

REVISIONS TO THE CLIMATE BONDS STANDARD - 2022

REQUEST FOR FEEDBACK

Feedback is requested on the proposed amendments to the Climate Bonds Standard as presented in the Climate Bonds Standard v4.0 available [here](#). Supporting information for the changes that relate to the expansion of the Standard to include the certification of non-financial corporates and SLBs from non-financial corporates are available [here](#).

Please provide written feedback directly into this Word document. We are particularly interested on your thoughts on the questions below, but please feel free to give any and all feedback. All is welcome. Please make clear in your responses below where you are referring to specific sections of the Standard where appropriate.

Please send your responses to public.consultation@climatebonds.net before 4 November 2022.

Respondent name	Lara Cuvelier
Respondent organisation	Reclaim Finance

Part A
a. Part A applies to all Certifications under the Climate Bonds Standard (Use of Proceeds, Asset, Entity and SLB). Do you have any comments on these common requirements?
Feedback:
Part B: Use of proceeds certification
a. Do you agree with the addition of Issuer level requirements for UoP instruments (B.2.3)
Feedback:
We strongly support the addition of Issuer level requirements. Without such requirements, UoP instruments can help companies whose business plan and activities are incompatible with the limitation to access funding, and even indirectly facilitate the funding of projects that are detrimental to climate mitigation. For example, a company can develop new oil and gas wells using corporate finance and standard bonds while maintaining ample funding capacity for a renewable energy project thanks to a climate bond issuance.
Part C: Asset certification
a. Is there value in offering Certification for the eligible projects and assets, applicable at a particular point in time only?
b. Should we impose safeguards on the Certified Asset owners similar to Clause D5?
c. Any concerns from a verification perspective?
Feedback:
b. CBI should impose the D5 requirements to asset certification.
Part D: Entity certification

- a. Are there any issues with allowing the applicant to choose the boundary of the Assessed Entity? Are the boundary definitions here sufficiently prescriptive? (D.2.2)
- b. Is the 90% 'pass threshold' appropriate? (D.2.3)
- c. Is there value in having differentiated labels for tier 1 and tier 2 performance levels? (D.3.1)
- d. Do you see any challenges in assessing compliance of the Transition Plan and how might they be mitigated? (D.3.2)
- e. Are the Non-Assessed Segments sufficiently well defined? (D.5)
- f. Are the safeguards on Non-Assessed Segments appropriate and practicable? (D.5)
- g. Do you see any issues with the extent, frequency and format of external reporting requirements? (D.6)
- h. Any concerns from a verification perspective?

Feedback:

b. No, it would be better to make it mandatory to cover at least 90% of the emissions (rather than the turnover) as some activities could account for a large part of the emissions. It is not entirely clear for us from this draft if the 90% 'pass threshold' means that the safeguards 5.1 and 5.2 cover all the assessed entity or could apply only to 90% (which would be problematic). The standards should ensure that the whole company (at the parent level of the assessed entity) complies with the safeguards 5.1 and 5.2.

e Three clarifications should be made:

- **It should be made clear that the assessed entities themselves also cannot be involved in the activities listed in the Non-Assessed Segments.** If this seems to be the case, it is not sufficiently clear in the current draft.
- **5.1: The term "committed to zero future expansion" is not sufficiently precise** and could suggest that expansion is still allowed for a limited period, which would not be compatible with the scientific elements available on fossil fuel reserves and development. **It should be clarified that no expansion is allowed immediately/as of now.**
- **5.2: The interim targets over the short, medium and long term for GHG emission reduction should include a target to reduce absolute emissions by at least 50% by 2030.**

f. **The safeguards on Non-Assessed Segments are appropriate and practicable. They are highly relevant and based on scientific evidence.** Activities related to deforestation (see for example the list from Forest and Finance) should also be included in these safeguards. These safeguards should be applied both to the assessed entity and its parent company as a whole.

Part E: SLB certification

- a. Are the SLB rules sufficiently robust?
- b. Do you see any issues with the extent, frequency and format of external reporting requirements? (D.6)
- c. Any concerns from a verification perspective?

Feedback:

a. **The use of clear exclusions (D.5 clause) for activities in the issuer and parent entity that would not be compatible with climate mitigation is especially relevant and could avoid clear cases of greenwashing.** If this remains the case in the final version, the SLB rules will be robust.

Any general feedback

Feedback: