

Sustainable Finance Primer

A glossary

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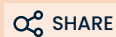


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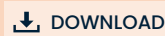


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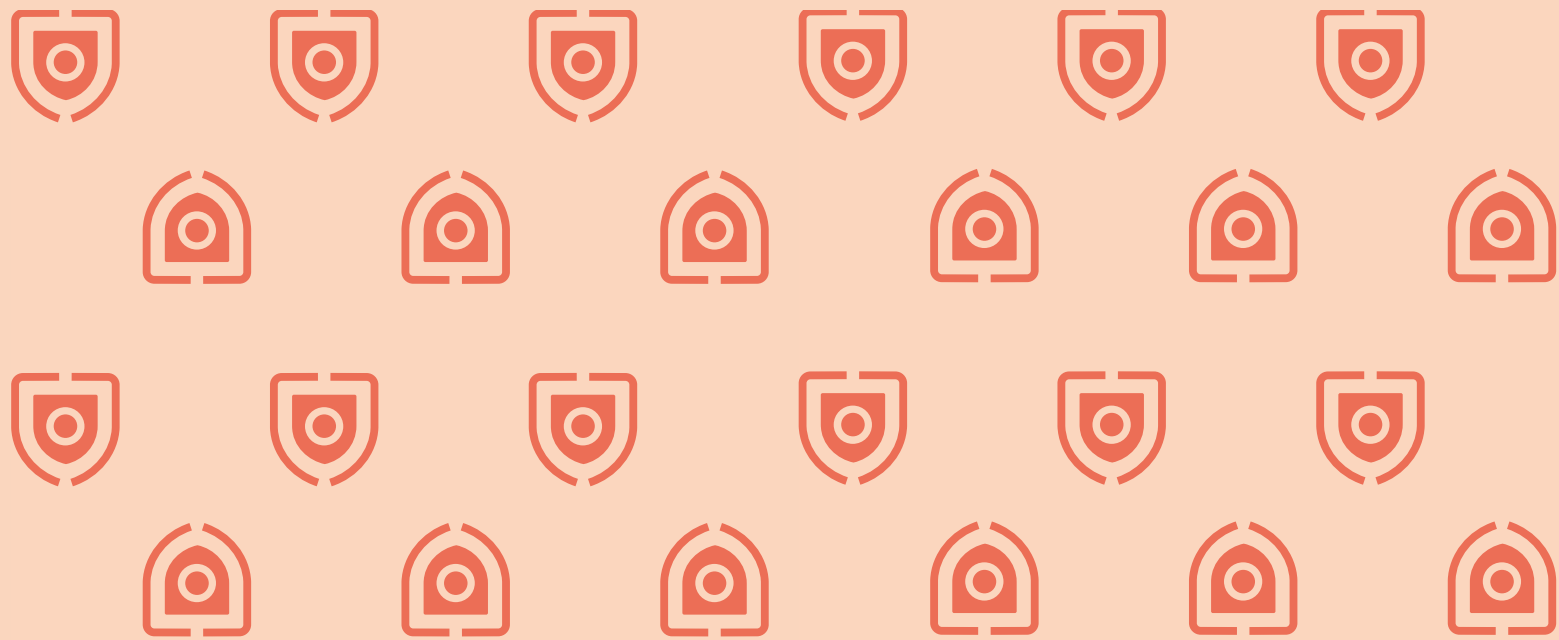


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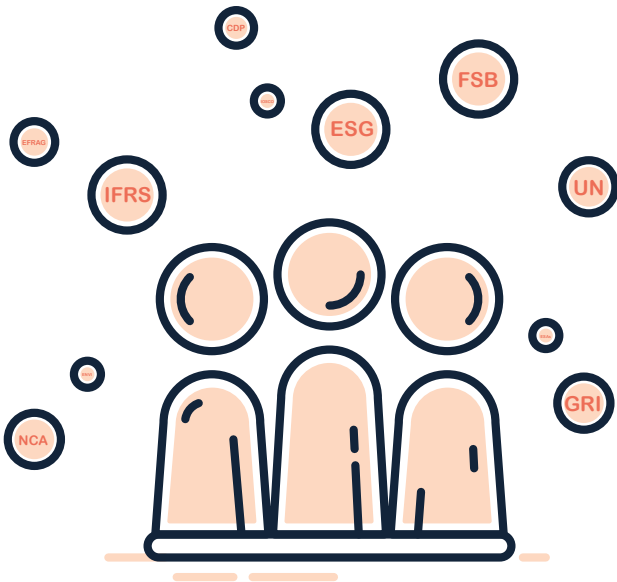
Sustainable Finance Primer

