

# Summary of changes to ICMA Principles



NatWest

2014	2018	2021	Key Changes
<b>Principles</b>			
Principle 1: Use of Proceeds Principle 2: Process for Project Evaluation and Selection Principle 3: Management of Proceeds Principle 4: Reporting			No substantive changes
<b>Key Recommendations</b>			Newly defined recommendation section in 2021
Assurance	External Review	External Review	<p>Increased focus on transparency in 2021</p> <ul style="list-style-type: none"> <li>• Issuers are recommended to appoint an external review provider to assess the alignment of green bonds with the principles ahead of the issuance.</li> <li>• Following issuance, it is recommended that an external auditor or other third party verifies the internal tracking and the allocation of funds to eligible green projects.</li> <li>• Issuers are encouraged to have a process in place to identify mitigants relating to material risks of negative environmental/ social impacts from their projects.</li> </ul>
Second Party Consultation	Second Party Opinion	Second Party Opinion	<ul style="list-style-type: none"> <li>• Updated to reflect broader GSSS instrument types including green, social, and sustainability-linked bonds</li> </ul>
Publicly available reviews and audits	Verification	Verification	<ul style="list-style-type: none"> <li>• Updated to reflect broader GSSS instrument types including green, social, and sustainability-linked bonds</li> </ul>
Third party, independent verification / certification	Certification	n/a	Section removed in 2021
n/a	Green Bond Scoring / Rating	Green, Social, Sustainability and Sustainability-Linked Bond Scoring/Rating	<p>New in 2018</p> <ul style="list-style-type: none"> <li>• Updated to reflect broader GSSS instrument types including green, social, and sustainability-linked bonds in 2021</li> </ul>
		Green Bond Frameworks	<p>New Section focuses on increased transparency:</p> <ul style="list-style-type: none"> <li>• Issuers seeking to comply with the GBP should explain how their green bonds align with the four principles of the GBP in a Framework or legal document.</li> <li>• Issuers are also encouraged to disclose any taxonomies, green standards, or certification references, in the process for project selection.</li> </ul>

TOMORROW BEGINS TODAY

