



**ACMF**

# **ASEAN Sustainability- Linked Bond Standards**



**ASEAN SUSTAINABILITY-LINKED BOND  
STANDARDS**

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# INTRODUCTION

The ASEAN Capital Markets Forum<sup>1</sup> (ACMF) comprises capital market regulators from ASEAN countries whose primary task is to promote greater integration and connectivity of regional capital markets.

In line with the growing importance of sustainable finance in ASEAN, in November 2017, the ACMF launched the *ASEAN Green Bond Standards*, its first sustainable finance initiative. This was followed by the *ASEAN Social Bond Standards* and *ASEAN Sustainability Bond Standards* in October 2018, creating a suite of sustainable bond standards for the region.

The ACMF has now developed the *ASEAN Sustainability-Linked Bond Standards* (ASEAN SLBS) to facilitate the role sustainability-linked bonds can play in funding companies that contribute to sustainability. The ASEAN SLBS intend to enhance transparency, consistency and uniformity of ASEAN Sustainability-Linked Bonds which will also contribute to the development of a new asset class, reduce due diligence cost, and help investors to make informed investment decisions.

The ASEAN SLBS were developed based on the International Capital Market Association's<sup>2</sup> (ICMA) *Sustainability-Linked Bond Principles*<sup>3</sup> (SLBP), as they are internationally accepted and widely used. The SLBP, first launched in June 2020, are a set of voluntary guidelines elaborated by key market participants under co-ordination of the ICMA as its secretariat, which is responsible for advising on governance and other matters, as well as providing organisational support.

While the SLBP have provided broad principles on sustainability-linked bonds, the ASEAN SLBS aim to provide more specific guidance on how the SLBP are to be applied across ASEAN. In this regard, Issuers who wish to issue and label sustainability-linked bonds as ASEAN Sustainability-Linked Bonds must demonstrate compliance with the ASEAN SLBS. Thus, the ASEAN SLBS will provide certainty to investors that sustainability-linked bonds labelled as ASEAN Sustainability-Linked Bonds have met uniform standards while providing Issuers with guide rails on best market practices for sustainability-linked bonds.

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<sup>1</sup> About ACMF – <https://www.theacmf.org/about/about-acmf>.

<sup>2</sup> About ICMA – <https://www.icmagroup.org/About-ICMA>.

<sup>3</sup> SLBP – <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slbp/>.

## Sustainability-Linked Bond Definition

Sustainability-linked bonds are any type of bond instrument for which the financial and/or structural characteristics can vary depending on whether the Issuer achieves predefined sustainability/environmental, social and governance (ESG) objectives. In that sense, Issuers are thereby committing explicitly (including in the bond documentation) to future improvements in sustainability outcome(s) within a predefined timeline. Sustainability-linked bonds are a forward-looking performance-based instrument.

The sustainability/ESG objectives are (i) measured through predefined key performance indicators (KPIs) and (ii) assessed against predefined sustainability performance targets (SPTs).

The proceeds of sustainability-linked bonds are intended to be used for general purposes, hence the use of proceeds is not a determinant in its categorisation.

Thus, please note that ASEAN Sustainability-Linked Bonds are not to be confused with ASEAN Sustainability Bonds (i.e. Use-of-Proceeds bonds under the *ASEAN Sustainability Bond Standards*).

## Key additional features of the ASEAN SLBS

The ASEAN SLBS are aligned and guided by the five core components of the SLBP, i.e. selection of KPIs, calibration of SPTs, bond characteristics, reporting, and verification. Key additional features of the ASEAN SLBS include:

- **Eligible Issuers**

To create a sustainable asset class for the ASEAN region, the Issuer or issuance of the sustainability-linked bond must have a geographical or economic connection to the region.

- **Continuous Accessibility to Information**

The ASEAN SLBS further set out how investors are to be given access to information continuously by requiring the Issuer to disclose information on the ASEAN Sustainability-Linked Bond's KPIs, SPTs, bond characteristics, reporting and verification in the relevant pre- and post-issuance documentation, as well as ensuring such information is publicly accessible from a website designated by the Issuer throughout the tenure of the ASEAN Sustainability-Linked Bonds.

