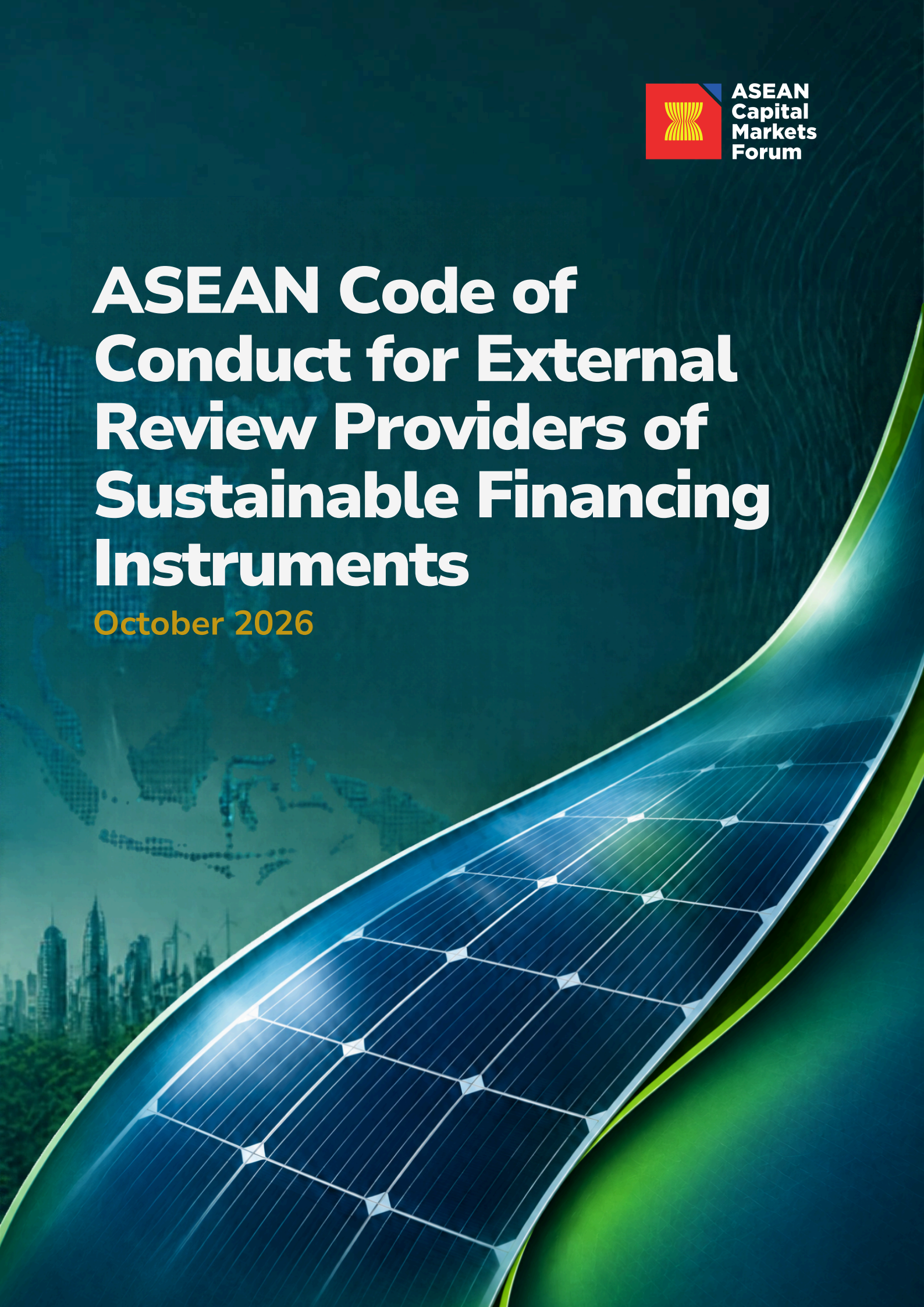
ASEAN Capital Markets Forum

ASEAN Code of Conduct for External Review Providers of Sustainable Financing Instruments

October 2026



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OCTOBER 2026

ASEAN Capital Markets Forum

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Acknowledgement

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1. **ACMF Member Regulators**
2. **ACMF Sustainable Finance Working Group (SFWG) Co-Chairs:**
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3. **The ASEAN-UK Green Transition Fund through the UK Partnering for Accelerated Climate Transition (UK-PACT)**

Foreword

ASEAN's sustainable finance market is growing in ambition, scale and sophistication. This progress creates an important opportunity to mobilise more investment for a low-carbon, climate-resilient and prosperous future. Strong, trusted external reviews can help realise that opportunity by giving issuers and investors confidence that sustainable finance instruments are credible, transparent and aligned with their intended purpose.

The UK is pleased to support the development of the Code of Conduct for External Reviewers in Sustainable Finance Instruments through the ASEAN-UK Green Transition Fund. The document provides a voluntary, non-binding regional reference for external review providers, complementing existing international standards and ASEAN and national frameworks. Its principles on governance, integrity, independence, professional competence, confidentiality, transparency and greenwashing prevention provide practical foundations for credible and high-quality external reviews.

Importantly, the document has been developed through engagement with market participants across ASEAN, including external review providers, issuers, investors and regulators. This helps ensure that it draws on international good practice while remaining relevant to the diverse market and regulatory circumstances of ASEAN Member States.

This Code reflects the value of practical cooperation between ASEAN and the UK, grounded in the knowledge and experience of the region's sustainable finance community. I would like to thank the ASEAN Capital Markets Forum, Palladium, regulators, market participants and all those who contributed their expertise to its development. I hope the Code will become a useful and widely trusted reference – helping external reviewers deliver consistently high-quality work, strengthening confidence among investors and issuers, and supporting the continued growth of sustainable investment across ASEAN. The UK is proud to support this work and looks forward to continuing our partnership with ASEAN towards a more sustainable, resilient and prosperous region.

Helen Fazey
UK Ambassador to the Association of Southeast Asian Nations (ASEAN)

Behind every external review is the trust of those who rely on it. Investors look to these assessments to understand sustainability-related information and make informed decisions. The care exercised in preparing a review, therefore, matters to confidence in ASEAN's sustainable finance markets.

Earning that confidence requires independent judgment, professional competence, and careful examination of evidence. As instruments and market practices become more complex, clear expectations help providers fulfill these responsibilities and help market participants assess their work.

