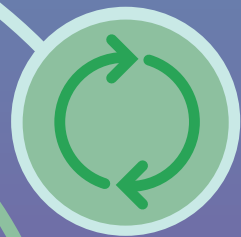
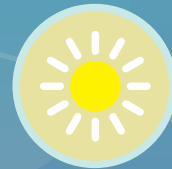


Climate Bonds Guide to Certification

ENTITIES



Climate Bonds ^{INITIATIVE}



SHOW YOUR CREDIBILITY WITH **CLIMATE BONDS CERTIFICATION**

The [Climate Bonds Standard and Certification Scheme](#) is a voluntary labelling scheme for investments that address the challenge of climate change, and are consistent with the goal of limiting global temperature rise to 1.5°C above pre-industrial levels.

Launched in 2012, the Standard was initially designed as a mechanism to support confidence in the climate change action credentials of green bonds and other debt instruments and to provide a tool to allow quick investment decision making. Climate Bonds have Certified over USD270bn of Use of Proceeds Green Bonds since the launch of the Certification Scheme.

The latest [Standard](#) expands Certification coverage to general purpose instruments, such as Sustainability-linked debt instruments, Assets and Entities. [Certification](#) under this Standard confirms that debt instruments, assets, or entities meet [Criteria](#) published under the Climate Bonds Standard. Transparently developed scientific criteria underpin the Scheme and independent assessment is provided by a network of Climate Bonds Approved Verifiers.

An international independent Climate Bonds Standard Board, comprised of institutional investor representatives and reporting to the Trustees of the Climate Bonds Initiative, provides oversight and a strong governance framework for the Scheme.

Benefits of Certification



The Certification label is an endorsement of the green credentials of the Entity and the ambition and credibility of the corporate transition plans.



The science-based Eligibility Criteria are aligned with the Paris agreement goals and developed through a rigorous process, demonstrating credibility and robustness.



Certification increases visibility to investors.



A globally recognised symbol of best practice in green finance.



Clearly demonstrates to the market that the Certified Entity meets the highest standards for climate integrity.



Enhanced reputation benefits for Issuers, Companies or Asset owners.

OUR LABELS

The Climate Bonds expanded Standard and Certification Scheme offers two levels of Certification for Entities:

LEVEL 1

Entities (or companies), that are already aligned with 1.5 degree pathways. This category includes both those already near net-zero and those above net-zero but within sectoral 1.5 degree pathways and transition plans that predict alignment with those pathways going forward.



Climate
Bond
Certified

Aligned

Entity 1.5° aligned

LEVEL 2

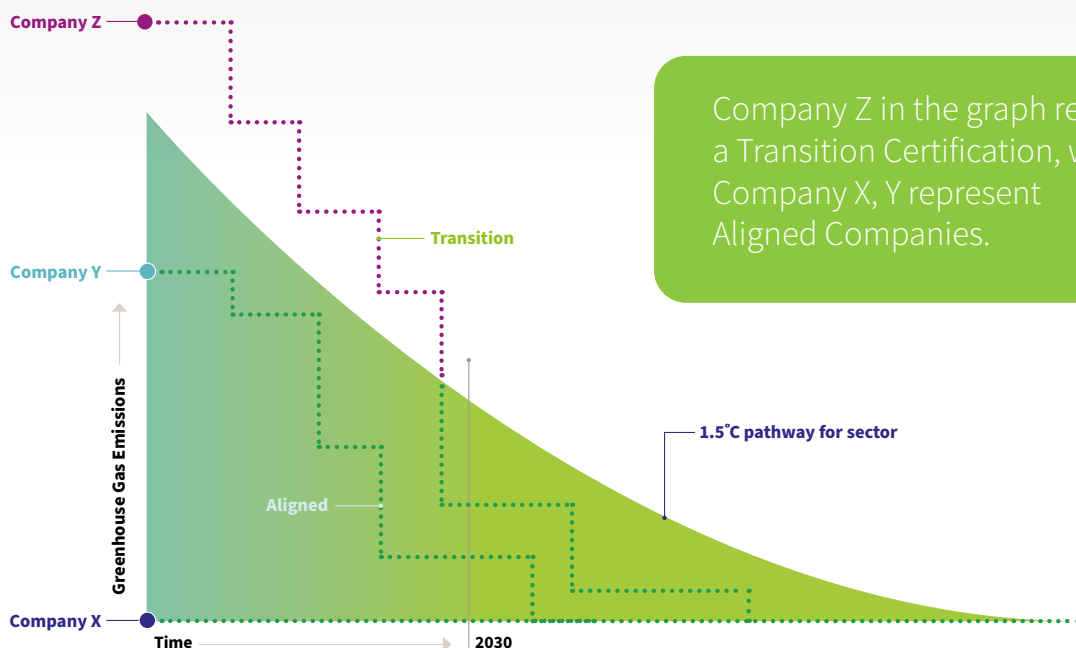
Entities (or companies) whose transition plans predict that they will be aligned with 1.5 degree pathways by 2030.