- **Encourage More Frequent Reporting**

In addition to annual reporting, Issuers are encouraged to provide more frequent periodic reporting which would increase transparency and investor confidence in the ASEAN Sustainability-Linked Bonds.

- **Increased Transparency on Reporting Timeline**

Issuers are encouraged to indicate the timeline in which reporting on the ASEAN Sustainability-Linked Bonds will be made available.

- **External Review**

Issuers must appoint an external reviewer to review the Issuer's Sustainability-Linked Bond framework. Considering the nascent stage of sustainability-linked bond market development in ASEAN, external reviewers should have the relevant expertise and experience in the area which they are reviewing. The external reviewers' credentials and scope of review conducted must be made publicly accessible from a website designated by the Issuer throughout the tenure of the ASEAN Sustainability-Linked Bonds. Such disclosure will contribute towards awareness creation and increased investor confidence.

- **Encourage Alignment of KPIs with Sustainable Development Goals**

Issuers are encouraged to align the KPIs of the ASEAN Sustainability-Linked Bonds with the Sustainable Development Goals<sup>4</sup> (SDGs).

The ASEAN SLBS have been developed in consultation with the ICMA as well as capital market regulators and industry players in the ASEAN region. The ASEAN SLBS have been endorsed by the ACMF and will be implemented for the issuance of ASEAN Sustainability-Linked Bonds.

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<sup>4</sup> The 17 Goals – <https://sdgs.un.org/goals>.

# DEFINITIONS

In these standards, the following terms shall have the following meanings, unless the context otherwise requires:

<b>ACMF</b>	means ASEAN Capital Markets Forum
<b>ASEAN</b>	means Association of Southeast Asian Nations
<b>ASEAN SLBS</b>	means the <i>ASEAN Sustainability-Linked Bond Standards</i> as applicable and as revised from time to time
<b>ASEAN Sustainability-Linked Bonds</b>	means bonds and sukuk which comply with the ASEAN SLBS, where the financial and/or structural characteristic of the bond can vary depending on whether an issuer achieves predefined Sustainability/ESG objectives. In the case of Islamic bonds or sukuk, it must also comply with the relevant laws and requirements applicable for the issuance of Islamic bonds or sukuk. In such instances, the Islamic bonds or sukuk may be labelled as ASEAN Sustainability-Linked Sukuk
<b>ASEAN Issuer</b>	means an Issuer that is incorporated in any of the ASEAN countries
<b>Non-ASEAN Issuer</b>	means an Issuer other than an ASEAN Issuer
<b>Baseline</b>	means a fixed point of reference that is used for comparison to determine the measurement of the performance of the SPT
<b>Benchmark</b>	means a reference that can be used to measure or compare performance
<b>ESG</b>	means environmental, social and governance, or some combination thereof

<b>External review</b>	means the four types of external review, namely: (1) Second Party Opinion (2) Verification (3) Certification and (4) Scoring/Rating, as set out in International Capital Market Association's Guidelines for External Review
<b>ICMA</b>	International Capital Market Association
<b>Issuer</b>	means a corporation that issues ASEAN Sustainability-Linked Bonds and includes an ASEAN Issuer and Non-ASEAN Issuer
<b>KPIs</b>	means key performance indicators, which are quantifiable metrics used to measure the performance of selected indicators
<b>SPTs</b>	means sustainability performance targets, which are measurable improvements in KPIs on to which Issuers commit to a predefined timeline
<b>SLBP</b>	means <i>Sustainability-Linked Bond Principles</i> which are voluntary process guidelines issued by the ICMA, as revised from time to time, that recommend transparency and disclosure, and promote integrity in the development of the sustainability-linked bond market
<b>Target observation date</b>	means the specific date at which the performance of each KPIs against each predefined SPTs is observed
<b>Target setting</b>	means the recommended process of establishing credible SPTs as outlined in the ASEAN SLBS
<b>Trigger event</b>	means the event which is the result of the observation on whether a KPI has achieved or not a given predefined SPT that may cause a change in the financial and/or structural characteristics of the ASEAN Sustainability-Linked Bond

## 1.0 SCOPE OF THE ASEAN SUSTAINABILITY-LINKED BOND STANDARDS

- 1.1 The ASEAN SLBS shall apply to issuances of ASEAN Sustainability-Linked Bonds.
- 1.2 The ASEAN SLBS are aligned with the SLBP. Any guidance issued by ICMA<sup>5</sup> on the SLBP should also be considered, where relevant.