A glossary

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Sustainable Finance

Sustainable Finance and ESG – these terms have come into common usage and there are numerous additional terms and acronyms that arise, particularly because of the extensive regulatory requirements which have been introduced.

This glossary is organised as follows:

- 1 The European Union Legal and Regulatory Framework**
- 2 The Actors**
- 3 Everything Else**

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This glossary will be supplemented and amended as appropriate.

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1

The European Union Legal and Regulatory Framework



1

The European Union Legal and Regulatory Framework

Overview:

The European Commission defines **Sustainable Finance** as the process of taking **environmental, social and governance (ESG) considerations** into account when making investment decisions in the financial sector, leading to more long-term investments in sustainable economic activities and projects.

ESG – Environmental

Environmental factors include contributions entities make to climate change through greenhouse gas emissions, along with waste management and energy efficiency. In EU law, the **SFDR** sets out that a sustainable investment includes *an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy.*

ESG – Social

The social criterion examines the impact of an entity's operations on the labour and human rights of its employees including diversity and inclusion, workplace conditions and pay parity and equity; also its, social responsibility. In EU law a sustainable investment includes *“an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities.*

ESG – Governance

The governance criterion refers to the governance factors of decision-making. In EU law, a sustainable investment must not do significant harm to environmental or social objectives and the investee companies must follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.



This definition of sustainable investment is to be found in the **SFDR Level 2 (annexes)**:

- **Sustainable Investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

A key objective of the European Commission's action plan on financing sustainable growth is to reorient capital flows towards sustainable investment and ensure market transparency. To achieve this objective, the Commission called for the creation of an EU classification system for sustainable activities – an **EU Taxonomy**.

European Green Deal

The European Union's growth strategy to transition the EU economy to a sustainable economic model with an objective to become climate neutral by 2050. The European Climate Law – **EU Regulation 2021/1119** set out the framework for achieving climate neutrality.

European Green Bond Standard

Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds, lays down uniform requirements for issuers of bonds that wish to use the designation "European green bond" or "EuGB" for their environmentally sustainable bonds.

The Requirements:

SFDR

Regulation EU 2019/2088 on sustainability-related disclosures in the financial services sector.

- **Principal Adverse Impact:**

Article 4 of **SFDR** requires financial market participants ("FMPs") to set out a principal adverse impact statement, where they consider principal adverse impacts of investment decisions on sustainability factors, a statement on the due diligence policies with respect to those impacts, taking due account of the size, nature and scale of their activities and the types of financial products that they make available. Where an FMP does not consider the adverse impacts of investment decisions on sustainability factors, the FMP must publish and maintain on its website clear reasons for why it does not do so, including where relevant information as to whether and when they intend to consider such adverse impacts.

SFDR Level 2

Commission Delegated Regulation EU 2022/1288 – the regulatory technical standards related to **DNSH**, sustainability indicators and adverse sustainability impacts and promotion of ESG characteristics and objectives.

SFDR – Legal and Regulatory Guidance

- ESAs **consolidated Q&A** on SFDR and SFDR Level 2
- European Commission **FAQ**
- Sustainability risks and disclosures in the area of investment management – **ESMA Supervisory Briefing**

Article 6 Fund

Article 6 refers to Article 6 of the **SFDR**. An article 6 fund does not have a specific ESG objective and does not deem sustainability risks to be relevant.



Article 8 Fund

In accordance with Article 8 of the **SFDR**, an Article 8 fund promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, where the investments are made in companies which follow good governance practices.

Article 9 Fund

In accordance with Article 9 of the **SFDR**, an Article 9 fund has sustainable investment as its objective or a reduction in carbon emissions. An Article 9 fund must align to at least one of the criteria outlined in the **Taxonomy Regulation** and do no significant harm to any of the others.

