



Sustainability-linked bonds and loans – Key Performance Indicators (KPIs)

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Sustainability-linked bonds (SLB) and loans (SLL) issuance grew significantly in 2021, there are now more than 200 SLBs and over 500 SLLs in the market. A key element of the sustainability-linked format is the selection of key performance indicators (KPIs) which are used to judge the sustainability performance of the issuer or borrower and commonly has coupon rate step ups and/or step downs based on fulfilling the KPI.

This report summarises the broad themes emerging in sustainability-linked KPIs. *Environmental Finance Bond Data* offers comprehensive coverage of the sustainable bond and loan markets and has devised 19 KPI categories based on the most commonly used KPIs.

To examine further data trends in the GSSS labelled bond and loan markets [book your free demonstration today](#).

A note on some of the data displayed in this report:

1. The sustainability-linked loan market lacks transparency and the figures from our database represent the market according to publicly available information and may not represent the full SLL activity. If you are a lender or borrower and would like to update your listing on our database, please contact: ashton.rowntree@fieldgibsonmedia.com
2. KPIs can be very specific to the issuer or borrower, the KPI categories group KPIs based on their general theme but the precise KPI detail can vary.
3. The value of the bond or loan is pro-rated to each KPI equally if there are multiple KPIs.
4. Country analysis is based on the HQ of the issuer or borrower (not location of financed projects).
5. KPI data covers bonds and loans from the inception of SLBs and SLLs to 28th February 2022.

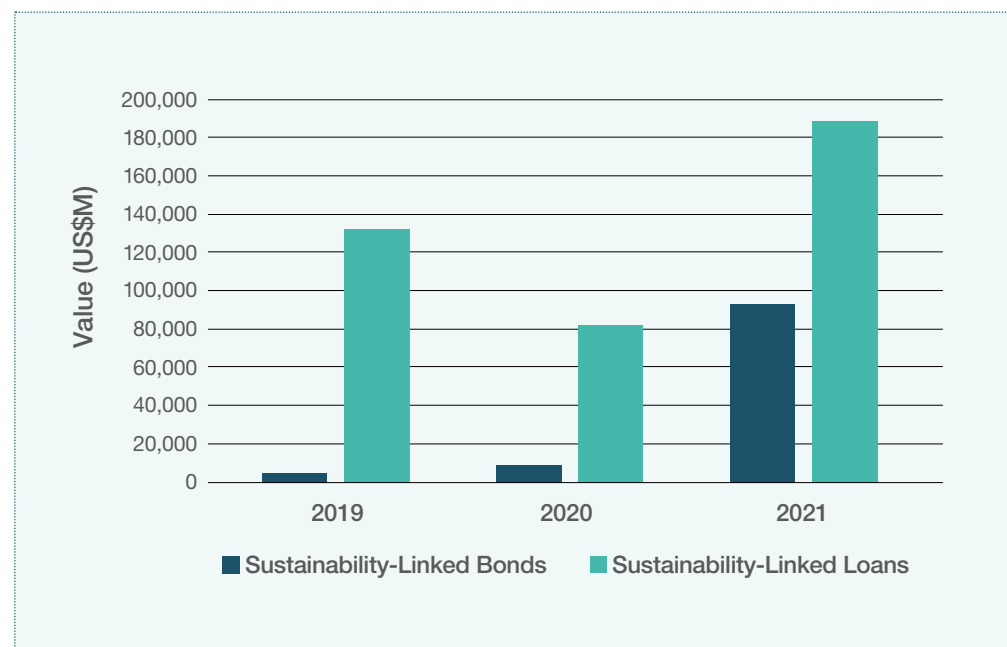


Figure 1: Sustainability-linked debt issuance – Value (\$M)

Source: *Environmental Finance Data*

Regional breakdown of SLB issuers and SLL borrowers

Europe dominates the issuance of SLBs (60%) and borrowing of SLLs (47%) in terms of value (\$M). North America has a larger proportion of SLL activity (28%) than SLB (8%) whilst South America can claim a much larger proportion of SLB activity (9%) than SLL (>1%).