## 2.0 OBJECTIVE OF THE ASEAN SUSTAINABILITY-LINKED BOND STANDARDS

The ASEAN SLBS are intended to provide additional guidance on the application of the SLBP as well as to enhance transparency, consistency and uniformity of ASEAN Sustainability-Linked Bonds.

## 3.0 CRITERIA FOR ASEAN SUSTAINABILITY-LINKED BONDS

### 3.1 Issuer

- (i) Must be an ASEAN Issuer; or
- (ii) In the case of a Non-ASEAN Issuer, the KPIs selected by the Issuer should be linked to any of the ASEAN member countries.

### 3.2 Issuance

ASEAN Sustainability-Linked Bond issuances must be originated from any of the ASEAN member countries.

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<sup>5</sup> Such as the Q&As related to SLBs: <https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/SLB-QA-CLEAN-and-FINAL-for-publication-2022-06-24-280622.pdf>; and ICMA's Illustrative KPIs Registry: [https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Registry-SLB-KPIs\\_Final\\_2022-06-24-280622.xlsx](https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Registry-SLB-KPIs_Final_2022-06-24-280622.xlsx)

## 4.0 GUIDANCE ON THE FIVE CORE COMPONENTS OF THE ASEAN SLBS

### 4.1 Selection of KPIs

- 4.1.1 The Issuer must select external or internal sustainability KPIs that measure the Issuer's sustainability performance.
- 4.1.2 The Issuer must select KPIs that are:
  - (i) Material to the Issuer's core sustainability and business strategy;
  - (ii) Addressing relevant environmental, social and/or governance challenges of the industry sector; and
  - (iii) Under management's control.
- 4.1.3 KPIs selected by the Issuer should be:
  - (i) Relevant, core and material to the Issuer's overall business, and of high strategic significance to the Issuer's current and/or future operations;
  - (ii) Measurable or quantifiable on a consistent methodological basis;
  - (iii) Externally verifiable; and
  - (iv) Able to be benchmarked, i.e. as much as possible using an external reference or definitions to facilitate the assessment of the SPTs level of ambition.
- 4.1.4 Issuers are encouraged, where possible, to:
  - (i) Select KPIs that they have already included in their previous annual reports, sustainability reports or other non-financial reporting disclosures to allow investors to evaluate historical performance of the KPIs selected; or
  - (ii) Provide historical externally verified KPI values covering at least the previous three years, in situations where the KPIs have not been previously disclosed.

- 4.1.5 Issuers are encouraged to align the selected KPIs with the SDGs and highlight this in the documentation of the ASEAN Sustainability-Linked Bonds.
- 4.1.6 The Issuer must disclose the following to investors in the documentation for issuance of the ASEAN Sustainability-Linked Bonds, through a publicly available website designated by the Issuer throughout the tenure of the ASEAN Sustainability-Linked Bonds:
- (i) The rationale and process according to which the KPIs have been selected and how the KPIs fit into the Issuer's sustainability strategy.
  - (ii) A clear definition of the KPIs and include:
    - a. the applicable scope or perimeter (e.g. the percentage of the Issuer's total emissions to which the target is applicable); and
    - b. the calculation methodology (e.g. clear definition of the denominator of intensity-based KPIs, definition of a baseline, and where feasible, science-based or benchmarked against an industry standard (e.g. consider SMART philosophy: specific, measurable, attainable, relevant and time-bound)).

Care should be taken in selecting the KPIs as technological advancements and the regulatory environment change over time.<sup>6</sup>

## 4.2 Calibration of Sustainability Performance Targets

- 4.2.1 The Issuer must calibrate one or more SPTs per KPI to express the level of ambition the Issuer is ready to commit to, and thus considers realistic.

