



N O T I C E

**TO: BANKS
INVESTMENT HOUSES
INVESTING PUBLIC
AND ALL INTERESTED PARTIES**

**SUBJECT: REQUEST FOR COMMENTS ON THE PROPOSED GUIDELINES IN THE
ISSUANCE OF SUSTAINABILITY-LINKED BONDS UNDER THE ASEAN SUSTAINABILITY-
LINKED BOND STANDARDS (SLBS) IN THE
PHILIPPINES**

The Securities and Exchange Commission intends to issue **GUIDELINES ON THE ISSUANCE OF SUSTAINABILITY-LINKED BONDS UNDER THE ASEAN SUSTAINABILITY-LINKED BOND STANDARDS IN THE PHILIPPINES**. Hence, the Commission is inviting banks, investment houses, the investing public, and other interested parties to submit their views, comments and inputs to the proposed guidelines.

The draft SEC Memorandum Circular is hereto attached for your reference.

Commenters may submit, not later than 17 February 2023, their views, comments, and inputs by email to **msrd_covid19@sec.gov.ph**, **eavalencia@sec.gov.ph**, **ksferrer@sec.gov.ph** and **abgonzales@sec.gov.ph**.

Issued on 02 February 2023.



SEC MEMORANDUM CIRCULAR NO. _____

Series of 2023

SUBJECT: GUIDELINES ON THE ISSUANCE OF SUSTAINABILITY-LINKED BONDS UNDER THE ASEAN SUSTAINABILITY-LINKED BOND STANDARDS IN THE PHILIPPINES

WHEREAS, the Commission has taken on an active role in promoting the use of capital markets in achieving the United Nations Sustainable Development (UN SDG) Goals and the targets under the Paris Agreement to reduce the Greenhouse Gas (GHG) emissions to lower the global average temperature to well below 2 degrees Celsius;

WHEREAS, the Commission has adopted the ASEAN Green Bond Standards, the ASEAN Social Bond Standards, and the ASEAN Sustainability Bond Standards to attract sustainable investments in the debt security market and address key areas of environmental and social concern;

WHEREAS, the subject Guidelines is based on the ASEAN Sustainability-Linked Bond Standards developed by the ASEAN Capital Markets Forum (Forum);

WHEREAS, 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.

WHEREAS, Section 8 of the SRC provides that securities shall not be sold or offered for sale or distribution within the Philippines, without a registration statement duly filed with and approved by the Commission;

WHEREAS, Section 12 of the SRC, the relevant provisions of the 2015 Implementing Rules and Regulations of the SRC (2015 SRC IRR) and "Annex C" provides for the procedure for registration of securities and non-financial disclosure requirements;

WHEREAS, the requirements under the subject Guidelines shall be in addition to the applicable requirements under Sections 8 and 12 of the SRC; *unless* there is an available exemption under Sections 9 or 10 of the SRC, where the Issuer shall submit the requirements as prescribed by the Commission;

WHEREAS, the subject Guidelines should be read in conjunction with subsequent amendments/updates which the Commission may issue from time to time.

NOW, THEREFORE, pursuant to the foregoing, the Commission hereby adopts and issues the following Guidelines to supplement the requirements under Section 8 and 12 of the SRC.

GUIDELINES ON THE ISSUANCE OF SUSTAINABILITY-LINKED BONDS UNDER THE ASEAN SUSTAINABILITY-LINKED BOND STANDARDS IN THE PHILIPPINES

ARTICLE ONE: GENERAL PROVISIONS

CHAPTER ONE: Definitions

Section 1. Applicability – This shall be known as the “Guidelines on the Issuance of Sustainability-Linked Bonds Under the ASEAN Sustainability-Linked Bond Standards (SLBS) in the Philippines” or “ASEAN SLBS Guidelines.” These Guidelines shall primarily govern the issuance of the Sustainability-Linked Bonds where the proceeds are intended to be used for general purposes.