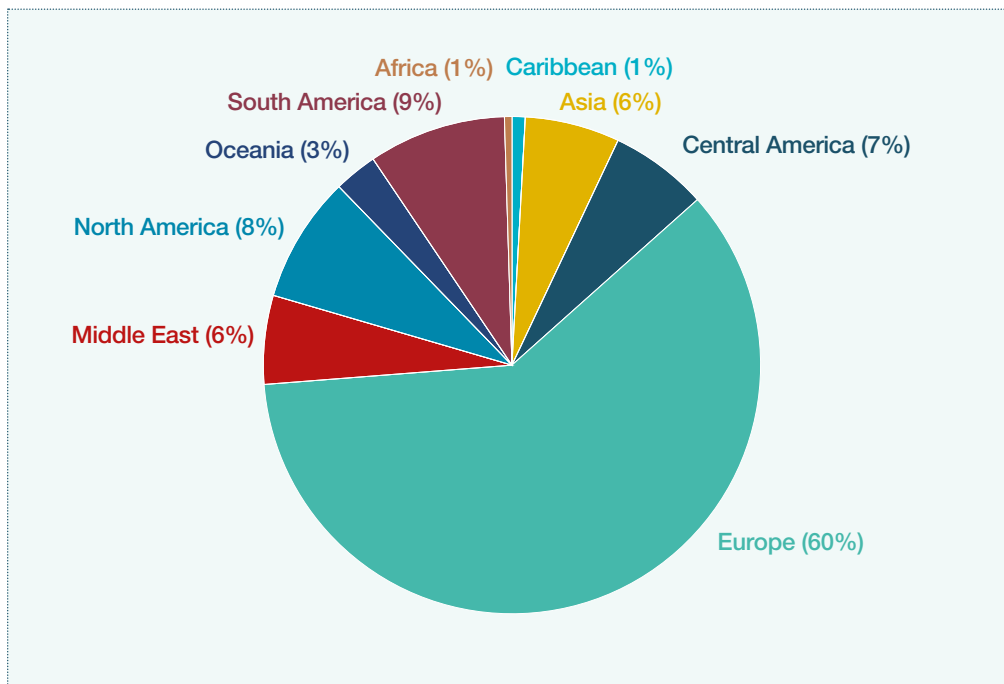


Figure 2: Regional breakdown of sustainability-linked bonds 2021 – value (\$M)

Source: Environmental Finance Data

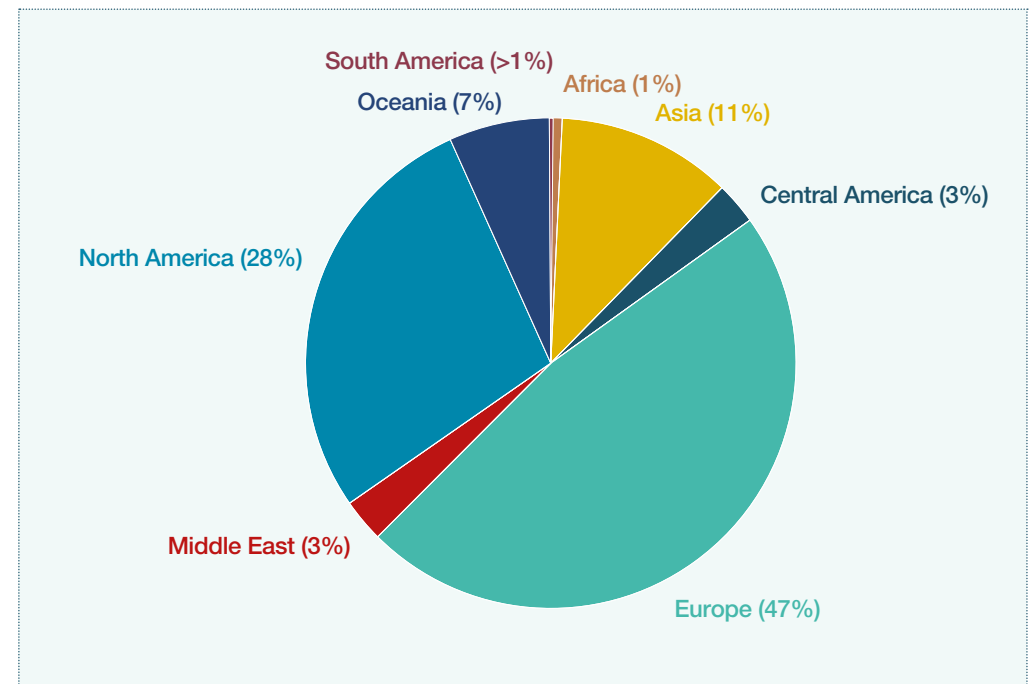


Figure 3: Regional breakdown of sustainability-linked loans - value (\$M)

Source: Environmental Finance Data

Number of KPIs

SLBs (61%) and SLLs (40%) most commonly have one KPI. As figures 5 and 6 show, SLLs are more likely to have multiple KPIs than SLBs. There is only one SLB with 4 KPIs and one SLL with 7. There is an outlier in French multinational retail company Carrefour having 17 KPIs attached to their 2019 sustainability-linked loan.