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<sup>6</sup> Reference to or inspiration from regulatory standards or taxonomies in the choice of relevant KPIs can prove to be useful and relevant. Examples of these include the ASEAN Taxonomy for Sustainable Finance (for which development work is ongoing), national taxonomies and international taxonomies. Reference can also be made to ICMA's Illustrative KPIs Registry at [https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Registry-SLB-KPIs\\_Final\\_2022-06-24-280622.xlsx](https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Registry-SLB-KPIs_Final_2022-06-24-280622.xlsx).

- 4.2.2 The Issuer should disclose strategic information that may decisively impact the achievement of the SPTs.
- 4.2.3 The SPTs must be ambitious and should comprise the following features:
- (i) represent a material improvement in the respective KPIs and be beyond a 'business as usual' trajectory;
  - (ii) be compared to a benchmark or an external reference, where possible;
  - (iii) be consistent with the Issuer's overall strategic sustainability/ESG strategy; and
  - (iv) be determined on a predefined timeline, set before (or concurrently with) the issuance of the bond.
- 4.2.4 The target setting exercise for the SPTs should be based on a combination of the following benchmarking approaches:
- (i) **The Issuer's own performance**, which can include:
    - a. measurement track record on the selected KPIs for a minimum of three years, where feasible; and
    - b. forward-looking guidance on the KPI, when possible.
  - (ii) **The Issuer's peers' performance**, which can include the SPT's relative positioning versus:
    - a. its peers where available (average performance, best-in-class performance) and comparable; or
    - b. current industry or sector standards.
  - (iii) **Reference to the science**, which can include systematic reference to:
    - a. science-based scenarios;
    - b. absolute levels (e.g. carbon budgets);

- c. official country/regional/international targets (*Paris Agreement on Climate Change* and net zero goals, SDGs, etc.);
- d. recognised best available technologies; or
- e. other proxies to determine relevant targets across environmental and social themes.

4.2.5 The Issuer must disclose the following in the documentation for issuance of the ASEAN Sustainability-Linked Bond, through a publicly available website designated by the Issuer throughout the tenure of the ASEAN Sustainability-Linked Bonds:

- (i) Description and definition of SPTs;
- (ii) Motivation for the outlined SPTs (i.e. ambition level and consistency with Issuer's overall strategic planning);
- (iii) Relevant benchmarking approaches set out in paragraph 4.2.4;
- (iv) Timelines for the target achievement, including the target observation date(s)/period(s), the trigger event(s) and the frequency of SPTs;
- (v) Verified baseline or reference point selected for improvement of KPIs as well as the rationale for that baseline or reference point to be used (including date/period), where relevant;
- (vi) Situations in which recalculations or pro-forma adjustments of baselines will take place, where relevant;
- (vii) where possible and taking competition and confidentiality considerations into account, how the Issuer intends to reach such SPTs, (e.g. by describing its ESG strategy, supporting ESG governance and investments, and its operating strategy) i.e. through highlighting the key levers/type of actions that are expected to drive the performance towards the SPTs, as well as their expected respective contribution, in quantitative terms wherever possible; and
- (viii) any other key factors beyond the Issuer's direct control that may affect the achievement of the SPTs.

- 4.2.6 Issuers are encouraged to position the information in paragraph 4.2.5 within the context of the Issuer's overarching objectives, strategy, policy and/or processes relating to ESG.

### 4.3 Bond Characteristics

- 4.3.1 The financial and/or structural characteristics of an ASEAN Sustainability-Linked Bond can vary depending on whether the selected KPIs reach (or not) the predefined SPTs i.e. the ASEAN Sustainability-Linked Bond must include a financial and/or structural impact involving trigger event(s).

The potential variation of the coupon is the most common example, but it is also possible to consider the variation of other ASEAN Sustainability-Linked Bond's financial and/or structural characteristics, such as a higher repayment amount of the principal due at maturity or the purchase of carbon credits, among others.