The ASEAN Code of Conduct for External Review Providers of Sustainable Financing Instruments sets out these expectations. Anchored in ASEAN's sustainable finance guidelines and standards, it provides best practices for credible, consistent, and high-quality reviews. It is voluntary and non-binding, complementing existing professional standards and applicable frameworks while recognizing differences in market readiness and development.

The Code rests on seven principles: good governance; integrity; independence and objectivity; professional competence and due care; confidentiality; transparency and disclosure; and greenwashing prevention. These guide how providers organize their work, manage conflicts of interest, protect information, and explain their methodologies, conclusions, and limitations.

Their value comes through consistent practice. We encourage providers to incorporate the Code into their governance, policies, and professional work. Issuers, investors, and other market participants can also use it when engaging providers and assessing reviews, strengthening accountability and encouraging continued improvement.

By supporting professional conduct, the Code advances the ACMF Action Plan 2026–2030 and our R.I.S.E. agenda. It also reflects "Navigating Our Future, Together," recognizing that each of us has a responsibility to uphold confidence in sustainable finance.

We thank the ASEAN-UK Green Transition Fund and its Building Resilient Investments for a Diverse Green Economy (BRIDGE) project for supporting this publication. We also acknowledge Palladium Group and PricewaterhouseCoopers (PwC), our technical consultants, and our ASEAN colleagues and other stakeholders for their contributions.

On behalf of the ACMF and the Securities and Exchange Commission Philippines, we commend this Code to our members and stakeholders. May its principles guide the care behind every review and help sustain the trust that allows sustainable finance to grow.

Francisco Ed. Lim
Chairperson, Securities and Exchange Commission Philippines
ACMF Chair 2026

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1 Introduction

Overview

Purpose and context

ASEAN is accelerating its transition toward sustainable development and climate resilience, and its capital markets play an increasingly central role in mobilising financing for sustainability. ASEAN Member States are advancing in taxonomy alignment and policy development, and the issuance of labelled instruments such as green, social, sustainability and sustainability-linked bonds continues to grow. The number and diversity of external review providers operating in the region is increasing alongside this activity, reflecting both market dynamism and rising demand for external reviews. As the region moves toward more complex sustainable financing instruments, the credibility and consistency of external review become increasingly important.

The purpose of this Code is to promote consistent, credible and transparent conduct by external review providers of sustainable financing instruments in ASEAN. It establishes regionally relevant expectations for organisational governance, ethical conduct, independence, competence, review quality, confidentiality, transparency and the identification of potentially misleading sustainability claims. This Code of Conduct responds to that context by setting out shared expectations for how external reviews are carried out in the region.

Objective and audience

The ASEAN Code of Conduct for External Review Providers of Sustainable Financing Instruments is intended to serve as a voluntary and non-binding reference. This Code is primarily addressed to:

- External review providers, who are encouraged to apply it to their own conduct in carrying out reviews.
- Issuers or other users of reviews, who may also refer to it when selecting or engaging an external review provider, though it is not a procurement standard.

ASEAN Member States may, at their discretion, consider its use in relevant initiatives, including accreditation or other applicable mechanisms, as appropriate to their respective regulatory frameworks and market circumstances.

Alignment with other standards and guidance

This Code of Conduct draws on established global standards and guidance for external review providers, adapted to the ASEAN context. Its principles and best practices are benchmarked against and have been developed in reference to the following sources:

- **International Capital Market Association (ICMA):** Guidelines for External Reviews and the Code of Conduct for Environmental, Social and Governance (ESG) Rating and Data Product Providers, which inform the definitions of review types and expectations on governance, transparency, and disclosure.
- **Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA), Asia Pacific Loan Market Association (APLMA):** External Review Guidance for Green, Social and Sustainability-linked Loans, which informs expectations on independence, competence and communication.
- **International Organisation of Securities Commissions (IOSCO):** Final Report on ESG Ratings and Data Product Providers, which informs expectations on integrity, resourcing and disclosure, as well as best practices to mitigate greenwashing.
- **ASEAN and Member States Frameworks,** including the **ASEAN Bond Standards**, **ASEAN Sustainable and Responsible Fund Standards**, and the **Monetary Authority of Singapore's Code of Conduct for ESG Rating and Data Product Providers** inform principles such as conflicts of interest, confidentiality and transparency, and independence. The Code of Conduct is not intended to replace existing industry-wide recognised standards or professional standards but to complement them by providing regionally tailored guidance. It sets out the technical, professional, and ethical standards that external review providers are encouraged to apply. The Code of Conduct does not in any way supersede any ASEAN sustainable finance product frameworks or that of its Member States and is instead meant to complement them.

Applicability to ASEAN

Beyond alignment with standards and guidance, the principles and best practices set out in this Code of Conduct have been informed by consultations with market participants and stakeholders to ensure their relevance, practicality and applicability within the ASEAN context. Applicability to the ASEAN context was addressed through the following design features of the Code:

- **Proportionate application:** The Code is voluntary and is intended to be applied proportionately, having regard to differing levels of market development and review provider capacity across ASEAN Member States, without compromising the principles of integrity, objectivity, independence, competence and review quality.
- **Local policy and regulatory context:** External review providers are encouraged to understand the local policy and regulatory context and consider relevant local circumstances when applying international standards.
- **Evolving regional and national frameworks:** External review providers are encouraged to identify the ASEAN and national frameworks relevant to the instrument and the scope of the review. These may include frameworks with which the issuer claims alignment, frameworks referenced in the instrument's financing framework, and requirements applicable under relevant regulations or label criteria. External review providers should also keep their capabilities current as these frameworks evolve. Relevant ASEAN frameworks may include the ASEAN Taxonomy for Sustainable Finance, the ASEAN Bond Standards, the ASEAN Sustainable and Responsible Fund Standards and the ASEAN Transition Finance Guidance.

Definitions and scope of this Code of Conduct

Types of external review

External reviews of sustainable financing instruments may take different forms, depending on their scope, subject matter and purpose. The following types of external reviews are aligned with the relevant concepts set out in the ICMA Guidelines on External Reviewers and are grouped according to the lifecycle stage at which they are commonly used. This categorisation is indicative and is not intended to restrict a type of external review to a single lifecycle stage. The applicability of each type depends on the sustainable finance instrument or framework being assessed, the information or claims under review, the applicable standards or criteria, and the scope of engagement.