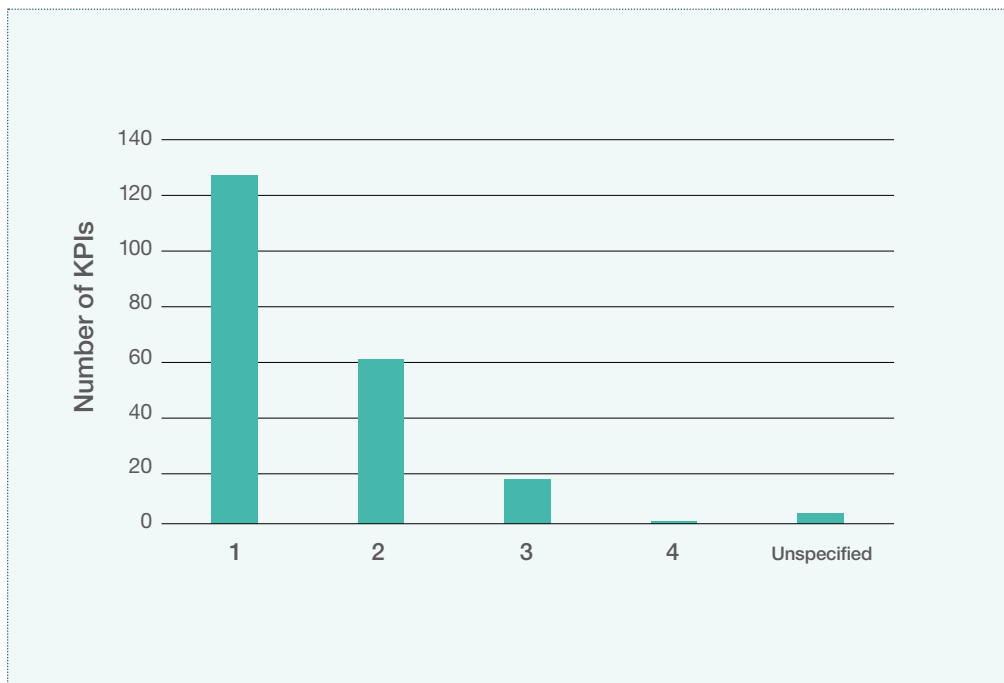


Figure 4: Number of KPIs per sustainability-linked bond

Source: Environmental Finance Data

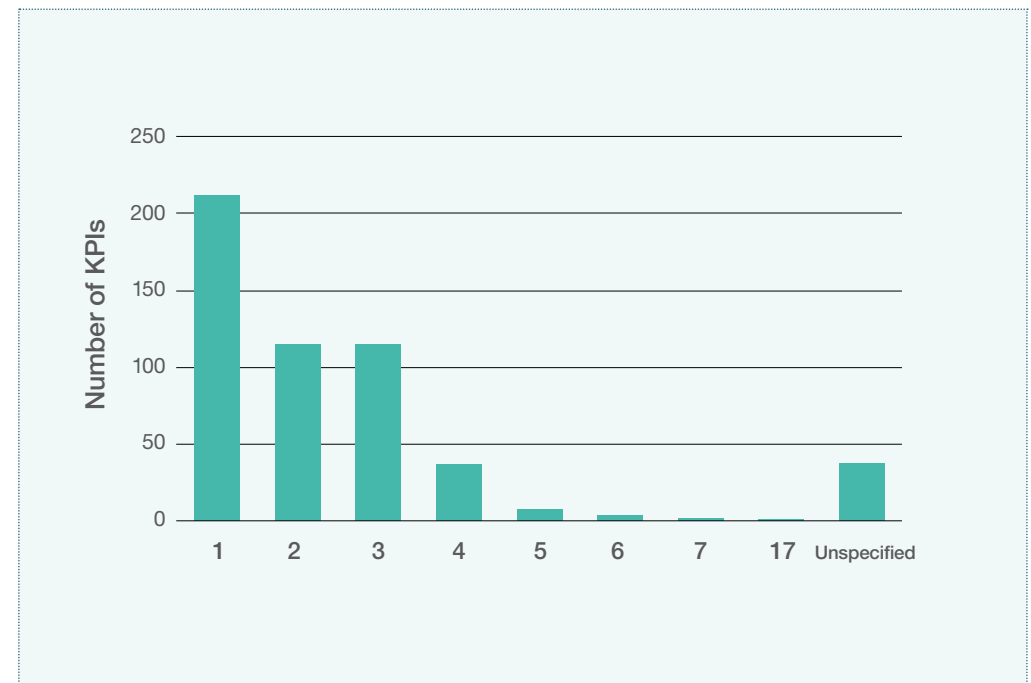


Figure 5: Number of KPIs per sustainability-linked loan

Source: Environmental Finance Data

KPI – Frequency and value

Figures 6 and 7 summarising each KPI by frequency and value highlights the prevalence of