- 4.3.2 The variation of the bond financial and/or structural characteristics should be commensurate and meaningful relative to the Issuer's original bond financial and/or structural characteristics.
- 4.3.3 The Issuer must disclose the following in the documentation for issuance of the ASEAN Sustainability-Linked Bond, through a publicly available website designated by the Issuer throughout the tenure of the ASEAN Sustainability-Linked Bonds:
- (i) The potential variation of the ASEAN Sustainability-Linked Bond's financial and/or structural characteristics; and
  - (ii) Any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner.
- 4.3.4 In relation to 4.3.3 (ii), the Issuer should consider including, where needed, language in the bond documentation to take into consideration potential exceptional events (such as significant change in perimeters through material M&A activities) or extreme events, including drastic changes in the regulatory environment that could substantially impact the calculation of the KPI, the restatement of the SPT, and/or proforma adjustments of baselines or KPI scope.

- 4.3.5 Post-issuance, in case of any material change to perimeter/KPI methodology/SPTs calibration prior to maturity of the ASEAN Sustainability-Linked Bond, the Issuer must:
- (i) Clearly communicate the rationale and/or restatement optionality, or set out a restatement policy as part of the Issuer's documentation of the ASEAN Sustainability-Linked Bond, through a publicly available website designated by the Issuer; and
  - (ii) Appoint an external review provider<sup>7</sup> to assess any of these changes and publish the external review report, through a publicly available website designated by the Issuer throughout the tenure of the ASEAN Sustainability-Linked Bonds.

KPIs and SPTs will be fixed in the legal terms and conditions of an ASEAN Sustainability Linked Bond at the point of issuance. Therefore, any material changes to the KPIs and SPTs will be subject to these legal terms and conditions, as well as any relevant laws and regulations.

In case of any material change to perimeter/KPI methodology/SPTs calibration, an external review provider should confirm, among others, the following:

- Any changes would result in the SPTs being no less ambitious than those originally set;
- The ASEAN Sustainability-Linked Bond continues to align with the ASEAN SLBS;
- There continues to be consistency with the Issuer's sustainability strategy;
- There is no material impact on the original external review;
- There is no material adverse effect on the interests of the bondholders; and
- Changes to calculation policies are aligned with the Science Based Targets initiative (SBTi) methodology (or another relevant recognised body), where applicable.

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<sup>7</sup> The external review provider must comply with paragraphs 5.3 and 5.4 of the ASEAN SLBS.

## 4.4 Reporting

- 4.4.1 The Issuer of the ASEAN Sustainability-Linked Bonds must publish, and keep readily available and easily accessible the following information through a publicly available website designated by the Issuer throughout the tenure of the ASEAN Sustainability-Linked Bonds:
- (i) up-to-date information on the performance of the selected KPIs, including baselines where relevant;
  - (ii) a verification assurance report<sup>8</sup> which includes an assessment on the Issuer's performance against the SPTs as well as its related impact and timing of such impact, on the bond's financial and/or structural characteristics; and
  - (iii) any information enabling investors to monitor the level of ambition of the SPTs (e.g. any update in the Issuer's sustainability strategy or on the related KPI/ESG governance, and more generally any information relevant to the analysis of the KPIs and SPTs).
- 4.4.2 Issuers are also encouraged to publish, and keep readily available and easily accessible, where feasible, the following information through a publicly available website designated by the Issuer throughout the tenure of the ASEAN Sustainability-Linked Bonds:
- (i) A qualitative or quantitative explanation of the contribution of the main factors, including M&A activities, behind the evolution of the performance/KPI; and
  - (ii) An illustration of the positive sustainability impacts of the performance improvement.
- 4.4.3 The reporting on the ASEAN Sustainability-Linked Bonds must be published regularly, at least annually, and in any case for any date/period relevant for assessing the SPT performance leading to a potential adjustment of the ASEAN Sustainability-Linked Bond's financial and/or structural characteristics.

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<sup>8</sup> As per paragraphs 4.5.1 and 4.5.2 of the ASEAN SLBS.