Pre-issuance stage

- **Second-Party Opinion (SPO):** an assessment, by an institution with environmental, social, sustainability or climate transition expertise that is independent from the issuer, of the alignment of an instrument or its framework with the relevant standards or principles.
- **Certification:** an assessment of an instrument, its framework, use of proceeds, or key performance indicators (KPIs) and sustainability performance targets (SPTs) against a recognised external standard or label.
- **Assurance:** a reasonable or limited assurance engagement, typically provided by an audit or accounting firm, which sets out the level of work and testing performed and the conclusions reached. Depending on the subject matter, assurance may also be conducted post-issuance.

Post-issuance stage

- **Review:** an assessment of whether the proceeds of an instrument have been allocated in line with its framework and the relevant standards and, where relevant, of the basis on which sustainability impacts have been estimated.
- **Verification:** independent verification against a designated set of criteria, typically relating to environmental, social or sustainability performance, or to the performance of key performance indicators against sustainability performance targets. Verification may also be conducted during the pre-issuance stage where appropriate to the specific instrument and scope of engagement.
- **Updated Second-Party Opinion:** following changes to material elements of a pre-issuance SPO, an assessment of whether those changes affect the original opinion.

The types listed above are not intended to be an exhaustive list of all possible external review engagements. New types of review engagements may emerge that may benefit from this Code by applying the relevant principles on a case-to-case basis.

All seven principles provide an overarching expectation for external review providers across the review types listed above and to every in-scope instrument covered by this Code. Principles 1 to 6 set out how an external review provider is governed and conducts its work. Meanwhile, Principle 7 addresses how review providers should assess the sustainability claims made for an instrument and challenge those that are not supported. Where a best practice applies only to a particular lifecycle stage or type of instrument, this is specified in the relevant provision of Principle 7.

Scope of instruments covered by this Code

Listed below are the instruments considered within the scope of this Code. They have been identified based on the availability of relevant guidance issued at the ASEAN level or by an ASEAN Member State. This list is intended to be illustrative and non-exhaustive and may be updated as relevant guidelines and market practices evolve.

In-scope instruments include:

- **Bonds:** Green, Social, Sustainability and other labelled (GSS+) bonds;
- **Sukuk:** Sustainable and Responsible Investment (SRI) Sukuk, Sustainable and Responsible Investment-linked Sukuk, Sukuk-Linked Wakaf, Green Sukuk, Social Sukuk and Sustainability-linked Sukuk;
- **Loans:** Green, Social, Sustainability and Sustainability-linked Loans;
- **Other instruments:** Green Equity and Sustainable and Responsible Investment Funds.

This Code applies to the external review of sustainable financing instruments and transactions. It does not apply to ESG ratings or to an overall assessment of an issuing entity, except to the extent that an assessment of the entity's activities, characteristics or portfolio is necessary to evaluate an in-scope sustainable financing instrument.

In this Code, use-of-proceeds instruments, such as green, social and sustainability bonds, loans and sukuk, direct their proceeds to eligible projects or assets. Sustainability-linked instruments, whose proceeds are typically used for general purposes, link their financial or structural characteristics to whether the issuer or borrower meets predefined sustainability performance targets. Transition-labelled instruments may take either form. Where an in-scope instrument, such as a fund or green equity, does not fall within either category, the best practices specific to these categories apply only to the extent relevant.

Where evaluating the label of an in-scope instrument requires an assessment of the underlying entity's activities or portfolio, this Code covers such assessments to the extent they are needed for that purpose. Such assessments remain instrument-level reviews and do not constitute an overall assessment of the issuing entity.

For sukuk, review reports should distinguish the sustainability assessment from Shariah compliance, which remains the responsibility of the relevant Shariah authority or adviser.

Summary of Code of Conduct principles

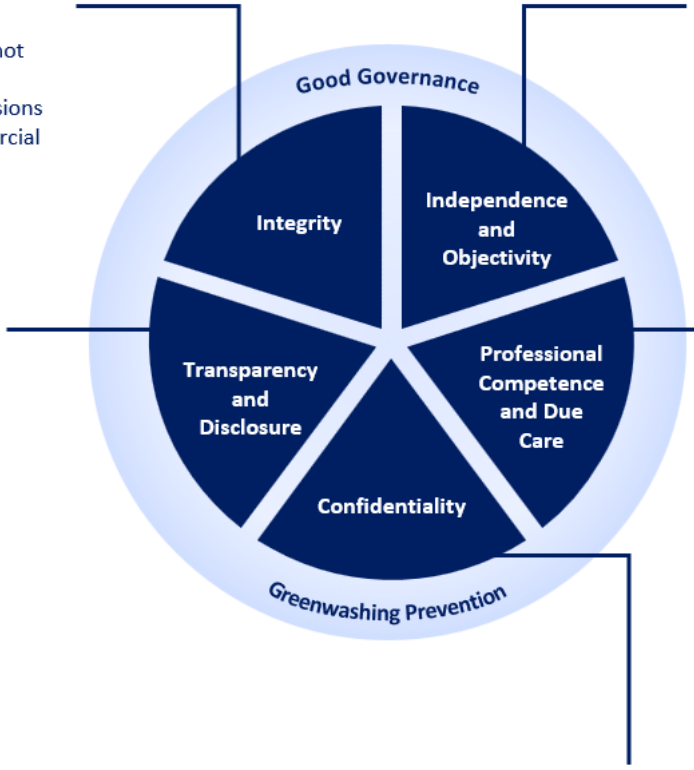
This Code of Conduct is built on seven interconnected principles that together set out the standards that external review providers of sustainable financing instruments are encouraged to apply. **Good governance** provides the foundation for these principles by establishing the organisational structures, policies and oversight needed to support high-quality reviews. External review providers should also act with **integrity**, maintain **independence and objectivity**, demonstrate **professional competence and due care**, and protect the **confidentiality** of non-public information. **Transparency and disclosure** help users to understand the scope of a review and the basis for its conclusions. Finally, **greenwashing prevention** serves as an overarching objective, supported by and reflected across the other principles.

The principles were developed through a review and synthesis of internationally recognised codes, standards and guidance applicable to external reviews of sustainable financing instruments, as well as through consultations with market participants, including external review providers, issuers, investors, regulators and other stakeholders across ASEAN Member States. The principles reflect both internationally recognised good practice and considerations specific to ASEAN markets, including differing levels of market maturity, evolving taxonomies, and the growing importance of mitigating greenwashing risks.

