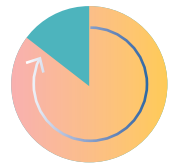


GSS REPORTING: CONSOLIDATING CREDIBILITY

The aligned green, social, and sustainability along with sustainability-linked bonds (GSS+) bond market is on track to break the record USD1tn annual issuance level set in 2021, if achieved aligned cumulative issuance would be comfortably above USD5.5tn by year-end. The evolution of the market both in size and reach increases the importance of ensuring a robust, credible and durable market environment. Climate Bonds Initiative has recently conducted an analysis of post-issuance reporting across the GSS bond market landscape and will soon publish a report. Overall, the results are promising reporting is widespread and the quality, while variable, is generally good, more issuers are using reporting frameworks, listing reports, providing project-level disclosure, explaining methodologies and referencing data sources used to assess impacts. Ahead of the launch of the full report, here are some key findings.

1. Widespread reporting

Reporting, both in terms of allocations and impacts, has improved and is widespread. An impressive 88% of issuers surveyed reported on their allocations and 83% reported on both their allocations and impacts. Among the sample, development banks displayed the highest share of reporting by issuer type (94%). Reporting is now most definitely the norm for all issuer types.



2. Quality has improved

The quality of reporting has improved notably since Climate Bonds last post-issuance research report in 2021.¹ Of the issuers assessed, 76% provide the core components of allocation and impact data along with some information on entity-level linkages. The three key aspects of high-quality reporting have all advanced: clarity, granularity, and accessibility of disclosure.



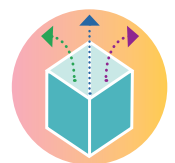
3. Increased presence of impact reporting

Impact reporting is clearer and increasingly standardised, however there is still a long way to go until methodologies are fully disclosed and the data can be reliably compared across issuers. Issuers in the sample demonstrated a varied approach to incorporating KPIs, citing between 1-34 KPIs to communicate the impact of the projects financed, the average was five. Key to moving this forward is simplification, streamlining and the avoidance of unnecessary costs.



4. Enhanced disclosure and referencing

Project disclosure post-issuance tends to be more granular than that provided pre-issuance, 61% of the sample identified all individual projects. Referencing, and reporting in-line with, a well-recognised framework lends credibility and has become more commonplace. Occasionally issuers miss an opportunity by expressing an intention to do so pre-issuance, and failing to deliver. ICMA's Harmonised Frameworks were by far the most frequently cited.



5. Small steps and game changers

Considerable progress has been made and should be recognised and the implementation of relatively small changes could deliver substantial enhancements e.g., clear signalling of where to locate relevant reports. Beyond that, the standardisation of frameworks and guidance and a widely accessible official reporting platform would dramatically raise the game.



1. Post-issuance reporting in the green bond market 2021. May 2021. Climate Bonds Initiative. [cbi_post-issuance_2021_02g.pdf](https://climatebonds.net/cbi_post-issuance_2021_02g.pdf) (climatebonds.net)