Carbon/GHG emission based KPIs. 155/204 SLBs have a KPI related to carbon/GHG emissions and 263/539 of SLLs. There are more diverse KPIs used for SLLs than SLBs, with Global ESG assessment and Renewable energy KPIs featuring significantly more regularly in SLLs than SLBs.

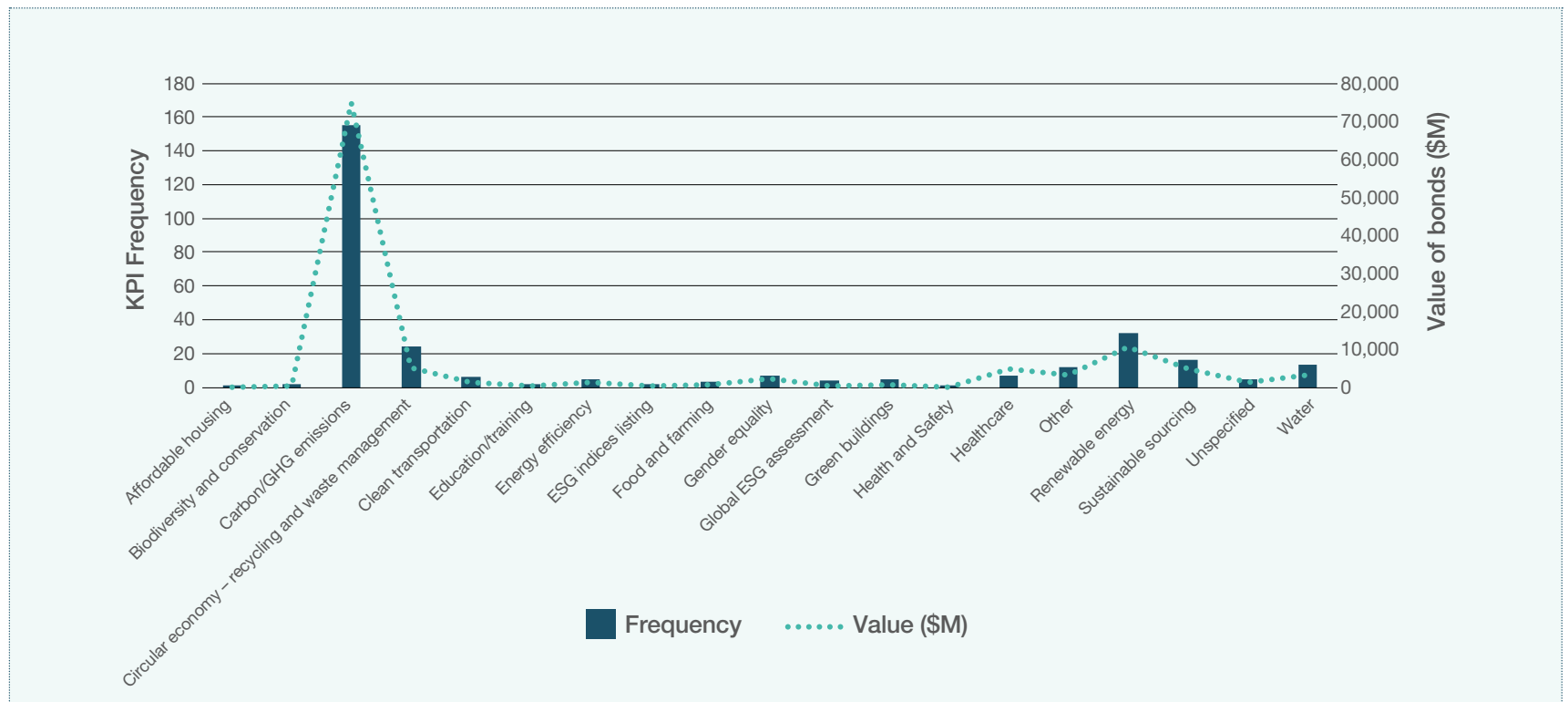


Figure 6: Sustainability-linked bonds - KPI frequency and value (\$M)