- 4.4.4 Issuers are also encouraged to provide more frequent periodic reporting which would increase transparency and investor confidence in the ASEAN Sustainability-Linked Bonds.
- 4.4.5 Issuers are encouraged to indicate the timeline in which the reporting on the ASEAN Sustainability-Linked Bonds will be made available.

Please note that ASEAN Sustainability-Linked Bonds may involve information that could be considered market sensitive and that such information, and the handling of such information, should be treated appropriately.

#### **4.5 Verification**

- 4.5.1 The Issuer must seek independent and external verification (for example limited or reasonable assurance) of their performance level against each SPT for each KPI by a qualified external review provider with relevant expertise, such as an auditor or an environmental consultant.
- 4.5.2 The verification must be carried out at least once a year, and in any case for any date/period relevant for assessing the SPT performance leading to a potential adjustment of the ASEAN Sustainability-Linked Bond's financial and/or structural characteristics, until after the last SPT trigger event of the bond has been reached.
- 4.5.3 The external review provider must also disclose their relevant credentials and expertise, and scope of the verification conducted in the verification assurance report.
- 4.5.4 The verification assurance report must be made publicly available, through a website designated by the Issuer throughout the tenure of the ASEAN Sustainability-Linked Bonds.
- 4.5.5 Issuers are encouraged to indicate the timeline in which the verification assurance report on the ASEAN Sustainability-Linked Bonds will be made available.

## 5.0 EXTERNAL REVIEW<sup>9</sup>

- 5.1 The Issuer must appoint an external review provider to confirm the alignment of the ASEAN Sustainability-Linked Bond with the five core components of the ASEAN SLBS (such as a Second Party Opinion) prior to the issuance of the ASEAN Sustainability-Linked Bond.
- 5.2 In the pre-issuance external review, external review providers should assess the:
  - (i) Relevance, robustness and reliability of selected KPIs;
  - (ii) Rationale and level of ambition of the proposed SPTs;
  - (iii) Relevance and reliability of selected benchmarks and baselines; and
  - (iv) Credibility of the strategy outlined to achieve the SPTs, based on scenario analysis, where relevant.
- 5.3 The external review provider must have the relevant expertise and experience in the components of the ASEAN Sustainability-Linked Bonds which they are reviewing.
- 5.4 The external review provider must also disclose their relevant credentials and expertise, and scope of the review conducted in the external review report.
- 5.5 The external review report must be made publicly available, through a website designated by the Issuer throughout the tenure of the ASEAN Sustainability-Linked Bonds.

A disclosure checklist of recommended or necessary pre-issuance and post-issuance disclosures is provided in Appendix I for reference.

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<sup>9</sup> For Second Party Opinions and Verification on sustainability-linked bonds, see: [https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/External-Review-Guidelines\\_June-2022-280622.pdf](https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/External-Review-Guidelines_June-2022-280622.pdf)

## ASEAN SUSTAINABILITY-LINKED BONDS DISCLOSURE CHECKLIST<sup>1</sup>

As there are a number of disclosure requirements specified throughout the *ASEAN Sustainability-Linked Bond Standards*, this disclosure checklist of recommended or necessary pre-issuance and post-issuance disclosures is provided for ease of reference.

### DISCLOSURE CHECKLIST

#### A. Pre-Issuance

	Type of Information	Reference in ASEAN SLB Standards	Recommended vs Necessary	Location <sup>2</sup>
<b>Selection of KPIs</b>	Historical externally verified KPI values covering at least the previous three years, in situations where the KPIs have not been previously disclosed	Paragraph 4.1.4 (ii)	Recommended	Pre-issuance documents (framework, investor presentation, external review, website)
	Alignment of selected KPIs with the Sustainable Development Goals (SDGs)	Paragraph 4.1.5	Recommended	
	The rationale and process according to which the KPIs have been selected and how the KPIs fit into the Issuer's sustainability strategy	Paragraph 4.1.6 (i)	Necessary	
	A clear definition of the KPIs and include: <ul style="list-style-type: none"> <li>a. the applicable scope or perimeter; and</li> <li>b. the calculation methodology</li> </ul>	Paragraph 4.1.6 (ii)	Necessary	

<sup>1</sup> This checklist is not exhaustive and does not preclude any mandatory reporting obligation required by laws, regulations, or market rules, notably in case of change of bonds' characteristic (e.g. through clearing house, central securities depository, Principal Paying Agent, etc.)

