]  | Perimeter[[9]](#footnote-10) | [ ]  | KPI methodology |
| [ ]  | SPTs calibration | [ ]  | Other[[10]](#footnote-11) *(please specify):* |

**VERIFICATION**

**Level of verification:**

|  |  |  |  |
| --- | --- | --- | --- |
| [ ]  | Limited assurance | [ ]  | Reasonable assurance |
| [ ]  | Other *(please specify):* |  |  |

**Frequency:**

|  |  |  |  |
| --- | --- | --- | --- |
| [ ]  | Annual | [ ]  | Semi-annual |
| [ ]  | Other *(please specify):* |  |

**Section 5. Additional Information**

**Useful links** *(e.g. to the external review provider’s methodology or credentials, to the full review, to issuer’s documentation, etc.)*

**Analysis of the contribution to the UN Sustainable Development Goals:**

**Additional assessment in relation with the issuer/bond framework:**

1. *The ISIN code is mandatory for publishing the form in the Sustainable Bond Issuers Database.* [↑](#footnote-ref-2)
2. *The external review may indicate the provider’s opinion of the overall sustainability quality of a bond or bond framework and assess whether it has a meaningful impact on advancing contribution to long-term sustainable development.* [↑](#footnote-ref-3)
3. *For issuers seeking to utilise green bonds, sustainability bonds or sustainability-linked bonds towards the achievement of their climate transition strategy, guidance on issuer level disclosures and climate transition strategies may be sought from the* [*Climate Transition Finance Handbook*](https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/climate-transition-finance-handbook)*.*  [↑](#footnote-ref-4)
4. *GHG emissions reduction targets that are in line with the scale of reductions required to keep the average global temperature increase to ideally 1.5°C, or at the very least to well below 2°C above pre-industrial temperatures. Science Based Targets Initiative (SBTi) is a branded verification body for science-based targets and SBTi verification is one way for issuers to validate the alignment of their emission reduction trajectories with science-based reference trajectories. In addition, ICMA has published a* [*Methodologies Registry*](https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/climate-transition-finance-handbook/) *which includes a list of tools to specifically help issuers, investors, or financial intermediaries validate their emission reduction trajectories..* [↑](#footnote-ref-5)
5. *Including information such as the respective contribution (e.g. %) of the different measures to the overall reduction, the total expenses associated with the plan, or the issuer’s climate policy engagement.* [↑](#footnote-ref-6)
6. *Reviewers are encouraged to provide the information for each KPI.* [↑](#footnote-ref-7)
7. *Reviewers are encouraged to provide the information for each SPT.* [↑](#footnote-ref-8)
8. *Post issuance, in case of any material change to perimeter/KPI methodology/SPT(s) calibration, issuers are encouraged to ask external reviewers to assess any of these changes.* [↑](#footnote-ref-9)
9. *E.g. a material change to baselines for which SPTs are measured against for example business acquisitions/disposals.* [↑](#footnote-ref-10)
10. *Can cover other potential cases such as amendment to any applicable laws, regulations, rules, guidelines and policies relating to the business of the issuer.* [↑](#footnote-ref-11)