Taxonomy Regulation

Regulation EU 2020/852 on the establishment of a framework to facilitate sustainable investment. The Taxonomy Regulation establishes the criteria for determining whether an economic activity qualifies as environmentally sustainable, for the purposes of establishing the degree to which an investment is environmentally sustainable. An activity must contribute to one of the environmental objectives listed in the Regulation and do no significant harm to any of the other six standards, while respecting basic human rights and labour standards.

There are six environmental objectives, namely: climate change mitigation; climate change adaptation; the sustainable use and protection of water and marine resources; the transition to a circular economy; pollution prevention and control; and the protection and restoration of biodiversity and ecosystems.

- **Circular Economy**

In the EU, the circular economy refers to a model of production and consumption which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible. It implies reducing waste to a minimum and materials of products which are at end of life are kept within the economy wherever possible. A circular economy is a departure from the traditional linear economic model which is based on a take-make-consume-throw away pattern.

- **DNSH**

Do No Significant Harm – technical screening criteria set out the thresholds to define compliance with DNSH.

Taxonomy Regulation Level 2

- **Climate Delegated Act: Commission Delegated Regulation EU 2021/2139**
- Amendments to the Climate Delegated Act (EU) 2021/2139: **Commission Delegated Regulation (EU) 2023/2485**
- **Disclosures Delegated Act: Commission Delegated Regulation EU 2021/2178**
- **Complementary Climate Delegated Act: Commission Delegated Regulation EU 2022/1214**
- **TSC** for the non-climate environmental objectives: **Commission Delegated Regulation (EU) 2023/2486**

Taxonomy Regulation

Legal and Regulatory Guidance

- **What is the EU Taxonomy and how will it work in practice?**
 - European Commission [FAQ](#)
 - [EU Taxonomy Navigator](#) – A simple and practical guide for users
 - [EU Taxonomy User Guide](#) – A User Guide to Navigate the EU Taxonomy for Sustainable Activities
- **Climate Delegated Act:**
European Commission [FAQ](#)
- **What is the EU Taxonomy Article 8 delegated act and how will it work in practice?**
European Commission [FAQ](#)
 - **Reporting Taxonomy Eligible Economic Activities and Assets**
European Commission [FAQ](#)
- **Disclosures Delegated Act** (Article 8 of the **Taxonomy Regulation**) – European Commission [Staff Working Document](#)
- **Complementary Climate Delegated Act:**
European Commission [FAQ](#)

Integration of sustainability factors and risks in UCITS, AIFMD, MiFID II and IDD

- **UCITS:** Commission Delegated Directive EU [2021/1270](#) implemented in Ireland by amending UCITS Regulations – [SI 442 of 2022](#)
- **AIFMD:** Commission Delegated Regulation EU [2021/1255](#)
- **MiFID II:** Commission Delegated Regulation EU [2021/1253](#) (risk management integration and investor sustainability preferences)
- **MiFID II:** Commission Delegated Directive EU [2021/1269](#) (product governance obligations)
- **Solvency II:** Commission Delegated Regulation 2021/1256 (integration into governance)
- **IDD:** Commission Delegated Regulation EU [2021/1257](#)

Supervisory expectations of regulated firms regarding climate and other ESG issues

Central Bank of Ireland [letter](#) of 3 November 2021

CSRD

Corporate Sustainability Reporting Directive

[Directive 2022/2464](#), which amends the NFRD, as regards corporate sustainability reporting. The CSRD must be applied for financial years starting on or after 1 January 2024.

- **NFRD**
Non-Financial Reporting Directive
[Directive 2014/95](#) on disclosure of non-financial and diversity information by certain large undertakings and groups
- **European Union (Corporate Sustainability Reporting) Regulations 2024**
[SI No 336/2024](#) give effect to the CSRD in Ireland
- **European Sustainability Reporting Standards (ESRS)**
[Commission Delegated Regulation \(EU\) 2023/2772](#) sets out the first set of ESRS under the CSRD.
 - A [Q&A](#) is provided by the European Commission to assist implementation.
 - **EFRAG** issues [implementation guidance](#) and maintains the [ESRS QA Platform](#)
- **ESMA Guidelines on Enforcement of Sustainability Information** apply to competent authorities undertaking supervision of sustainability information under the Transparency Directive.
- **CEAOB** issued [guidelines](#) on limited assurance on sustainability reporting to fill the gap until there are assurance standards adopted at EU level.