Overview of Code of Conduct Principles

- Findings should be reported **honestly and fairly**
- Reviewers should avoid **misrepresentation, omission or selective disclosure**
- Reviewers should not alter the **timing or strength** of conclusions because of commercial interests.

- Reviewers should use care and professional judgement to maintain both the **substance and appearance of independence and objectivity**.
- Reviewers should **identify, avoid, manage, mitigate and disclose** actual or potential conflicts of interest.



- Disclosure should include the **review scope and how conclusions were reached**
- Reviewers should balance transparency with the need to **protect proprietary or confidential information.**

- External reviewers should perform reviews with due **skill, care and professional scepticism.**
- Reviewers should employ staff with **experience and qualifications** appropriate to the scope of the review.

- External reviewers should adopt and implement **written policies and procedures** to protect non-public information.
- They should use such information solely for **purposes related to the review**, or in accordance with confidentiality arrangements

Good governance is the foundation that all other principles rest upon, and greenwashing prevention is an overarching goal cutting across several other principles.

2 Principles and best practices

Principle 1: Good Governance

Principle

External review providers should establish and maintain governance arrangements, proportionate to the scale and nature of their work, that enable them to promote and uphold the objectives of this Code. These arrangements should combine an organisational structure, working procedures and supporting systems adequate to carry out external reviews with clearly defined, transparent and consistently applied roles and responsibilities for the personnel who determine, publish or oversee a review. Responsibility and accountability for review quality should rest with identified senior management, supported by internal controls, written policies and procedures, and a review function that examines the review provider's methodology and review quality on a regular and documented basis.

Context

The purpose of this principle is to ensure an external review provider has the governance and oversight arrangements it needs to carry out reviews consistently and to stand behind the quality of its work.

No.	Content
Actions – Organisational Structure and Roles External review providers should:	
1.1	Maintain an organisational structure, working procedures and supporting systems for carrying out reviews, keeping responsibilities clear and applying the same basic steps to every review.
1.2	Define clear, transparent, consistent roles for personnel who determine, publish and oversee a review.
1.3	Set out structure, roles and delegation of authority in governance documents that apply across the firm, so that authority and accountability are recorded and applied consistently.
Actions – Oversight and Accountability External review providers should:	
1.4	Place accountability for review quality with identified senior management, including over outsourced work, so that a named senior person is answerable for quality.
1.5	Operate a review function that checks the review provider's own review methodology and the quality of its reviews on a regular, recorded basis, ensuring the methods behind reviews are sound.
1.6	Apply a sign-off step that is independent of the person or team who carried out the review, such as a committee or a senior reviewer.
1.7	Evaluate the governance and quality-control arrangements annually, and also when a significant change occurs, such as the release of new relevant regulations, an identified quality issue, or a change in the firm's structure.
1.8	Maintain procedures for accepting and continuing engagements, confirming that the review provider has sufficient competence and resources and that independence and conflicts of interest have been assessed and managed.
Actions – Quality Assurance and Records External review providers should:	
1.9	Adopt written policies and procedures to secure the quality of review work, so that the same standard applies to every review.

No.	Content
1.10	Set up quality assurance checks and keep internal records for each review, so each conclusion can be traced and checked later.
1.11	Put in place mechanisms and checks to test the appropriateness of the information used, including its accuracy and completeness.
1.12	Maintain the team's overall capacity, capability and current knowledge, through continuing professional development (ongoing training), regular technical update sessions (for example, roundtables whenever standards or criteria change) and direct support during live engagements.
1.13	Treat the recruitment, retention and development of skilled personnel as a leadership responsibility that underpins review quality.
Actions – Insurance and Financial Resilience External review providers should:	
1.14	Maintain professional indemnity or liability cover proportionate to engagement risks, having regard to its availability on reasonable terms and any applicable legal requirements.
1.15	Periodically assess whether professional indemnity or liability cover remains appropriate to the nature, scale, complexity and risk of the review provider's engagements, including forward-looking and transition-related work.
Actions – Regulatory Recognition and Proportionality External review providers should:	
1.16	Apply governance expectations proportionately to the scale and nature of the work, so that the depth of governance matches the size and complexity of the reviews carried out, and simpler, lower-risk work is not held to the same depth as complex or higher-risk work.

Outcome

Sound governance arrangements help the external review provider apply this Code consistently, keep clear responsibility for the quality of reviews, and support competent people and reliable processes.

Principle 2: Integrity

Principle

External review providers should conduct their business and their reviews with integrity, reporting findings honestly and fairly and without misrepresentation, omission or selective disclosure. They should not withhold, soften or delay a review conclusion because of its potential effect on the reviewed party, on the review provider's business relationships or on the review provider's own commercial interests. They should uphold the integrity of ASEAN sustainable finance markets and apply recognised standards, frameworks and applicable laws and regulations across ASEAN Member States, acknowledging their evolving nature.

Context

The purpose of this principle is to ensure an external review provider reports what it finds honestly and is not swayed by commercial pressure or by the interests of the parties involved.

No.	Content
Actions – Honest and Fair Reporting External review providers should:	
2.1	Report the conclusions or output of the review, including any limitations, so users can see what the review covered or excluded.

No.	Content
2.2	Highlight prominently any limitation arising from limited data.
2.3	Deal fairly and honestly with issuers, investors, market participants and the public.
2.4	Follow a clear, written step-by-step process whenever a material issue is uncovered during review, so the response is consistent and defensible: record each material issue found; clearly flag anything that does not meet standards; give the issuer a reasonable period to correct factual errors only; and decline or withdraw from the engagement if the issuer pressures the review provider in a way that would compromise the review.
2.5	Be willing to turn down an engagement, or issue a clearly negative opinion, when a framework has material issues that the issuer will not resolve.
Actions – Resisting Commercial Pressure External review providers should:	
2.6	Not delay, withhold or soften a review conclusion because of how it affects the issuer, arrangers, investors or the review provider's own interests.
2.7	Give no assurance or guarantee of an outcome before the assessment has been carried out, so no view is signalled before the work is done.
Actions – Personnel Integrity External review providers should:	
2.8	Ensure the people who determine, publish or oversee reviews act with high integrity.

Outcome

Acting with integrity helps users rely on a review as the review provider's honest findings, which supports trust in ASEAN sustainable finance markets.