Section 2. Definition of Terms – For purposes of these Guidelines, the following definition of terms shall apply, unless the context otherwise requires:

- A. *ACMF* means ASEAN Capital Markets Forum.
- B. *ASEAN* means Association of Southeast Asian Nations.
- C. *ASEAN SLBS* means the ASEAN Sustainability-Linked Bond Standards as applicable and as revised from time to time.
- D. *ASEAN Sustainability-Linked Bonds* 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*.
- E. *ASEAN Issuer* means an Issuer that is incorporated in any of the ASEAN countries.
- F. *Non-ASEAN Issuer* means an Issuer other than an ASEAN Issuer.
- G. *Baseline* means a fixed point of reference that is used for comparison to determine the measurement of the performance of the SPT.
- H. *Benchmark* means a reference that can be used to measure or compare performance.
- I. *ESG* means environmental, social and governance, or some combination thereof.
- J. *External review* 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.
- K. *ICMA* means International Capital Market Association.
- L. *Issuer* means a corporation that issues ASEAN Sustainability-Linked Bonds and includes an ASEAN Issuer and Non-ASEAN Issuer.
- M. *KPIs* means key performance indicators, which are quantifiable metrics used to measure the performance of selected indicators.

- N. *SPTs* means sustainability performance targets, which are measurable improvements in KPIs on to which Issuers commit to a predefined timeline.
- O. *SLBP* means Sustainability-Linked Bond Principles 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.
- P. *Target observation date* means the specific date at which the performance of each KPIs against each predefined SPTs is observed.
- Q. *Target setting* means the recommended process of establishing credible SPTs as outlined in the ASEAN SLBS.
- R. *Trigger event* 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.

CHAPTER TWO: Scope of the ASEAN Sustainability-Linked Bond Standards

Section 3. Coverage – These Guidelines shall apply to issuances of ASEAN Sustainability-Linked Bonds in the Philippines.

Section 4. Supplementary Application of the ICMA Sustainability-Linked Bond Principles – These guidelines are aligned with the ASEAN SLBS and the SLBP. Any guidance issued by ICMA¹ on the SLBP should also be considered, where relevant.

CHAPTER THREE: Objective of the ASEAN Sustainability-Linked Bond Standards

Section 5. Objectives – These guidelines are intended to provide additional guidance on the application of the ASEAN SLBS, the SLBP as well as to enhance transparency, consistency and uniformity of ASEAN Sustainability-Linked Bonds.

ARTICLE TWO: CRITERIA FOR ASEAN SUSTAINABILITY-LINKED BONDS

Section 6. Issuer – The Issuer of a Sustainability-Linked Bond:

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

Section 7. Issuance – ASEAN Sustainability-Linked Bond issuances must be originated from any of the ASEAN member countries.

¹ 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

ARTICLE THREE: GUIDANCE ON THE FIVE CORE COMPONENTS OF THE ASEAN SLBS

CHAPTER ONE: Selection of Key Performance Indicators (KPI)

Section 8. KPI Requirements of Issuers – The Issuer:

- A. Must select external or internal sustainability KPIs that measure the Issuer's sustainability performance.
- B. Must select KPIs that are:
 - a. Material to the Issuer's core sustainability and business strategy;
 - b. Addressing relevant environmental, social and/or governance challenges of the industry sector; and
 - c. Under management's control.

Issuers are encouraged, where possible, to:

- C. 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
- D. Provide historical externally verified KPI values covering at least the previous three years, in situations where the KPIs have not been previously disclosed.

Issuers are also encouraged to align the selected KPIs with the SDGs and highlight this in the documentation of the ASEAN Sustainability-Linked Bonds.

Section 9. KPI Criteria – KPIs selected by the Issuer should be:

- A. Relevant, core and material to the Issuer's overall business, and of high strategic significance to the Issuer's current and/or future operations;
- B. Measurable or quantifiable on a consistent methodological basis;
- C. Externally verifiable; and
- D. 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.

Section 10. Disclosure of KPIs – 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:

- A. The rationale and process according to which the KPIs have been selected and how the KPIs fit into the Issuer's sustainability strategy.