<sup>2</sup> All disclosures must be made publicly accessible from a website designated by the Issuer throughout the tenure of the ASEAN Sustainability-Linked Bonds.

<b>Calibration of SPTs</b>	Strategic information that may decisively impact the achievement of the SPTs	Paragraph 4.2.2	Recommended	Pre-issuance documents (framework, investor presentation, external review, website)
	Description and definition of SPTs	Paragraph 4.2.5 (i)	Necessary	
	Motivation for the outlined SPTs (i.e. ambition level and consistency with Issuer's overall strategic planning)	Paragraph 4.2.5 (ii)	Necessary	
	Relevant benchmarking approaches	Paragraph 4.2.5 (iii)	Necessary	
	Timelines for the target achievement, including the target observation date(s)/ period(s), the trigger event(s) and the frequency of SPTs	Paragraph 4.2.5 (iv)	Necessary	
	Verified baseline or reference point selected for improvement of KPIs as well as the rationale for that baseline or reference point to be used (including date/ period), where relevant	Paragraph 4.2.5 (v)	Necessary	
	Situations in which recalculations or pro-forma adjustments of baselines will take place, where relevant	Paragraph 4.2.5 (vi)	Necessary	
	Where possible and taking competition and confidentiality considerations into account, how the Issuer intends to reach such SPTs i.e. through highlighting the key levers/type of actions that are expected to drive the performance towards the SPTs as well as their expected respective contribution, in quantitative terms wherever possible	Paragraph 4.2.5 (vii)	Necessary	
	Any other key factors beyond the Issuer's direct control that may affect the achievement of the SPTs	Paragraph 4.2.5 (viii)	Necessary	
<i>Note: To position this information within the context of the Issuer's overarching objectives, strategy, policy and/or processes relating to ESG</i>	Paragraph 4.2.6	Recommended		

<b>Bond characteristics</b>	The potential variation of the ASEAN Sustainability-Linked Bond's financial and/or structural characteristics	Paragraph 4.3.3 (i)	Necessary	Pre-issuance documents (framework, investor presentation, external review, website); and bond documentation <sup>3</sup> (e.g. by means of prospectus, prospectus supplement, offering circular, offering memorandum, pricing supplement, etc.)
	Any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner	Paragraph 4.3.3 (ii)	Necessary	
	Language to take into consideration potential exceptional events (such as significant change in perimeters through material M&A activities) or extreme events, including drastic changes in the regulatory environment that could substantially impact the calculation of the KPI, the restatement of the SPT, and/or pro-forma adjustments of baselines or KPI scope	Paragraph 4.3.4	Recommended	
<b>Reporting commitments<sup>4</sup></b>	Commitment on disclosure of reporting obligations as set out in the ASEAN SLBS	Paragraph 4.4.1 and Paragraph 4.4.2	Recommended	Pre-issuance documents (framework, investor presentation, external review, website)
	Timeline in which reporting on the ASEAN Sustainability-Linked Bonds will be made available	Paragraph 4.4.5	Recommended	
<b>Verification commitments<sup>5</sup></b>	Commitment on verification obligations as set out in the ASEAN SLBS	Paragraph 4.5.1 and Paragraph 4.5.2	Recommended	Pre-issuance documents (framework, investor presentation, external review, website)
	Timeline in which the verification assurance report on the ASEAN Sustainability-Linked Bonds will be made available	Paragraph 4.5.5	Recommended	

<sup>3</sup> Issuance specific information (e.g. detailed description of the potential variation of the ASEAN Sustainability-Linked Bond's financial and/or structural characteristics) may be set out in the Issuer's bond documentation.

<sup>4</sup> While not part of the *ASEAN Sustainability-Linked Bond Standards*, 'reporting commitments' are best practice disclosures that Issuers are encouraged to incorporate in the relevant pre-issuance documentation.