Principle 3: Independence and Objectivity

Principle

External review providers should exercise impartial professional judgement and maintain both the substance and the appearance of their independence and objectivity. They should identify, avoid or appropriately manage, mitigate and disclose actual or potential conflicts of interest that may compromise the independence and objectivity of their operations, including conflicts arising from organisational structure, business or financial activities, financial interests and personnel. In identifying such conflicts, external review providers should have regard to the recognised categories of threat to independence and objectivity, namely self-interest, self-review, advocacy, familiarity and intimidation, and should apply safeguards to eliminate those threats or reduce them to an acceptable level. External review providers should maintain independence from advisers involved in the preparation of the framework or instrument under review. Where the review provider or its affiliates also provide advisory services to the same issuer or borrower, appropriate arrangements should be in place to safeguard the independence and objectivity of the review, recognising that external review providers should not undertake reviews of frameworks or instruments that they or their affiliates have drafted or structured.

Context

The purpose of this principle is to ensure an external review provider forms its own view, free from conflicts of interest.

No.	Content
Actions – Independence from the Adviser External review providers should:	

No.	Content
3.1	Be independent from the framework adviser, not act as a borrower or sponsor affiliate, and keep advisory work separate from review work.
3.2	Where the review provider or its affiliates provide advisory services to the same issuer or borrower that are unrelated to the framework or instrument under review, clear safeguards should be in place to eliminate or reduce self-review and other independence threats to an acceptable level, such as separate reporting lines, a cooling-off period on the same client, and extra internal peer review or external oversight to protect objectivity.
3.3	Put information barriers in place where advisory and review functions sit in the same institution, keeping people and information from being transferred between them in a way that undermines the review.
Actions – Managing and Disclosing Conflict External review providers should:	
3.4	Assess independence and objectivity by reference to the recognised categories of threat, namely self-interest, self-review, advocacy, familiarity and intimidation, identifying and evaluating any such threats at the outset of and throughout each engagement.
3.5	Eliminate the circumstances creating a threat to independence or objectivity, or apply safeguards to reduce it to an acceptable level. Where the review provider proceeds with the engagement, publicly disclose the conflict and the safeguards applied. Where the threat cannot be eliminated or reduced to an acceptable level, decline or withdraw from the engagement.
3.6	Maintain independence and objectivity by ensuring that external reviews or assurance engagements are undertaken by providers that have not been involved, directly or through their affiliates, in drafting or structuring the framework or instrument being reviewed.
3.7	Include a statement on independence and conflict-of-interest policy in every review, so users understand the review provider's independence position.
3.8	Disclose in review reports any other services provided by the review provider or its affiliates to the issuer, including services unrelated to the review such as credit ratings, where the relationship could reasonably be perceived as affecting independence or objectivity, together with the safeguards applied.
3.9	Operationalise independence and conflict-of-interest management through mandatory staff declarations of conflicts of interest and personal investments.
Actions – Personnel and Financial Conflict External review providers should:	
3.10	Not tie analyst pay to revenue from individual review engagements.
3.11	Not enter into contingent fee arrangements on issuer-paid engagements.
3.12	Separate analytical and commercial teams in the review provider organisation, to prevent commercial pressure from altering review results.
3.13	Institute a no-gift and no-benefit policy under which external review providers should not accept gifts or benefits from an issuer, borrower, arranger, underwriter, adviser, or any other party with an interest in the outcome of a review.

Outcome

Managing independence and conflicts of interest helps keep reviews objective, and gives users confidence that the opinion was not shaped by other interests.

Principle 4: Professional Competence and Due Care

Principle

External review providers should perform reviews with due skill, care and professional scepticism, proportionate to the nature and complexity of the sustainable financing instrument under review. They should employ staff with the experience and qualifications appropriate to the scope of the review, hold relevant expertise in the components of the sustainable financing instrument being assessed, and devote sufficient resources to carry out and maintain high-quality assessments. They should apply a defined and consistently applied methodology, base conclusions on the evidence obtained and document them, adopt written policies and procedures that support the consistent delivery of high-quality reviews, and keep their capability current as standards, taxonomies and calculation methodologies evolve.

Context

The purpose of this principle is to ensure an external review provider has the skills, expertise and resources to carry out a review properly and to a consistent standard.

No.	Content
Actions – Staff Qualification and Expertise External review providers should:	
4.1	Assign staff with the experience and qualifications suited to the scope of the review, matching the people assigned to what the review needs.
4.2	Hold relevant expertise in the parts of the sustainable financing instrument being reviewed, so the review provider understands what it is assessing.
4.3	Assign personnel whose combined skills cover both the financial and the technical aspects of the sustainable financing instruments under review. Financial and capital-markets analysis should be complemented by technical, environmental and sector knowledge.
4.4	Ensure review personnel hold expertise proportionate to the nature and complexity of the work, with emphasis on experience and demonstrated capability. This may be evidenced through formal qualifications, experience, training, certification, or a combination of these. For assurance engagements, review providers should apply the assurance standard required by applicable law, regulation or the terms of the engagement, such as ISAE 3000 or ISSA 5000 when applicable, or an equivalent recognised standard.
4.5	Apply expertise relevant to the sustainable financing instrument under review. Review providers should engage specialists for complex or unfamiliar sectors and decline any engagement that falls outside their competence.
4.6	Demonstrate a relevant track record and capability in conducting external reviews, which may be evidenced by prior external review engagements, experience with similar review types or sustainable financing instruments, and/or the relevant experience of the office and personnel assigned to the engagement. Review providers should also be transparent about the personnel and, where relevant, the office carrying out the review, and should assign personnel with appropriate sector experience.
4.7	Understand the local policy and regulatory context, particularly where local regulations and governmental objectives differ from international standards, and apply international standards in a way that reflects local circumstances.
4.8	Keep their capabilities current as standards and market practice evolve. Priority areas include transition finance, carbon measurement, nature and biodiversity, and alignment with evolving regional and national taxonomies.
Actions – Resourcing External review providers should:	
4.9	Devote enough resources, in people, skills and technology, to carry out and maintain high-quality reviews.

