

## Key Performance Indicators

# SLBP KPIs

**S**ustainability-Linked Bonds Principles (SLBP) gives examples of Key Performance Indicators (KPIs) which are common for all as well as sectors specific.



# SLBP KPIs

## KPI features:

At a high level the SLBP recommends that KPIs should be:

- relevant, core and material to the issuer's overall business, and of high strategic significance to the issuer's current and/or future operations;
- measurable or quantifiable on a consistent methodological basis;
- externally verifiable; and
- able to be benchmarked, i.e. as much as possible using an external reference or definitions to facilitate the assessment of the SPT's level of ambition.

## Types of KPIs:

**Core:** KPI is generally material, relatively mature and holistic enough, can in principle be used as a standalone. Core KPIs have been limited to a couple per sector.

**Secondary:** whilst desirable and necessary the KPI is subject to important limitations. For example, it does not necessarily constitute a commitment to change that fundamentally the issuer's business as usual trajectory, is partly material or is not sufficiently mature (e.g. limited market adoption, major data quality or methodological issues).

**Global Benchmarks for KPI definition:** initiatives or frameworks that can provide content that help define and implement this metric.

**Global Benchmarks for calibration of targets:** initiatives or frameworks that can provide content that help determine the appropriate rate of change or degree of ambition, ie calibrate the SPTs. The recently published Climate Transition Finance Methodology Registry (in the context of element 3 of the

Climate Transition Finance Handbook) can be of relevance when it comes to climate related target calibration for SLBs.

Global and sector benchmarks and initiatives are provided to guide market participants in the understanding of material issues, definition of calculation methodologies and/or calibration of their targets.

### **KPI Examples:**

Sector:	Sub-sector:	Sustainability Theme:	Potential KPIs
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All:	All:	Diversity:	% of women at Management/Executive level
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All:	All:	Diversity:	% of women across all levels of the organisation
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All:	All:	Diversity:	Diversity Quota, not limited to gender diversity, i.e. racial & ethnic (%)
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All:	All:	Climate change (GHG emissions and energy):	% of R&D expenditures that are aligned with the EU Taxonomy
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All:	All:	Climate change (GHG emissions and energy):	% of investments that are aligned with the EU Taxonomy
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All:	All:	Climate change (GHG emissions and energy):	% of revenues that are aligned with the EU Taxonomy
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All:	All:	Climate change (GHG emissions and energy):	Scope 1, 2 and 3 GHG emissions (absolute in CO2e)
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Automotive:	Auto Manufacturers, Auto Parts:	Raw material sourcing and recycling (circular economy):	Average recyclability of sold vehicles/products (% by sales-weighted metric tons)
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Automotive:	Auto Manufacturers, Auto Parts:	Climate change (GHG emissions and energy):	% of produced/sold vehicles/components with
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zero (tailpipe) emissions or hybrid vehicles or plug-in hybrid vehicles (less than 50g CO<sub>2</sub>/pkm until 2025)

Automotive: Auto Manufacturers, Auto Parts: Raw material sourcing and recycling (circular economy): Proportion or amount of recycled or renewable/sustainable raw materials used in production or recovered waste or end-of-life materials)