

Green Bond Assurance



The Carbon Trust is recognised as a world-leading expert in assessing the environmental impact of organisations, projects, and the global supply chains which connect them. Our team has deep technical knowledge spanning a range of sustainable asset classes including clean energy, low carbon buildings, industrial energy efficiency, waste management, low carbon transportation, and water management.

Thanks to nearly two decades of experience at the forefront of the global transition to a low carbon economy, we are able to provide a comprehensive range of advisory and assurance services related to green bonds. Our robust and independent approach gives issuers, underwriters and investors the confidence that green bonds are genuinely delivering on their intended impacts.



How we help

- Identifying eligible assets for green bonds
- Understanding the feasibility of proposed issuances, potentially contentious areas, and market precedents
- Developing robust green frameworks for issuances
- Providing objective second party opinions and assurance reports
- Supporting investor roadshows
- Reporting impact against environmental performance indicators

Get in touch

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“The Carbon Trust has a fantastic reputation for its work in sustainable assets. Now, as a licensed verifier under the Climate Bonds Standard, I am delighted that it is bringing that expertise to this urgent and growing market.”

Sean Kidney, CEO, Climate Bonds Initiative



We are an approved Climate Bonds Initiative verifier and an experienced external reviewer and provider of second party opinions in accordance with the International Capital Market Association's Green Bonds Principles.

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Green bond feasibility study and assurance



We helped Barclays to explore the feasibility of creating a green bond backed by UK mortgages for properties with a high Energy Performance Certificate (EPC) rating. The study focused on understanding how EPC ratings in the UK compare to criteria for mortgage-backed green bonds in other European countries, specifically Sweden, Germany and the Netherlands.

This involved assessing what property assets are eligible for inclusion under the Climate Bonds Standard and Green Bond Principles, as well as interviewing and engaging with a range of real estate and financial sector stakeholders. A unique framework and methodology was developed for selecting properties, going far beyond simple EPC ratings and designed to be sensitive to changes in the underlying energy performance of UK housing stock.

This work was followed by assurance services where we provided Barclays with a second party opinion against the ICMA Green Bond Principles and assurance against the requirements of the Climate Bond Standard.

Barclays issued a € 500 million bond in November 2017 using the framework, which was the first of its kind in the UK market. In March 2018 this was recognised by Environmental Finance with the award of Green Bond of the Year – bank.

Green bond second party opinion and impact reporting



We have supported the government of Mexico City in reviewing and revising its green bond framework, as part of the city's wider sustainability and climate change strategy.

We report on the ongoing impact of Mexico City's first green bond of 1,000 million pesos, issued in December 2016 to fund a variety of transport, energy efficiency and water projects. We have advised the city on appropriate methods of monitoring and assessing environmental impact, alongside key performance indicators for public disclosure.

Our tracking and evaluation reports look at the distribution of proceeds, detailing the environmental and climate impact of financed projects. In addition, we conduct expert interviews with the institutions responsible for project implementation to provide an additional level of confidence in outcomes.

We also provided a second party opinion on the environmental aspects of the city's 2017 sustainability bond of 2,000 million pesos against Green Bond Principles criteria. This looked across four core elements – use of proceeds, the process for project evaluation and selection, management of proceeds, and reporting. – at the same time as taking into account the city's specific climate change policies.

First corporate green bond issuance in Indonesia



We worked with Star Energy, one of the world's largest geothermal energy companies, on the launch of Indonesia's first ever corporate green bond. This was issued by Star Energy Geothermal (Wayang Windu) Ltd, as a way of refinancing its 227 MW geothermal power plant situated in the Wayang Windu area of West Java.

We were appointed as the external pre-issuance verifier, providing a second party opinion that both the bond and the underlying framework were structured in accordance with the International Capital Market Association's Green Bonds Principles. We have also been engaged to provide ongoing post-issuance verification of the company's reporting on the green bond on an annual basis.

Drawing on our extensive track record working on clean energy projects around the world, we were able put together an expert delivery team including colleagues that had direct experience of geothermal energy projects, as well as delivering energy efficiency and renewable energy projects in Indonesia. The assurance process included a site visit to the plant in West Java.

Our assurance helped provide confidence to investors that a credible independent expert has recognised the bond's eligibility against appropriate international standards. This allowed Star Energy to complete its offering of US\$580 million in April 2018.