No.	Content
Actions – Methodology, Review Process and Quality External review providers should:	
4.10	Apply defined, rigorous and systematic methodologies, applied continuously, so that reviews are carried out consistently and can be compared.
4.11	Gather sufficient, appropriate evidence for conducting reviews, assessing the credibility and reliability of data sources given that data quality and availability can vary significantly by source, sector and market. Where data is limited or of uncertain quality, the review provider should assess the resulting impact on its conclusions and clearly articulate the basis on which those conclusions were reached, including any assumptions or estimates applied.
4.12	Base the conclusion on both a check that the defined methodology was properly followed and a check that the resulting outcome is plausible, coherent and logical when considered as a whole.
4.13	Document the work done, the information relied on and the basis for the conclusion, and keep the records, so the basis can be checked later.
4.14	Retain human oversight where artificial intelligence or automated tools are used at any stage of a review. The output of any automated tool should be reviewed by a competent person who applies professional judgement and scepticism to it and remains responsible for the resulting conclusions. Conclusions should not rest on automated output alone. Where applicable, be able to explain how artificial intelligence or automated tools are used in the data collection or review process.

Outcome

Competent people, sound methods and enough resources help the review provider produce reviews that issuers and investors can rely on.

Principle 5: Confidentiality

Principle

External review providers should adopt, implement and, where appropriate, disclose written policies and procedures to protect all non-public information received from, or communicated to them by, any entity or its agents in connection with a review. They should use such information solely for purposes related to the review, or otherwise in accordance with their confidentiality arrangements with the entity, and should maintain controls, including over personnel, that prevent its improper use or disclosure.

Context

The purpose of this principle is to ensure an external review provider protects the non-public information it receives during a review and uses it only for that review.

No.	Content
Actions – Protecting Non-public Information External review providers should:	
5.1	Adopt and implement written policies to protect non-public information received from any entity or its agents and disclose those policies where appropriate. Information should not be retained longer than necessary, and safeguards proportionate to the sensitivity of the information (including secure storage, controlled access and, where appropriate, encryption) should be implemented. External review providers should guard against accidental or unauthorised disclosure, loss or alteration, and promptly report any suspected compromise.
Actions – Permitted Use External review providers should:	

No.	Content
5.2	Use confidential information only for the review it was provided for, or as the confidentiality arrangement allows.
5.3	Disclose in line with confidentiality limitations. Customer data, commercially sensitive information, and each country's data-privacy laws should be taken into account.
5.4	Include information on confidentiality management where terms of engagement are published.
Actions – Personnel Controls External review providers should:	
5.5	Maintain controls over personal transactions and information handling to prevent improper use or disclosure.
5.6	Conduct regular training on confidentiality and data privacy to remind review staff of the protocols in place.
5.7	Handle confidential information on a strict need-to-know basis within each team and maintain information barriers between teams working on different engagements.
5.8	Institute controls over review data, such as separate drives and communication channels for each service line, so that no other department can see confidential review information.

Outcome

Protecting confidential information helps maintain the trust of the parties a review provider works with and supports open sharing of the information a review needs.

Principle 6: Transparency and Disclosure

Principle

External review providers should make adequate public disclosure and transparency a priority, so that users can understand what a review covers and how its conclusions were reached, while maintaining an appropriate balance with respect to proprietary or confidential information. This should include the methodologies and processes and, where relevant, the data sources, scenarios and pathways underlying the review, together with the review provider's relevant credentials and expertise and the scope of the review conducted. Disclosures should be complete, fair, accurate, timely and understandable, and should be made publicly available at or before issuance where the sustainable financing instrument carries a public label.

Context

The purpose of this principle is to ensure users can understand what a review covers, how its conclusions were reached, and where to find that information.

No.	Content
Actions – Review External review providers should:	
6.1	Disclose the review provider’s credentials and expertise in the report, so users can assess the rigour of the review and understand its scope.
6.2	State whether the review is complete or partial in scope, so users are able to differentiate whether the entire framework or only part of it was assessed.
Actions – Method External review providers should:	

No.	Content
6.3	Disclose the review provider's own methodologies used during the review, including the definitions, analytical approach, scenarios, taxonomies and pathways used. Any changes in methodologies should be documented, approved through governance processes, and disclosed to relevant stakeholders.
6.4	Disclose the data sources the review provider relied on, including the basis for any estimates used where actual data is not available.
6.5	Evaluate how the issuer has used and disclosed any forward-looking inputs and estimates and whether they are clearly presented as estimates rather than confirmed outcomes.
Actions – Timing External review providers should:	
6.6	Ensure that disclosures are complete, fair, accurate, timely and understandable.
6.7	Publish pre-issuance reviews at or before issuance, and complete and publish post-issuance reviews within the period required by the applicable law, product framework or terms of the instrument. Where no period is specified, agree and disclose a timeframe appropriate to the instrument and the purpose of the review.
Actions – Engagement External review providers should:	
6.8	Allow the entity whose sustainable financing instrument is under review time to draw attention to factual errors before dissemination.
6.9	Provide a clear and consistent contact point for questions, clarifications and complaints about the review, with procedures to receive, assess, document and follow up on complaints relating to professional conduct or review quality.
6.10	Reserve the right, as outlined in the engagement terms, to update, qualify, or withdraw a published review and to publicly note any changes if the underlying information proves materially incorrect.

Outcome

Clear and timely disclosure helps users judge a review on its merits and compare reviews across providers and markets.

Principle 7: Greenwashing Prevention

Principle

External review providers should independently assess the sustainability claims made in relation to the instrument under review and the evidence supporting them, and challenge or escalate any claim that may be overstated, misleading or unsupported, whatever safeguards the issuer has adopted. They should assess the instrument against the standards, taxonomies and eligibility criteria identified by the issuer, or required by the applicable law, regulation or product framework, within the agreed scope of the review, and disclose any limitations or elements not assessed.

The best practices below are guardrails, not an exhaustive or prescriptive checklist, and do not establish a binding definition of greenwashing. They complement, and do not replace, the criteria in the principles and standards that apply to the instrument, such as the ICMA Principles and related guidance, the ASEAN Bond Standards and the LMA, LSTA and APLMA loan principles.

Context

The purpose of this principle is to ensure an external review provider independently tests sustainability claims and challenges those that are overstated, misleading or unsupported.