<sup>5</sup> While not part of the *ASEAN Sustainability-Linked Bond Standards*, 'verification commitments' are best practice disclosures that Issuers are encouraged to incorporate in the relevant pre-issuance documentation.

<b>External review</b>	Publication of a pre-issuance external review, such as a Second Party Opinion to confirm the alignment of the ASEAN Sustainability-Linked Bond with the five core components of the ASEAN SLBS	Paragraph 5.1 and Paragraph 5.5	Necessary	External review report
	External review provider's credentials and expertise, and scope of review	Paragraph 5.4	Necessary	

## B. Post-Issuance

	Type of Information	Reference in ASEAN SLB Standards	Recommended vs Necessary	Location <sup>6</sup>
<b>Bond characteristics</b>	In case of any material change to perimeter/KPI methodology/ SPT(s), clearly communicate the rationale and/or restatement optionality, or set out a restatement policy	Paragraph 4.3.5 (i)	Necessary	Bond documentation <sup>7</sup> and post-issuance documents (e.g. annual report, sustainability report, external reviews, website)
<b>Reporting</b>	Up-to-date information on the performance of the selected KPIs, including baselines where relevant	Paragraph 4.4.1 (i)	Necessary	Post-issuance documents (e.g. annual report, sustainability report, external reviews, website)
	A verification assurance report which includes an assessment on the Issuer's performance against the SPTs as well as its related impact and timing of such impact, on the bond's financial and/or structural characteristics	Paragraph 4.4.1 (ii)	Necessary	

<sup>6</sup> All disclosures must be made publicly accessible from a website designated by the Issuer throughout the tenure of the ASEAN Sustainability-Linked Bonds.

<sup>7</sup> KPIs and SPTs will be fixed in the legal terms and conditions as set out in the bond documentation of an ASEAN Sustainability Linked Bond at the point of issuance. Therefore, any material changes to the KPIs and SPTs in the bond documentation would be subject to any relevant laws and regulations.

	Any information enabling investors to monitor the level of ambition of the SPTs	Paragraph 4.4.1 (iii)	Necessary	
	A qualitative or quantitative explanation of the contribution of the main factors, including M&A activities, behind the evolution of the performance/KPI	Paragraph 4.4.2 (i)	Recommended	
	An illustration of the positive sustainability impacts of the performance improvement	Paragraph 4.4.2 (ii)	Recommended	
<b>Verification</b>	Publication of a verification assurance report - independent and external verification of the Issuer's performance level against each SPT for each KPI by a qualified external reviewer with relevant expertise	Paragraph 4.5.1 and Paragraph 4.5.4	Necessary	Verification assurance report
	External review provider's credentials and expertise, and scope of verification	Paragraph 4.5.3	Necessary	
<b>External review</b>	Assessment of any material changes to perimeter/KPI methodology/SPTs calibration, where applicable <sup>8</sup>	Paragraph 4.3.5 (ii)	Necessary	External review report

## OTHER DISCLOSURES<sup>9</sup>

<b>Pre-issuance</b>	<ul style="list-style-type: none"> <li>Rationale for ASEAN Sustainability-Linked Bond issuance and consistency with Issuer's overall sustainability and business strategy</li> <li>Statement on alignment with ASEAN SLBS' five core components</li> </ul>
<b>Post-issuance</b>	<ul style="list-style-type: none"> <li>Reports and ex-post external review publication dates</li> <li>Identification of the bonds: ISIN, amounts, currency, maturity dates and relative KPIs and SPTs</li> <li>Scope of reporting (bond-by-bond, bond programme)</li> <li>Adherence to specific standards or regulations</li> </ul>

<sup>8</sup> The external review provider's credentials and expertise, and scope of review conducted must be set out in the external review report.

<sup>9</sup> While not part of the *ASEAN Sustainability-Linked Bond Standards*, 'Other Disclosures' are best practice disclosures that Issuers are encouraged to incorporate in the relevant pre-issuance and post-issuance documentation respectively.