

# **Report Review:**

Methodology and Research Process

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## ISS-Corporate Report Review

According to the International Capital Market Association (ICMA) and Loan Market Association (LMA) principles, the issuer/borrower of green, social and/or sustainability instruments should report annually starting within one year after the debt issuance covering a reporting period of 12 months. The Report Review presents an overview of the financed assets/projects and of the impacts that have been or are being achieved through the corresponding financing instruments. Report Reviews follow the Green Bond Principles (GBP), the Social Bond Principles (SBP), the Sustainability Bond Guidelines (SBG), the Harmonized Framework for Impact Reporting (HFIR) and the Harmonised Framework for Impact Reporting for Social Bonds (HFIRSB) as administered by the International Capital Markets Association (ICMA), and/or the Green Loan Principles (GLP) or the Social Loan Principles (SLP) as administered by the Loan Market Association (LMA), as the reference frameworks. The product is designed to check whether, in the post-issuance phase, the projects/assets to which the proceeds have been allocated, and the actual and expected environmental and/or social impacts of those projects/assets, are aligned with market standards.

### Outputs

The final output consists of a Report Review which includes a research document detailing the items below in a descriptive manner, accompanied by signals (e.g., “aligned”/ “not aligned” with the applicable reference framework) and data points (related to both the transaction and the reporting indicators).

The analysis results are aggregated in a summary and categorized in three different sections:

- An evaluation of the alignment of the issuer’s/borrower’s report with the commitments set forth in their financing framework, bond documentation, or loan agreement.
- An evaluation of the alignment of the issuer’s/borrower’s report benchmarked against the ICMA HFIR and/or HFIRSB, as applicable.
- A review of the issuer’s/borrower’s disclosure of proceeds allocation and an analysis of the impact metrics outlined in the issuer’s/borrower’s report.

### Research Process

A Report Review is a one-time assessment, and it is valid as long as the issuer’s/borrower’s report does not change. Report Reviews may also be updated on an ad-hoc basis, upon client request. ISS -Corporate’s Report Review research process can be broken down as follows:

- Data collection: ISS-Corporate relies on the issuer’s/borrower’s report and written financing framework/bond documentation or loan agreement. Detailed list and characteristics of projects financed, post-issuance SPO, Climate Bonds Initiative Certification, external verification of reporting or proceeds allocation, and others are screened in order to collate qualitative and quantitative data to be used in the assessment.

- ESG research: ISS-Corporate proprietary methodologies are applied.
- Quality assurance: Draft analyses are systematically proofread and reviewed by experienced analysts.
- Company feedback: A comprehensive dialogue with the assessed issuer/borrower is carried out throughout the Report Review process, with the feedback utilized within the report.
- Final report: A final report with the qualitative analysis results is published.

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