No.	Content
Actions – Framework Alignment and Taxonomy Use External review providers should:	
7.1	Assess the instrument or its framework against the standards or principles identified by the issuer, within the agreed scope of the review, and state each one in the review report with its version. Where the issuer claims alignment with a standard the review did not cover, say so explicitly and do not imply alignment beyond what was assessed. For example, where a framework refers to both the ICMA Green Bond Principles and the ASEAN Green Bond Standards but the review covered the former only, the review report should state that alignment with the ASEAN Green Bond Standards was not assessed.
7.2	Independently assess alignment with the taxonomy identified by the issuer or client, or required by the applicable law, regulation or product framework, within the agreed scope of the review. State the taxonomy and version, the relevant technical screening criteria or tier, and whether the financed activities were assessed against any essential criteria the taxonomy contains, such as the Do No Significant Harm, Remedial Measures to Transition and Social Aspects criteria in the ASEAN Taxonomy for Sustainable Finance (ATSF). Disclose any elements not assessed. Where more than one taxonomy is claimed, state each one and explain any material differences in the conclusions. Where the external review provider's own methodology refers to another taxonomy, disclose this and keep that result separate.
7.3	Where the taxonomy identified by the issuer or client does not cover an activity, or no taxonomy or recognised benchmark applies, do not imply formal taxonomy alignment. Disclose the absence of applicable criteria, identify any reference benchmark used, explain any analogy or professional judgement applied, and state the resulting limitation on the conclusion.
Actions – Project Eligibility and Use of Proceeds For use-of-proceeds instruments, external review providers should:	
7.4	Assess project selection processes and eligibility criteria, identifying material information gaps.
7.5	Obtain information at a level of granularity sufficient to assess eligibility and alignment. For identified projects, this may include site-level information.
7.6	In pre-issuance reviews, assess whether the use of proceeds is realistic, including whether the proceeds can plausibly be deployed within the issuer's normal course of business, rather than being contingent on unproven corporate actions such as mergers or acquisitions.
7.7	Assess the issuer's internal controls, including lending rules for loan portfolios, without relying on their design alone. In post-issuance reviews of allocation, obtain evidence of actual allocation sufficient to confirm that proceeds were used for the stipulated projects, using procedures proportionate to the scope and applicable standard of the engagement and having regard to the allocation reporting expected under the applicable principles or standards.
Actions – Targets, Key Performance Indicators (KPIs) and Metrics External review providers should:	
7.8	For sustainability-linked instruments, external review should assess whether KPIs and targets are relevant, measurable, sufficiently ambitious and linked to material sustainability objectives, applying the criteria in the applicable principles or standards. In particular pre-issuance Second Party Opinions (SPOs) may assess these elements against the ICMA Sustainability-Linked Bond Principles, the ASEAN Sustainability-Linked Bond Standards or the Sustainability-Linked Loan Principles as applicable. Post issuance verification of the issuer's performance against the SPTs should be addressed separately, consistent with the requirements of the applicable principles or standards.
7.9	Where an instrument sets sustainability targets, assess target ambition against a credible baseline and business-as-usual performance, for example by comparing baseline and projected emissions. The same discipline should apply to social claims. Where the issuer claims additionality, meaning benefits that would not otherwise have occurred, assess the evidence for that claim.

No.	Content
7.10	For sustainability-linked and transition instruments, assess target ambition against appropriate benchmarks, which may include sector decarbonisation pathways, peer performance, national commitments, such as Nationally Determined Contributions (NDCs), and recognised science-based pathways. Explain whether the benchmarks disclosed by the issuer, and any others the external review provider relies on, are suitable and whether the target represents performance beyond business as usual.
Actions – Sustainability Claims and Impact External review providers should:	
7.11	Assess whether sustainability claims are supported by sufficient, objective and verifiable evidence. Material assumptions, limitations and uncertainties should be clearly disclosed in the review. In post-issuance reviews of impact reporting, assess the basis on which impacts have been estimated, having regard to the applicable principles or standards and related impact reporting guidance, such as ICMA's Harmonised Framework for Impact Reporting.
7.12	As part of the due diligence process, consider whether the instrument may give rise to material environmental or social impacts, positive or negative, beyond those reflected in its label. Where such impacts are material, assess them within the agreed scope of the review, or disclose that they were not assessed. For example, a blue bond may be evaluated for both its environmental and social impacts, notwithstanding its primary environmental objectives. For use-of-proceeds instruments, also assess, where relevant, the issuer's process for identifying and managing material environmental and social risks associated with the financed projects.
Actions – Transition and Forward-Looking Credibility External review providers should:	
7.13	Assess whether transition-related claims are supported by a credible transition plan, targets, pathways, governance arrangements and implementation measures, proportionate to risk and complexity, having regard to the applicable transition finance guidance, such as the ASEAN Transition Finance Guidance or ICMA's Climate Transition Finance Handbook and Climate Transition Bond Guidelines. Disclose the basis of the assessment, including any scenario analysis used, and its limitations.
7.14	Check that long-term sustainability ambitions are supported by quantified near-term commitments, and that performance is reported transparently. (a) Pre-issuance review: Check whether long-term goals are supported by specific, measurable short-term commitments based on a fixed starting year. (b) Post-issuance review: Check whether the issuer discloses missed targets and provides a clear, evidence-based explanation. (c) For sustainability-linked instruments: Even if missing a target already triggers a financial consequence (e.g., a higher interest rate), the reviewer must still check whether the issuer's explanation for missing the target is supported by evidence.
Actions – Entity-Level vs Instrument-Level Consistency External review providers should:	
7.15	Assess whether the sustainability objectives of the sustainable financing instrument are consistent with the issuer's broader sustainability strategy and disclosures, including relevant issuer-level frameworks, such as sustainable financing frameworks or transition finance frameworks.
Actions – Data External review providers should:	
7.16	Insist on robust data and avoid duplicate information requests for higher traceability and consistency.
Actions – Reporting and Ongoing Disclosure External review providers should:	

No.	Content
7.17	In post-issuance reviews, assess whether reported sustainability performance, including the allocation, impact or KPI reporting expected under the applicable principles or standards, such as the ICMA Principles, is consistent with the sustainability commitments, targets and claims made in relation to the sustainable financing instrument being reviewed, and identify material inconsistencies that could result in misleading claims.
7.18	Scrutinise reporting boundaries to prevent 'scope washing'. The external review provider should examine how the issuer has drawn the reporting boundaries for the sustainable financing instrument under review and assess whether any material emissions, assets, or subsidiaries have been excluded in a way that overstates performance.
7.19	In post-issuance reviews, assess at the agreed frequency (for example, annually) that the use of proceeds remains consistent with the issuance framework and, where relevant, that any transition plan is being implemented on its stated timeline. In pre-issuance reviews, where post-issuance external review is recommended but not required under the applicable framework, disclose whether the issuer has indicated an intention or made a commitment to post-issuance external review.
Actions – Material Change Following any material change to a sustainable financing instrument's scope, KPIs, methodology or Sustainability Performance Targets (SPTs) calibration, external review providers assessing the change after issuance, should independently confirm that:	
7.20	(a) any change leaves the sustainability performance targets no less ambitious than those originally set; (b) the sustainable financing instrument continues to meet the frameworks with which it claims alignment; (c) the change is consistent with the issuer's sustainability strategy; (d) there is no material impact on the original review or material adverse effect on investors; and (e) any change to calculation policies aligns with the recognised methodology on which the issuer bases its calculations, such as the Science Based Targets initiative (SBTi) methodology or that of another relevant recognised body, where applicable.
Actions – Accountability and Consequences External review providers should:	
7.21	Assess whether monitoring, escalation, reporting and accountability mechanisms exist where sustainability commitments are not achieved, and whether they are adequate. For sustainability-linked instruments, the relevant mechanism is typically the change in financial or structural characteristics, such as a coupon adjustment, set out in the instrument's terms in line with the ICMA Sustainability-Linked Bond Principles. Verify that it is clearly defined and, in post-issuance reviews, whether it has been triggered. .

Outcome

External reviews help support the credibility of sustainability claims and provide investors with better understanding of the extent to which a sustainable financing instrument aligns with the standards, taxonomies or other frameworks relevant to the instrument and given the agreed scope of the review.

3 Professional Behaviour: Applying the Code in Practice

Application of this Code of Conduct

This Code is intended to guide not only the methods and internal policies maintained by external review providers, but also the professional judgement and behaviours that they are encouraged to apply in day-to-day review work. The points below show how the Code is intended to guide review providers' work:

- **Use the principles as a decision-making framework.** Apply them together throughout the lifecycle of a review, rather than treating each as a separate, one-off requirement.
- **Be able to show how conclusions were reached.** Demonstrate the evidence considered, how relevant risks or limitations were weighed, and how issues such as conflicts, information gaps or potential greenwashing indicators were addressed.
- **Take a balanced, evidence-based approach.** Have regard to the nature of the instrument, the applicable standards or taxonomies, and the expectations of intended users.
- **Apply the Code proportionately**. Scale its application to the nature and complexity of the review, the instrument and the associated risk, as well as to differing levels of market development and review provider capacity across ASEAN. Proportionate application should not lower the core standards of integrity, objectivity, independence, competence and review quality.

While this Code of Conduct is voluntary, external review providers are encouraged to use it as a form of self-regulation and self-governance, holding themselves to its principles even where no local rule requires them to do so.

Other users of reviews, such as issuers of sustainable financing instruments, may also refer to this Code of Conduct when selecting or engaging an external review provider, for example by considering a review provider's alignment with these principles. The Code is not a procurement standard.

Annex: Links to Referenced Publications

This Annex provides links to the ICMA guidance, ASEAN frameworks and assurance standard referred to in this Code. Where a version or date is shown, it is the one current at the date of this Code; users should refer to the latest version published by the issuing body.

No.	Publication
ICMA publications	
1	ICMA, Guidelines for Green, Social, Sustainability Bonds, Sustainability-Linked Bonds, Sustainability-Linked Loans financing Bonds and Climate Transition Bonds External Reviews, June 2026. https://www.icmagroup.org/sustainable-finance/external-reviews/
2	ICMA, The Principles, Guidelines and Handbooks, including the Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, Sustainability-Linked Bond Principles, Climate Transition Finance Handbook and Climate Transition Bond Guidelines, and related guidance on allocation and impact reporting. https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/
3	ICMA, Islamic Development Bank (IsDB) and LSEG, Guidance on Green, Social and Sustainability Sukuk, April 2024. https://www.icmagroup.org/News/news-in-brief/icma-publishes-guidance-on-green-social-and-sustainability-sukuk/
4	ICMA, Code of Conduct for ESG Ratings and Data Products Providers, December 2023. https://www.icmagroup.org/sustainable-finance/esg-data-and-ratings-code-of-conduct
IOSCO	
5	ESG Ratings and Data Product Providers, January 2021: https://www.iosco.org/library/pubdocs/pdf/IOSCOPD690.pdf
LSTA/LMA/APLMA	
6	External Review Guidance for Green, Social, and Sustainability-Linked Loans, January 2025: https://www.lsta.org/content/guidance-for-green-social-and-sustainability-linked-loans-external-reviews/
MAS	
7	Singapore Code of Conduct for ESG Rating and Data Providers, December 2023: https://www.icmagroup.org/sustainable-finance/icma-and-other-sustainable-finance-initiatives/mas-code-of-conduct-for-esg-rating-and-data-product-providers-2/ https://www.mas.gov.sg/news/media-releases/2023/mas-publishes-code-of-conduct-for-providers-of-esg-rating-and-data-products
ASEAN frameworks	
8	ASEAN Capital Markets Forum (ACMF), ASEAN Green Bond Standards, revised October 2018. https://www.theacmf.org/images/downloads/pdf/AGBS2018.pdf
9	ACMF, ASEAN Social Bond Standards, October 2018. https://www.theacmf.org/images/downloads/pdf/ASBS2018.pdf
10	ACMF, ASEAN Sustainability Bond Standards, October 2018. https://www.theacmf.org/images/downloads/pdf/ASUS2018.pdf

No.	Publication
11	ACMF, ASEAN Sustainability-Linked Bond Standards, October 2022. https://www.theacmf.org/images/downloads/pdf/ASEAN%20Sustainability-linked%20Bond%20Standards.pdf
12	ACMF, ASEAN Sustainable and Responsible Fund Standards, October 2022. https://www.theacmf.org/sustainable-finance/publications/asean-sustainable-and-responsible-fund-standards
13	ACMF, ASEAN Transition Finance Guidance, Version 2, October 2024. https://www.theacmf.org/initiatives/sustainable-finance/asean-transition-finance-guidance-v2
14	ASEAN Taxonomy Board, ASEAN Taxonomy for Sustainable Finance, Version 4, November 2025. https://www.theacmf.org/images/downloads/pdf/ASEAN%20Taxonomy%20Sustainable%20Finance%20V4_06Nov25.pdf
Assurance standard	
15	International Auditing and Assurance Standards Board (IAASB), International Standard on Sustainability Assurance (ISSA) 5000, General Requirements for Sustainability Assurance Engagements, November 2024 (effective for periods beginning on or after 15 December 2026). https://www.iaasb.org/publications/international-standard-sustainability-assurance-5000-general-requirements-sustainability-assurance