Source: Environmental Finance Data

KPI – Frequency and value

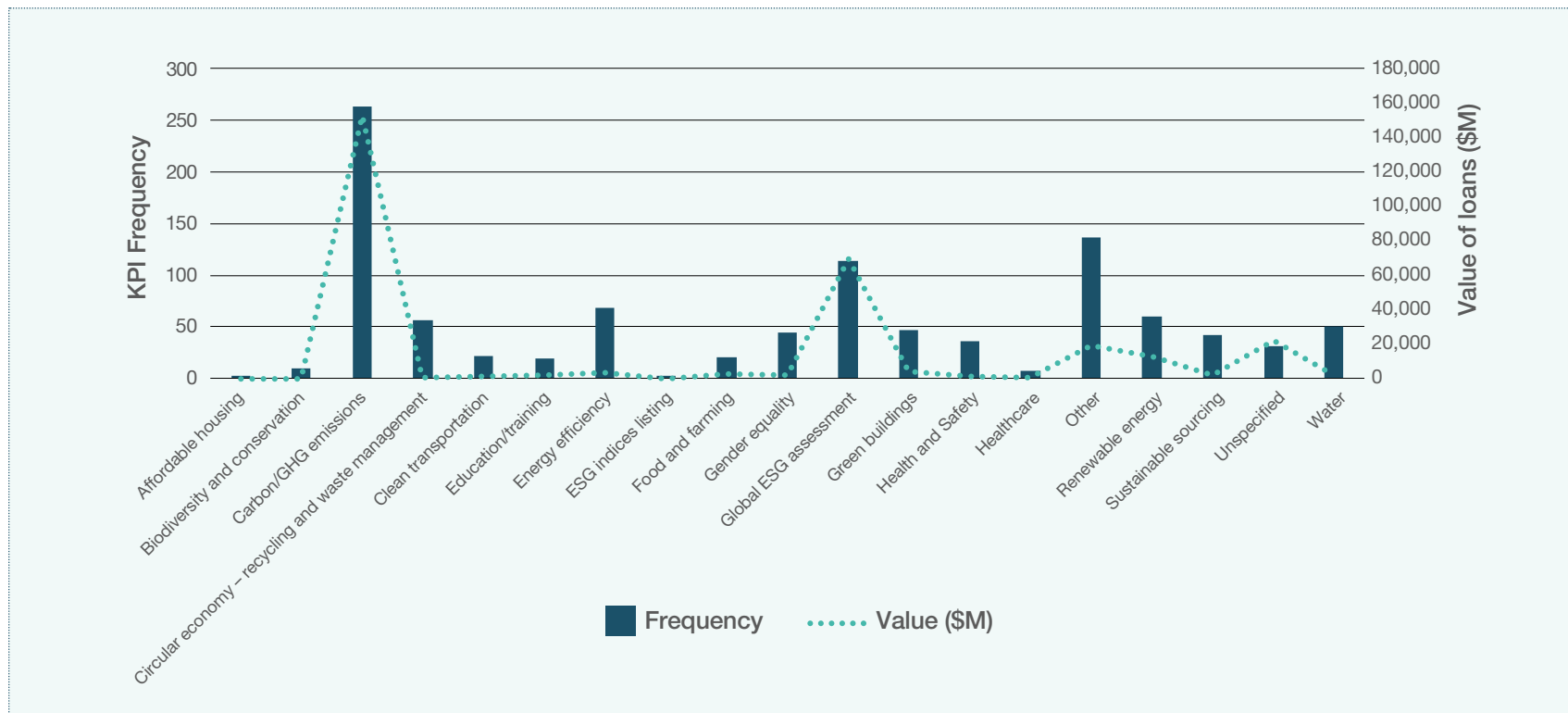


Figure 7: Sustainability-linked loans - KPI frequency and value (\$M)

Source: Environmental Finance Data

Country analysis – KPIs

Figures 8 and 9 show the frequency of each KPI usage by country. It is unsurprising the countries most active in the SLB and SLL market have the greatest number and variety of KPIs.