- B. 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)).

Note: Care should be taken in selecting the KPIs as technological advancements and the regulatory environment change over time.²

CHAPTER TWO: Calibration of Sustainability Performance Targets (SPT)

Section 11. SPT Requirements for Issuers – The Issuer:

- A. 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.
- B. Should disclose strategic information that may decisively impact the achievement of the SPTs.

Section 12. Required Features of SPTs– The SPTs must be ambitious and should comprise the following features:

- A. Represent a material improvement in the respective KPIs and be beyond a 'business as usual' trajectory;
- B. Be compared to a benchmark or an external reference, where possible;
- C. Be consistent with the Issuer's overall strategic sustainability/ESG strategy; and
- D. Be determined on a predefined timeline, set before (or concurrently with) the issuance of the bond.

Section 13. Target Setting Exercise for SPTs – The target setting exercise for the SPTs should be based on a combination of the following benchmarking approaches:

- A. 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

² 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/Sustainablefinance/2022-updates/Registry-SLB-KPIs_Final_2022-06-24-280622.xlsx.

- b. forward-looking guidance on the KPI, when possible.
- B. The **Issuer's peers' performance**, which can include the SPTs relative positioning versus:
- a. its peers where available (average performance, best-in class performance) and comparable; or
 - b. current industry or sector standards.
- C. **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.

Section 14. Disclosure of SPTs – 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:

- A. Description and definition of SPTs;
- B. Motivation for the outlined SPTs (i.e. ambition level and consistency with Issuer's overall strategic planning);
- C. Relevant benchmarking approaches set out in Section 12;
- D. Timelines for the target achievement, including the target observation date(s)/period(s), the trigger event(s) and the frequency of SPTs;
- E. 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;
- F. Situations in which recalculations or pro-forma adjustments of baselines will take place, where relevant;

- G. 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
- H. any other key factors beyond the Issuer's direct control that may affect the achievement of the SPTs.

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

CHAPTER THREE: Bond Characteristics

Section 15. Financial and/or Structural Characteristics of the Bond – 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.

Section 16. Variation of the Bond Characteristics – 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.

Section 17. Disclosure of the Bond Characteristics – 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:

- A. The potential variation of the ASEAN Sustainability-Linked Bond's financial and/or structural characteristics; and
- B. Any fall-back mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner.

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.

Section 18. Post-Issuance Requirements – 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:

- A. 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
- B. Appoint an external review provider³ 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.

Section 19. External Reviewer Confirmation in Case of Material Changes – 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:

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

CHAPTER FOUR: Reporting

Section 20. Reporting Requirements – 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:

- A. up-to-date information on the performance of the selected KPIs, including baselines where relevant;

³ The external review provider must comply with Section 29 of these Guidelines.

- B. a verification assurance report⁴ 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
- C. 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).

Section 21. Recommended Report Information – 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:

- A. A qualitative or quantitative explanation of the contribution of the main factors, including M&A activities, behind the evolution of the performance/KPI; and
- B. An illustration of the positive sustainability impacts of the performance improvement.

Section 22. Frequency of Reporting – 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.

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

CHAPTER FIVE: Verification

Section 23. Independent and External Verification – 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.

Section 24. Frequency of Verification – 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.

Section 25. Disclosure of Credentials of External Review Provider – The external review provider must also disclose their relevant credentials and expertise, and scope of the verification conducted in the verification assurance report.

⁴ In compliance with Sections 23 and 24 of these Guidelines.

Section 26. Public Availability of the Verification Assurance Report – 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.

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

ARTICLE FOUR: EXTERNAL REVIEW

Section 27. Appointment of External Review Provider – 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.

Section 28. Pre-Issuance External Review – In the pre-issuance external review, external review providers should assess the:

- A. Relevance, robustness and reliability of selected KPIs;
- B. Rationale and level of ambition of the proposed SPTs;
- C. Relevance and reliability of selected benchmarks and baselines; and
- D. Credibility of the strategy outlined to achieve the SPTs, based on scenario analysis, where relevant.

