

When Structuring KPIs and Targets for Linked Bonds or Loans – 3 Steps to Consider:



- Industry
- Business Model
- Controversies
- Sustainability Reporting
- Sustainability Commitments

Materiality / Relevance For the Co./Industry (relevant/core)	Consistent (changes in company activity / relevant for future)
Applicability (e.g. % of emissions/ impact/issue)	Definition (clear, measurable & quantifiable)
Baseline (When & Why ?)	Based: External Methodology: (GHG protocol / GRI/ WRI)
Benchmarkable/ Performance Based (External References)	Context/Rationale (Make Sense? Good Narrative?)

Target: (What & When?)

Past Performance
(3 years)

Peers
(vs current/sector standards)

Vs Science/Best Available Technology

Strategy:
Credible?

What & How to be met?

Offsets?
(Easy Way Out)

- Tips & Tricks:**
1. Avoid BAU
 2. Avoid something @ minimum level
 3. Avoid just minimum compliance
 4. Maintain: Generally not ambitious

- Quick Checks:**
1. Easy to meet = *Not Ambitious*
 2. Mostly Achieved Already = *Not Ambitious*
 3. Hard to meet & Some Uncertainty = *Likely to be Ambitious*