Climate
Bond
Certified

Transition

Entity Transitioning to
1.5° aligned



Company Z in the graph represents a Transition Certification, whereas Company X, Y represent Aligned Companies.

ENTITY CERTIFICATION

Climate Bonds is able to provide Certification to non-financial corporate Entities or a segregated segment of such entities. This includes a company or a group of companies. The boundary of the activities is at the discretion of the applicant, subject to the following:



Parent companies must include subsidiary companies within their boundary unless there are no Sector Eligibility Criteria available to assess the activities of these companies.



Where Criteria exist only for a sub-division of a company, that sub-division can be set as the Certified Entity and be Certified in its own right.



Where an activity of the Certified Entity is carried out across multiple sub-divisions or subsidiaries operated or owned by the same legal entity, the Applicant must include all such sub-divisions and subsidiaries within the boundary of the Certified Entity.

This includes:

- Entities that have ambitious Performance Targets as defined in the sector specific Eligibility Criteria and the requirements for a credible transition plan and disclosure as defined in this Standard;
- Entities that have transition plans to reach the required Performance Targets within a designated time period and meet the disclosure requirements.

A quick guide to Eligibility

- 1** Certified entities may either have emissions already at or near zero (Level 1: Aligned label), or significantly above zero but with targets and plans aligned with 1.5 degree pathways (Level 2: Transition label).
- 2** Certification is limited to entities, or segregated segments thereof, for which the Climate Bonds Initiative has [Climate Bonds Standard Sector Criteria](#).
- 3** The operations of the Certified Entity must be disaggregated into its component business activities according to either turnover or GHG emissions.
- 4** To be eligible for Certification, the proportion of the Certified Entity's Eligible Activities must be at least 90% of the Certified Entity's total activities.
- 5** Certification is valid for five years from the date of certification. External verification by a Climate Bonds Approved Verifier is required on an annual basis.
- 6** The [Entity Certification Checklist](#) describes more precisely what is required in order to meet the Entity Certification.

KEY OVERVIEW OF CERTIFICATION OF ENTITIES

	Entities
Certification attaches to	Company or Group of Companies or any parts thereof.
Suitability	Corporate Entities (excluding financial institutions, sovereigns, municipalities or local authorities)
Eligibility rules	<p>Entity must have short, medium and long-term Performance Targets (PTs) aligned with the relevant transition Sector Specific Criteria.</p> <p>To meet the PTs the Entity must have a credible Transition Plan, backed by business and finance plans and a suitable governance framework.</p>
Validity of certification	5 years
Types of instruments that can be certified	Not linked to a debt instrument. May be used for issuing certified general purpose debt.
Regularity of verification	At the time of applying for certification and then annually thereafter
Examples	Certification of a steel manufacturer or the steel manufacturing part of a wider group/entity (subject to Entity safeguards)
Safeguards on wider entity	Yes – on wider Parent Group.