Section 29. Expertise and Experience of External Review Provider – The external review provider must have the relevant expertise and experience in the components of the ASEAN Sustainability-Linked Bonds which they are reviewing.

The external review provider must also disclose their relevant credentials and expertise, and scope of the review conducted in the external review report.

Section 30. Public Availability of the External Review Report – 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.

ARTICLE FIVE: APPLICABILITY ON SUSTAINABILITY-LINKED BONDS

Section 31. Applicability on Existing Eligible Sustainability-Linked Bonds – In certain circumstances, and at the discretion of the Commission, outstanding bonds issued by Philippine-Based Issuers and/or in instances where the proceeds were used in the Philippines, will be considered for eligibility under these Guidelines, *Provided* the issuance is compliant with the requirements of these Guidelines, and has received certification from an internationally-recognised certifying body.

ARTICLE SIX: LIMITATIONS ON ASEAN SUSTAINABILITY-LINKED BOND LABEL

Section 32. Limitation on the Use of ASEAN Sustainability-Linked Bond Label – Consistent with public interest and protection of investors, the call for transparency, as well as to ensure integrity of the Philippine sustainable finance market, the Commission reserves the right to direct any Issuer from using the “ASEAN Sustainability-Linked Bond” label confirmed by the Commission.

ARTICLE SEVEN: EFFECTIVITY

Section 33. Effectivity – These Guidelines shall take effect immediately upon its publication in two (2) newspapers of general circulation.

_____ January 2023, Makati City Philippines.

EMILIO B. AQUINO
Chairperson

ASEAN SUSTAINABILITY-LINKED BONDS DISCLOSURE CHECKLIST¹

As there are a number of disclosure requirements specified throughout the ASEAN Sustainability-Linked Bond Standards and the ASEAN SLBS Guidelines, 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 SLBS Guidelines	Recommended vs Necessary	Location ²
Selection of KPIs	Historical externally verified KPI values covering at least the previous 3 years, in situations where the KPIs have not been previously disclosed	Section 8 (D)	Recommended	Pre-issuance documents (framework, investor presentation, external review, website)
	Alignment of selected KPIs with the Sustainable Development Goals (SDGs)	Section 8	Recommended	
	The rationale and process according to which the KPIs have been selected and how the KPIs fit into the Issuer's sustainability strategy	Section 10 (A)	Necessary	
	A clear definition of the KPI(s) and include: a) the applicable scope or perimeter; and b) the calculation methodology	Section 10 (B)	Necessary	
Calibration of SPTs	Strategic information that may decisively impact the achievement of the SPTs	Section 11 (B)	Recommended	Pre-issuance documents (framework, investor presentation, external review, website)
	Description and definition of SPTs	Section 14 (A)	Necessary	
	Motivation for the outlined SPTs (i.e. ambition level and consistency with Issuer's overall strategic planning)	Section 14 (B)	Necessary	
	Relevant benchmarking approaches	Section 14 (C)	Necessary	

¹ This checklist is not exhaustive and does not preclude any mandatory reporting obligation required by the Commission, or market rules, notably in case of change of bonds' characteristic.

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

	Type of Information	Reference in ASEAN SLBS Guidelines	Recommended vs Necessary	Location ²
	Timelines for the target achievement, including the target observation date(s)/period(s), the trigger event(s) and the frequency of SPTs	Section 14 (D)	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	Section 14 (E)	Necessary	
	Situations in which recalculations or pro-forma adjustments of baselines will take place, where relevant	Section 14 (F)	Necessary	
	Where possible and taking competition and confidentiality considerations into account, how the issuers intend 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	Section 14 (G)	Necessary	
	Any other key factors beyond the Issuer’s direct control that may affect the achievement of the SPTs	Section 14 (H)	Necessary	
	Issuers are encouraged to position the information above within the context of the Issuer’s overarching objectives, strategy, policy and/or processes relating to ESG.	Section 14	Recommended	
Bond Characteristics	The potential variation of the ASEAN Sustainability-Linked Bond’s financial and/or structural characteristics	Section 17 (A)	Necessary	Pre-issuance documents (framework, investor presentation, external review, website); and
	Any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner	Section 17 (B)	Necessary	
	Language to take into consideration potential exceptional events (such as significant change in perimeters through material M&A activities) or extreme events,	Section 17	Recommended	

	Type of Information	Reference in ASEAN SLBS Guidelines	Recommended vs Necessary	Location ²
	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			Bond documentation ³ (e.g. by means of prospectus, prospectus supplement, offering circular, offering memorandum, pricing supplement, etc.)
Reporting Commitments ⁴	Commitment on disclosure of reporting obligations as set out in the ASEAN SLBS	Section 20 and Section 21	Recommended	Pre-issuance documents (framework, investor presentation, external review, website)
	Timeline in which reporting on the ASEAN Sustainability-Linked Bonds will be made available	Section 22	Recommended	
Verification	Commitment on verification obligations as set out in the ASEAN SLBS	Section 23 and Section 24	Recommended	Pre-issuance documents (framework, investor presentation,
	Timeline in which the verification assurance report on the ASEAN Sustainability-Linked Bonds will be made available	Section 26	Recommended	

³ 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.

⁴ Whilst not part of the ASEAN Sustainability-Linked Bond Standards and the ASEAN SLBS Guidelines, "Reporting Commitments" are best practice disclosures that issuers are encouraged to incorporate in the relevant pre-issuance documentation.

	Type of Information	Reference in ASEAN SLBS Guidelines	Recommended vs Necessary	Location ²
Commitments ⁵				external review, (website)
External Review	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	Section 27 and Section 30	Necessary	External review report
	External review provider's credentials & expertise, and scope of review	Section 29	Necessary	

B. Post-Issuance

	Type of Information	Reference in ASEAN SLBS Guidelines	Recommended vs Necessary	Location ⁶
Bond characteristics	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	Section 18	Necessary	Bond documentation ⁷ & post-issuance documents (e.g. annual report, sustainability report, external reviews, website)

⁵ Whilst not part of the ASEAN Sustainability-Linked Bond Standards and the ASEAN SLBS Guidelines, "Verification Commitments" are best practice disclosures that issuers are encouraged to incorporate in the relevant pre-issuance documentation.

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

⁷ KPI(s) and SPT(s) 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 KPI(s) and SPT(s) in the bond documentation would be subject to any relevant laws and regulations.

	Type of Information	Reference in ASEAN SLBS Guidelines	Recommended vs Necessary	Location ⁶
Reporting	Up-to-date information on the performance of the selected KPI(s), including baselines where relevant	Section 20 (A)	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 SPT(s) as well as its related impact and timing of such impact, on the bond's financial and/or structural characteristics	Section 20 (B)	Necessary	
	Any information enabling investors to monitor the level of ambition of the SPTs	Section 20 (C)	Necessary	
	A qualitative or quantitative explanation of the contribution of the main factors, including M&A activities, behind the evolution of the performance/KPI	Section 21 (A)	Recommended	
	An illustration of the positive sustainability impacts of the performance improvement	Section 21 (B)	Recommended	
Verification	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	Section 23 and Section 26	Necessary	Verification assurance report
	External review provider's credentials & expertise, and scope of verification	Section 25	Necessary	
External Review	Assessment of any material changes to perimeter/KPI	Section 18 (B)	Necessary	External review report

	Type of Information	Reference in ASEAN SLBS Guidelines	Recommended vs Necessary	Location ⁶
	methodology/SPT(s) calibration, where applicable ⁸			

OTHER DISCLOSURES⁹

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

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

⁹ Whilst not part of the ASEAN Sustainability-Linked Bond Standards and the ASEAN SLBS Guidelines, "Other Disclosures" are best practice disclosures that issuers are encouraged to incorporate in the relevant pre-issuance and post-issuance documentation respectively.