

# Guidelines for Green, Social, Sustainability Bonds, Sustainability-Linked Bonds, Sustainability-Linked Loans financing Bonds and Climate Transition Bonds External Reviews

June 2026



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The [Green Bond Principles \(GBP\)](#), [Social Bond Principles \(SBP\)](#), [Sustainability Bond Guidelines \(SBG\)](#), [Sustainability-Linked Bond Principles \(SLBP\)](#), [Guidelines for Sustainability-Linked Loans financing Bonds \(SLLB\)](#) and the [Climate Transition Bond Guidelines \(CTBG\)](#) (collectively “ICMA Guidance”) recommend that in connection with the issuance of a Green, Social, Sustainability, or Sustainability-Linked (GSSS) Bond, a Sustainability-Linked Loan financing Bond (SLLB) or a Climate Transition Bond (CTB) or programme, issuers appoint external review provider(s) to confirm the alignment of their bond or bond programme with all the core components, key elements or specific criteria of the respective ICMA Guidance.

Post issuance, the ICMA Guidance also recommends that issuers appoint an external review provider. In the case of use of proceeds bonds, the management of proceeds could be supplemented by the use of an external auditor, or other third party, to verify the internal tracking and the allocation of funds from the bond proceeds to eligible Green and/or Social Projects. In the case of SLLBs, issuers are expected to seek an external verification of their performance level against each SPT for each KPI, at least once a year.

These Guidelines for External Reviews (GER) aim to promote best practice. They complement the ICMA Guidance and other existing relevant guidance such as the Climate Bonds Guidance to Verifiers and External Reviewers<sup>1</sup>, China’s Green Bond Assessment and Verification Guidelines jointly issued by the People’s Bank of China and the China Securities Regulatory Commission, the Regulation (EU) 2023/2631 on European Green Bonds, and the ASEAN Green Bond Standards. They provide voluntary guidance relating to professional and ethical standards for external reviewers, as well as to the organisation, content and disclosure for their reports. They have been developed as a common undertaking between the [Executive Committee of the Principles](#) in consultation with a group of leading external reviewers, with the support of ICMA Secretariat.

These voluntary GER are a market-based initiative and aim to provide information and transparency on the external review processes for issuers, underwriters, investors and other stakeholders. They strive to represent a consensus view from all parties involved and will be updated periodically with feedback from external reviewers and consultations with the Principles’ member and observer community.

The February 2021 version of the GER provided additional guidance especially for external reviews related to Sustainability-Linked Bonds. The provisions related to the content of external reviews were also moved into a dedicated section.

The June 2022 version of the GER included some provisions related to the [Climate Transition Finance Handbook](#), which provides clear guidance and common expectations to capital markets participants on the practices, actions and disclosures to be made available when raising funds in debt markets for climate transition-related purposes.

The 2026 version of the GER complemented the existing guidance with references to the [Green Enabling Projects Guidance](#), the [Guidelines for Sustainability-Linked Loans financing Bonds](#) and the [Climate Transition Bond Guidelines](#).

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<sup>1</sup> <https://www.climatebonds.net/expertise/standard-sector-criteria-certification/certification/become-approved-verifier>





# 1 Types of External Reviews

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There are a variety of ways for issuers to obtain external input to their Green, Social, Sustainability or Sustainability-Linked Bonds (GSSS Bonds), their Sustainability-Linked Loan financing Bonds (SLLBs) or their Climate Transition Bonds (CTBs) process and there are several levels and types of external reviews that can be provided in the market. Independent external reviews may vary in scope and may address a GSSS Bond, an SLLB or a CTB framework/programme; an individual GSSS Bond, SLLB or CTB issue, and/or the underlying assets (in the case of specific Use of Proceeds bonds) and/or procedures. They are broadly grouped into the following types, with some providers offering more than one type of service, either separately or combined.

For a mapping of the services provided, see the [External Review Service Mapping Overview](#) available on ICMA's website. It provides market participants with clear information on the range of services offered as well as the context and content of the final external review report.

Below are the most commonly used external reviews that have been seen in the market so far. If external review providers utilise other designations, they are encouraged to clearly specify the scope of their assessment, especially when the report includes a combination of services (e.g. assessment and rating/scoring).

