

2024-2025 Working Group Climate Transition Finance Terms of Reference

WG Coordinators:

- BNP Paribas Asset Management	- BNP Paribas
- Credit Agricole CIB	- HSBC

First launched in 2020, the CTF Working Group aims to promote climate transition as a sustainable finance theme under the Principles, and to provide guidance on the practices, actions to be followed and disclosures to be made available by issuers to credibly raise funds for their climate transition strategy, in line with the global objectives of the Paris Agreement on Climate Change.

To that end, the Working Group will continue to develop and update guidance and tools to assist corporate issuers, particularly of “hard-to-abate” and fossil fuel sectors, as well as financial institutions and/or supranational, sovereigns and agencies looking to finance the climate transition theme in the sustainable debt capital markets. [It will also exchange and coordinate as needed with the parallel working group of the LMA].

For the period 2024-2025, the working group will prioritize the development of additional market guidance based, among other, on a mapping of transition finance projects and existing official or market guidelines. This work also will help identify any necessary updates to the Climate Transition Finance Handbook (CTFH) and other relevant existing Principles guidance.

Objective 1: Provide additional market guidance, such as a practitioner’s guide or high-level guidelines on financing climate transition via use of proceeds bonds and/or general purpose sustainability-linked bonds, including:

1. Identification of challenges in financing the climate transition on the labelled bond market such as carbon/fossil fuel lock-in issues, lack of economic incentives for climate transition finance, as well as specific issues related to emerging market and developing economies (EMDE) and for medium-sized enterprises.
2. Associated solutions, safeguards, and criteria from relevant sources such as the OECD, UK TFMR, EU Commission, GFANZ, CBI, existing taxonomies, etc., with specific considerations in relation to EMDEs to help ensure our guidance is applicable and effective in a diverse range of contexts.
3. Main climate transition categories (e.g. abatement, decommissioning, phase-out etc.), activities, and technologies based on the review of precedents (transactions and frameworks) and stakeholders’ expectations (e.g., via a survey).

Objective 2: Update, as needed, the CTFH, as well as the Principles’ standards, Q&A Handbook, methodology registry, Harmonised Framework for Impact Reporting, etc. The aim would also be to reinforce the link between entity-level and product-level aspects, and account for EMDEs [and SMEs constraints].

WG members:

A2A	Enel	MVM
Access Bank	Escarus	National Australia Bank
Agence Française de Développement	ESPAE School of Management of ESPOL	National Bank Financial
Allen Overy Shearman Sterling	Ethifinance	Natixis
Aluminium Stewardship Initiative	Euroclear SA/NV	Nature Finance
Amundi	Euronext	Natwest
Analistas Financieros Internacionales	European Stability Mechanism	NIB
ANZ	Financial Services Agency of Japan	Nomura Asset Management
AXA IM	FirstRand Bank	Nomura International
Banco BPM S.P.A.	FMO	Nordea
Banco Santander	Freddie Mac	OFISO
Bangko Sentral ng Pilipinas	Goldman Sachs	OP Corporate Bank
Bank of America	Goldman Sachs AM	Ørsted A/S
Bank of Nova Scotia	Helaba	PIMCO
Banque Lombard Odier & Cie SA	ICE Data Services	Pinsent Masons
Barclays	IFC	Raiffeisen Bank International AG (RBI)
BBVA	IGES	Rating and Investment Information
Bloomberg	ING	RBC
BMO	Intesa Sanpaolo	S&P Global Ratings
BOCI Asia	J.P. Morgan Securities	Scope SE
British Columbia IM	Japan Credit Rating Agency	SEB
Bryan Cave Leighton Paisner	KfW	SEB IM
CDP Worldwide	Latham & Watkins	SFIL
CIBC Capital Markets	LBBW	Singapore Sustainable Finance Association
Citi Bank	Lloyds Bank Corporate Markets	Slaughter and May
Climate Bonds Initiative	London Stock Exchange	SMBC Nikko Capital Markets
CMS Francis Lefebvre Avocats	Luxembourg Stock Exchange	Société Générale CIB
Commerzbank	Mainstreet Capital Partners	Standard Chartered Bank
Crédit Industriel et Commercial	Mayer Brown	Sustainable Fitch
CSCI Pengyuan Green Finance	Mediobanca	T. Rowe Price International
Dagong Low-Carbon Solutions	METI	TD Securities
Daiwa	Mirova	The Carbon Trust
DBS Bank	Mizuho International plc	The Impact Investing Institute
Dentons	Moody's Investors Service	UBS
Deutsche Bank	Morgan Stanley	UNPRI
DNB	Morningstar Sustainalytics	Westpac
EBRD	MSCI ESG Research	World Bank
Emerging Markets Investors Alliance	MUFG Securities EMEA plc	WWF
Emirates NBD Capital		Zurich Insurance