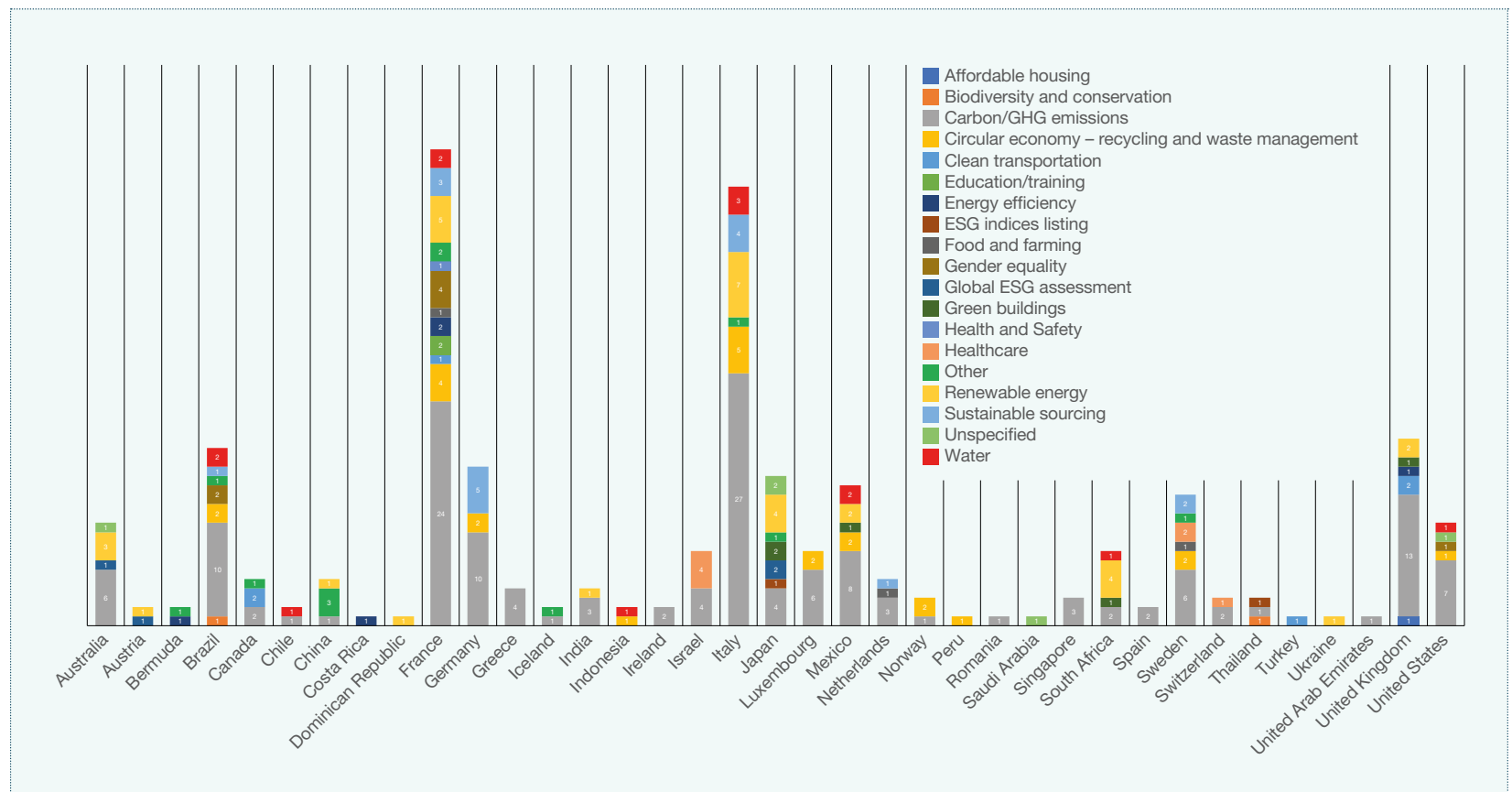


Figure 8: Sustainability-linked bonds – KPI by country (issuer HQ)