ENTITY CERTIFICATION PROCESS

Entity Certification Application:

1. Certification Agreement
2. Certification Information Form (CIF)
3. Verification Report

Submitted to CBI

**Certification
Awarded by
Climate Bonds**



12 MONTHS

**Annual Verification
and Reporting**

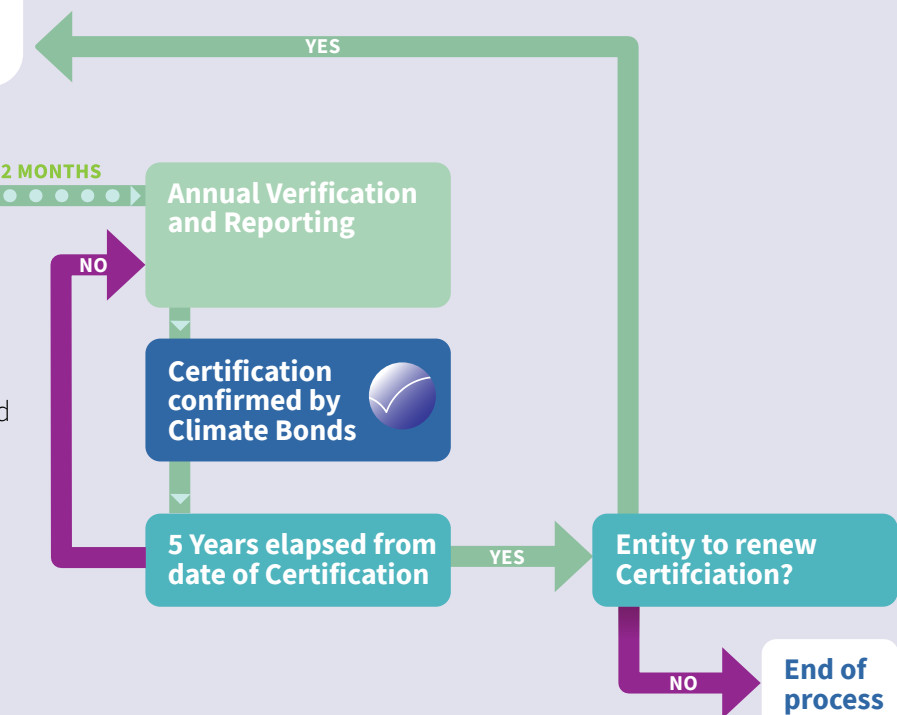
**Certification
confirmed by
Climate Bonds**



**5 Years elapsed from
date of Certification**

**Entity to renew
Certification?**

**End of
process**





Contact us

Contact email for Certification Team: certification@climatebonds.net

Detailed requirements information on Certification can be found on the Climate Bonds website: <https://www.climatebonds.net/certification>

Climate Bonds INITIATIVE



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Certification under the Climate Bond Standard relates exclusively to the conformity of one or more designated debt instruments, designated assets and/or designated entities with the applicable Climate Bonds Standard at the time of certification. Certification under the Climate Bond Standard carries no implication (and should not be understood as carrying any implication) as to any other aspect of any debt instrument or investment product or any collection of debt instruments or investment products or any asset or entity or group of assets or entities or as to continuing conformity at any time after the time of certification. In particular, such certification carries no implication (and should not be understood as carrying any implication) that any stated target has been or will at any time be met or that any particular legal or regulatory requirement has been or will be satisfied.

The Climate Bonds Initiative is not endorsing, recommending or advising on the financial merits or (subject to the previous paragraph) any other aspect of any debt instrument or investment product or any collection of debt instruments or investment products or any asset or entity or group of assets or entities and no information within this document should be taken as such, nor should any information in this document be relied upon in making any investment decision.

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