## 1.1 Pre-issuance or Debt relabelling<sup>2</sup>

- 1. Second Party Opinion (SPO):** An institution with environmental, social, sustainability or climate transition expertise that is independent from the issuer may provide an SPO (either required or recommended pre-issuance as described in the respective ICMA Guidance). The institution should be independent from the issuer's adviser for its GSSS Bond, SLLB or CTB framework or climate transition strategy, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the SPO provider.
- 2. Certification:** An issuer can have its bond, bond framework, Use of Proceeds (UoP) or Key Performance Indicators (KPIs) and Sustainability Performance Targets (SPTs) certified against a recognised external green/social/sustainability standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- 3. Assurance engagements:** Reasonable assurance or limited assurance are notably provided by audit or accounting firms. Those reports can highlight some specific points, such as establishing that the issuer meets the preconditions for assurance or that the right controls, processes and frameworks are in place. Assurance providers generally set out the exact level of work and testing they have done.

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<sup>2</sup> See Question 1.18 of the [Guidance Handbook](#)

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## 1.2 Post-issuance

- 4. Review:** An institution with environmental, social, sustainability or climate transition expertise that is independent from the issuer may provide a review that evaluates whether the issuer has allocated the proceeds of a GSS bond in line with the core components of the applicable ICMA Guidance, as well as in accordance with the commitments outlined in their bond framework. Reviews can also assess that the source of the method of estimating the impacts is aligned to the best standards and practices within the respective industry.
- 5. Verification:** An issuer can (or “needs to” in the case of SLBs) obtain independent verification against a designated set of criteria, typically pertaining to environmental/social/sustainability or KPI performance and sustainability targets for the SLBs. Verification may focus on alignment with internal or external standards or claims made by the issuer.
- 6. Updated Second Party Opinion (SPO):** in case of changes related to material elements contained in the pre-issuance SPO, the external reviewer can assess in an updated SPO whether those changes affect its initial opinion.

Nothing prevents the issuer from choosing the same service provider for pre- and post-issuance reporting.

## 1.3 Entity level assessment

An issuer could have its transition or sustainability targets and/or plans evaluated at the entity level, rather than at the bond framework level. It could be used on a standalone basis, or in addition to a pre-issuance external review for a GSSS Bond, SLLB or a CTB framework. The assessment could take the form of a target validation, an implied temperature rise score or provide an assessment of the quality of an entity’s implementation plans and the likelihood of the targets being achieved. The assessment may be provided by third parties such as specialised research providers or rating agencies, according to an established scoring/rating methodology. Such assessments, when provided in the EU, maybe classified as “ESG Ratings” and subject to regulation by ESMA under Regulation (EU) 2024/3005.



## 2 Ethical and Professional Standards for External Reviewers

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In line with the definitions above, different types of firms can provide external reviews. Some of these firms' activities are explicitly covered by professional standards and/or regulation, such as accounting firms, accredited verifiers, and registered credit rating agencies, while others are not. At a high level, all firms providing external reviews should be guided by the following five fundamental ethical and professional principles:

1. Integrity
2. Objectivity
3. Professional Competence and Due Care
4. Confidentiality
5. Professional Behaviour

Some external reviewers may already be subject to existing professional standards (e.g. professional accountants) and/or be subject to regulatory regimes (e.g. accounting firms, accredited verifiers, registered credit rating agencies), the elements of which already address many if not all of the aims of these voluntary GER.

Nevertheless, there are a variety of assurance service professional standards and industry wide codes of conduct that external reviewers should look to adhere to, when relevant, when they provide services to GSSS Bond, SLLB or CTB issuers.

For example, external reviewers should especially consider the relevance of the [International Code of Ethics for Professional Accountants](#), paying particular attention to section 4B – Independence for Assurance Engagements other than Audit and Review Engagements; the resources provided by the [American Institute of Certified Public Accountants; ISAE 3000 \(Revised\); the assurance engagements other audits or reviews historical financial information \(isae-3000\); ISSA5000 on general requirements for sustainability assurance engagement](#)<sup>3</sup>; the [IESBA Handbook of the Code of Ethics of Professional Accountants, section 291 Independence - Other Assurance Engagements](#); and the [AICPA Code of Conduct](#). Also applicable are the standards provided by [ISO/IEC 17021-1 2015](#), [ISO 14030-4 2021](#) and [ISO 14065 2020](#). ESG ratings providers can also refer to the [December 2023 Code of conduct](#).



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<sup>3</sup> Effective December 2026

### 3 Organisation of External Reviewers

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While providing external reviews for GSSS Bonds, SLLBs or CTBs, external reviewers should ensure that they:

1. Have an organisational structure, working procedures, and other relevant systems for carrying out the external review.
2. Employ appropriate staff with the necessary experience and qualifications for the scope of the external review being provided.
3. If applicable, carry the appropriate professional indemnity / professional liability insurance cover.

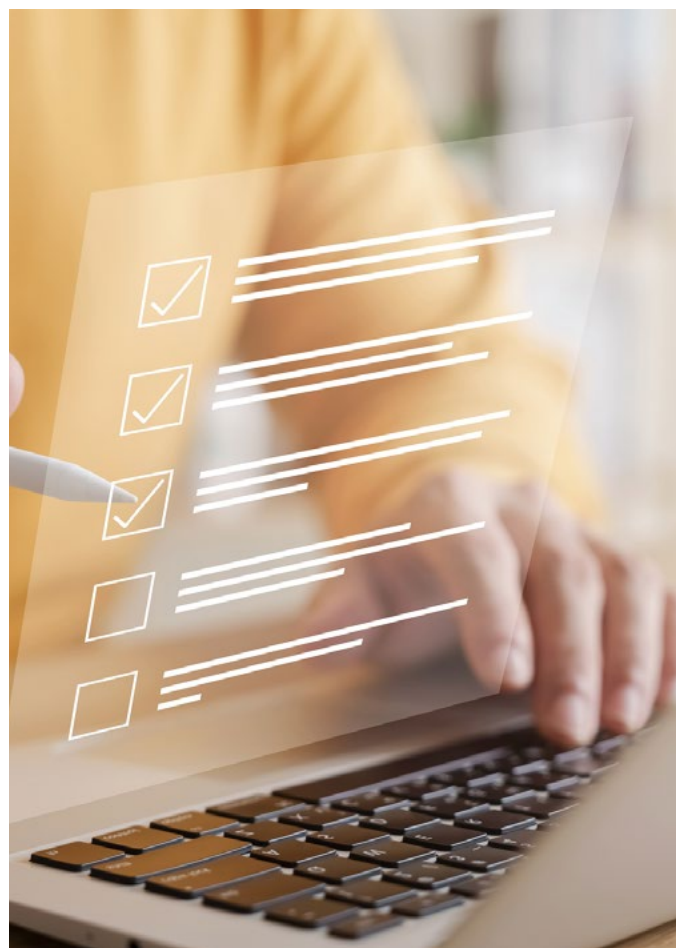
ICMA guidance encourages external reviewers to disclose their credentials and relevant expertise and communicate clearly the scope of the review(s) conducted. External reviews should either include or indicate at a minimum where the following information may be available:

1. General description of the objective, scope of work, and the external reviewer's credentials.
2. The requisite credentials to evaluate KPIs, SPTs and related benchmarks, baselines and strategies for SLBs, the potential environmental and sustainability risks and impacts of the Green and Social Bond Principles or the climate transition project categories, as well as the company's decarbonisation strategy, implementation plans and governance.
3. Statement on independence and conflict-of-interest policy.
4. Definitions, analytical approach, and/or methodologies used.
5. Conclusions or output of the external review report including any limitations on the external review.

In particular, for a pre-issuance external review, providers should have expertise in:

1. For Use of Proceeds (UoP) Bonds, the eligible Green and/or Social Bond project categories or the climate transition project categories.
2. For Sustainability-Linked Bonds, the selected KPIs, SPTs, benchmarks, baselines, and strategies related to sustainability performance in the context of the issuer's business model.
3. Where appropriate, climate change strategy, governance and science-based trajectories.

The above may also be relevant for post-issuance, depending on the methodology and standards being applied, which should be disclosed by the external reviewer.



## 4 Content of External Reviews

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### 4.1 Pre-issuance or Debt relabelling

ICMA Guidance recommends that issuers appoint (an) external review provider(s) to assess the alignment of their GSSS Bond or GSSS Bond programme and/or Framework with the core components of the related ICMA Guidance.

External reviews (either required or recommended pre-issuance as described in the respective ICMA Guidance) may be complete or partial.

- **Complete reviews** assess alignment of a given issuance or bond framework with all core components of the relevant ICMA Guidance. Complete reviews can also assess an entity's climate transition plan relative to global targets such as the Paris agreement goals.
- **Partial reviews** assess alignment of only certain limited aspects of a given an issuance or framework. Timing of an external review may depend on the nature of the review and publishing an external review can be constrained by business confidentiality requirements.

Depending on the type of external review, it is recommended that reviewers confirm alignment with all core components of the relevant ICMA Guidance, and use the external review template available on [ICMA's website](#) as a standard feature of their reports.

“Alignment” should refer to all core components, key elements or specific criteria as relevant in the ICMA Guidance. In particular, an external review can include an assessment of the issuer's overarching objectives, strategy, policy, and/or processes relating to environmental and/or social sustainability (if applicable).

Additionally, external reviewers are encouraged to:

#### For Green, Social and Sustainability Bonds:

1. Assess the environmental and/or social co-benefits and impact targeted by the eligible Green and/or Social

Projects financed by the Green, Social or Sustainability Bond.

2. Assess the identified material environmental and/or social risks associated with the Projects, (where relevant).
3. If green enabling projects are incorporated in a Green Bond issuance, assess the relevance of the 4 specific criteria described in the [Green Enabling Projects Guidance](#).

#### For Sustainability-Linked Bonds:

1. Confirm the publication of the elements listed in the [SLB Checklist](#).
2. In case of a combination of KPIs, assess whether they are ‘relevant, core and material’.<sup>4</sup>
3. Specify for each KPI/SPT, if it could be used on a standalone basis.<sup>5</sup>

#### For Climate Transition Bonds:

1. Confirm the disclosure, clarity and ambition of the issuer transition strategy.
2. Assess that a meaningful portion of the bond proceeds will be allocated to CT Projects.

### 4.2 Post-issuance

#### Allocation report<sup>6</sup>

ICMA Guidance recommends that an issuer's management of proceeds be supplemented by the use of an external auditor, or other third party, to verify the internal tracking and the allocation of funds from the bond proceeds to eligible projects.

This verification is expected to take place annually or until full allocation.

#### Impact report<sup>7</sup>

The impact report should illustrate the expected environmental and/or social impacts or outcomes made

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<sup>4</sup> Additional guidance is provided in the [Illustrative KPIs Registry](#), with regards to 'core' and 'secondary' KPIs at sector level.

<sup>5</sup> Q 4.3.11 of the [Guidance Handbook](#).

<sup>6</sup> See [Guidance on Allocation Reporting](#).

<sup>7</sup> See [Harmonised Framework for Impact Reporting \(green projects\)](#) and [Harmonised Framework for Impact Reporting for Social Bonds](#).

possible as a result of projects to which bond proceeds have been allocated. ICMA Guidance recommends that the source of the method of estimating the impacts is assessed by an external reviewer and aligned to the best standards and practices within the respective industry.

External review providers should assess that the report uses qualitative performance indicators and, where feasible, quantitative performance measures and that it discloses the key underlying methodology and/or assumptions used in the quantitative determination.

Evaluation of the environmentally or socially sustainable features of underlying assets may be termed verification and may reference external criteria.

For CTBs, post-issuance assessment may be used to assess consistency of reporting with the issuer's stated transition strategy.

### Sustainability-Linked Bonds updated SPO and verification

An external review (such as an updated SPO) can comment on the progress against baseline/benchmark, international targets and if such external benchmarking factors have changed after the adoption of the SLB framework.

External reviewers should confirm whether there is a change in the financial and/or structural characteristics of the bond.<sup>8</sup> If they make such an assessment, they should disclose their expertise. However, external reviewers may consider they do not have sufficient financial expertise to assess to what degree the variation in the financial characteristics of an SLB is commensurate and meaningful; in which case it is recommended they state so clearly in their report.