Source: Environmental Finance Data

Country analysis – KPIs

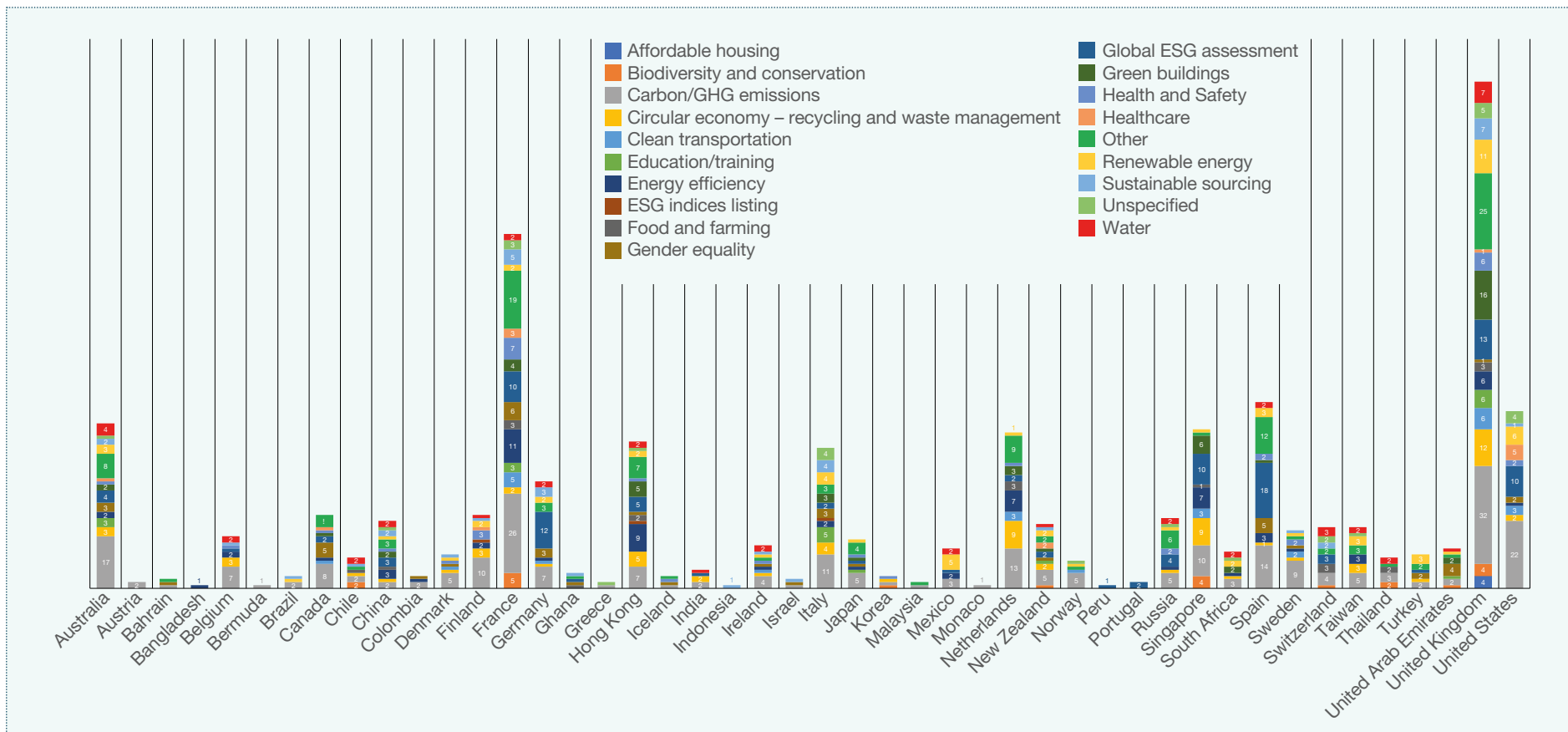


Figure 8: Sustainability-linked loans – KPI by country (issuer HQ)

Source: Environmental Finance Data



Environmental Finance Data

Just added:
KPIs for
sustainability-
linked bonds

The most comprehensive source of information
on green, social, sustainability bonds and loans.

NEW WEBSITE LAUNCHED



Resource Library

Discover our updated resource library – with search and filter functions for all bond, issuer and lead manager resources including impact reports, final terms, external reviews, and frameworks



Interactive

Explore our interactive home page with responsive charts and tables



Functionality

Enjoy our improved export functionality with a custom data column selection



Data

Utilise our new data points – including, EU taxonomy alignment and transition bond label

To request a demo, please contact us at subs@efdata.org