In case of any material change to perimeter/KPI methodology/SPT(s) calibration, external reviewers can assess any of these changes.<sup>9</sup> In particular, in cases of change of the KPI calculation or change of an SPT prior to maturity, an external review, such as an updated SPO, can confirm inter alia that the changes would result in the SPTs being no less ambitious than those originally set, that the SLB continues to align with the SLBP, that there continues to be consistency with the issuer's sustainability strategy, that there is no (material) impact on the original

SPO, and/or that changes to calculation policies are aligned with the SBTi methodology (or another relevant recognised body).

For SLBs, post-issuance verification is a requirement of the SLBP. The independent and external verification (for example limited or reasonable assurance) shall assess the performance level against each SPT for each KPI, 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 SLB financial and/or structural characteristics, until after the last SPT trigger event of the bond has been reached. The verification of the performance against the SPTs should be made publicly available.



<sup>8</sup> See Q 4.4.1 of the [Guidance Handbook](#).

<sup>9</sup> Q 4.4.3, 4.4.7 and 4.4.9 of the [Guidance Handbook](#).

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## 4.3 Entity level assessment

Where issuers wish to finance projects directed towards implementing a net zero emissions strategy aligned with the goals of the Paris Agreement, guidance on issuer level disclosures and climate transition strategies may be sought from the [Climate Transition Finance Handbook](#) (CTFH).

Pre-issuance or post-issuance external review can be considered for climate transition in connection with any Use of Proceeds or SLB issuance, in accordance with the four key elements of the CTFH.

In such cases, a pre- or post-issuance external review should include an assessment of the climate transition strategy and governance of the issuer, its business model environmental materiality, whether any forward-looking targets are “science-based” and the transparency of the issuer’s implementation plan.

Issuers may also use an entity level transition assessment to support issuance of CTBs, either by itself or in conjunction with an external review provider. Nothing prevents the issuer from choosing the same service provider for pre-issuance and entity level assessment.

Such an assessment should consider:

1. The alignment of both the long-term and short-term targets with the overall scenario and the credibility of the issuer’s strategy to reach the targets.
2. If appropriate, the materiality of the planned transition trajectory in the context of the issuers overall business.
3. The alignment of the issuer’s proposed trajectory with appropriate science-based trajectories<sup>10</sup> that are deemed necessary to limit climate change to targeted levels.
4. The governance around the transition strategy, including the quality of disclosures and the assignment of responsibility / incentives among senior management towards achieving targets.

The assessment may also focus on assurance or on capital expenditure (capex) and operational expenditure (opex) plans and other relevant metrics to the extent related to the transition strategy.



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<sup>10</sup> The [Methodologies Registry](#) is a list of tools to specifically help issuers, investors, or financial intermediaries validate that their emission reduction trajectories/pathways are “science-based”, specifically in the context of Element 3 of the Climate Transition Handbook.

## 5 Disclosure for External Reviews

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ICMA Guidance recommends that pre-issuance external reviews be made publicly available on the bond issuer's website and/or through any other accessible communication channel as appropriate before or at the time of the issuance, such as the external reviewer's website.

External reviewers are encouraged to disclose in the report the methodologies, scenarios, taxonomies, and pathways they used. The external review template or a second party opinion should be made available online on [the sustainable bond issuers database](#), available on ICMA's website.<sup>11</sup> External reviews may also be made available in respect of previously issued bonds.

Issuers may wish to consider whether it is appropriate under applicable securities laws to identify the external reviewer in the offering disclosure for the bond.

Post issuance verification of SLBs should be made publicly available at least annually. At a minimum, such verification must be made available for any date/period relevant for assessing the SPT performance which could lead to a potential adjustment of the SLB financial and/or structural characteristics. This verification must be provided until after the last SPT trigger event of the bond has been reached. In this context, references to the frequency and availability of post-issuance verification should be included in the relevant SLB offering document (e.g. terms and conditions of the note).



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<sup>11</sup> At the request of the issuer or external reviewer, the opinion may be removed from the database if it is deemed to be no longer valid or out of date.

## 6 Contributors

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These Guidelines are voluntary and have been developed through a collaborative and consultative process with leading external reviewers. Please see [ICMA's Website](#) for a full list of contributing organisations as well as a list of those voluntarily aligning with these Guidelines.



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