CSDDD or CS3D

Corporate Sustainability Due Diligence Directive

Directive (EU) 2024/1760 on corporate sustainability due diligence which aims to foster sustainable and responsible corporate behaviour throughout global value chains.

European ESG Template (EET)

An industry entity (**FinDatEX**) developed template designed to facilitate the necessary exchange of data between product manufacturer and distributor for the purpose of fulfilling ESG-related regulatory requirements of the **SFDR** and **TR** and delegated Acts under MiFID II and IDD.

EU Climate Benchmarks Regulation

Regulation EU 2019/2089. The Regulation amends the 2016 EU Benchmark Regulation and provides for two types of sustainable benchmarks – the climate transition benchmark and the EU Paris-aligned benchmark. Minimum standards for both are prescribed in a Level 2 Regulation – **Commission Delegated Regulation EU 2020/1818**.

Names of investment funds

ESMA Guidelines apply to EU investment funds which use ESG or sustainability-related terms.





2

The Actors



2

The Actors

CDP

Carbon Disclosure Project

CDP is a charity that runs a global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

Climate Bonds Initiative

An international organisation working to mobilise global capital for climate action through various activities including certification and development of standards.

Committee of European Auditing Oversight Bodies (CEAOB)

The CEAOB provides a framework for co-operation between national audit oversight bodies at EU level and contributes to the effective and consistent application of EU audit legislation.

CFA Institute

CFA Institute is a global association of investment professionals providing finance education

EC

European Commission

Directorate-General FISMA (**DG FISMA**) develops and carries out the Commission's policies on financial services including sustainable finance.

ECB

European Central Bank

EFRAG

European Financial Reporting Advisory Group

A private association established with the encouragement of the European Commission.

EFRAG were charged with developing EU sustainability reporting standards (**ESRS**) under the **CSRD**.

ENVI

European Parliament committee on the environment, public health and food safety.

Equator Principles Association

An association of financial institutions who apply the Equator Principles. The principles are intended to serve as a common baseline and risk management framework to identify, assess and manage environmental and social risks when financing large industrial and infrastructure projects.



QUICK LINKS

ESAs

European Supervisory Authorities, namely;

- **EBA**
European Banking Authority
 - **EBA Roadmap** on sustainable finance
- **ESMA**
European Securities and Markets Authority
 - **ESMA Roadmap** on sustainable finance
- **EIOPA**
European Insurance and Occupational Pensions Authority
 - **EIOPA workplan** – sustainable finance activities

European Sustainable Investment Forum (Eurosif)

Eurosif is a pan-European partnership of Europe-based national Sustainable Investment Fora promoting Sustainable Finance at the European level (EU, EEA and UK)

FSB

Financial Stability Board

An international body that monitors and makes recommendations about the global financial system.

GFiN

The Global Financial Innovation Network

GFiN is a group of financial sector regulators and other organisations (with observer status) who are committed to supporting financial innovation. Under the current work programme, an aim is to develop a tool or solution to help regulators and the market more effectively tackle or mitigate the risks of greenwashing in financial services.

GFANZ

Glasgow Financial Alliance for Net Zero

GFANZ is a global coalition of financial institutions committed to accelerating the decarbonization of the economy. GFANZ is led by a Principals Group comprising CEOs from the member financial institutions and UN representatives.

GSIA

Global Sustainable Investment Alliance

GSIA is a global collaboration of membership-based sustainable investment organisations working to drive forward sustainable investment and finance.

GRI

Global Reporting Initiative

GRI is an independent international organisation who provides standards for sustainability reporting – **the GRI Standards**. GRI standards provided the first global framework for sustainability reporting. GRI have a MOU with **IFRS Foundation**.

GHG Protocol

GHG Protocol establishes comprehensive global standardised frameworks to measure and manage greenhouse gas (GHG) emissions.

IFRS Foundation

The International Financial Reporting Standards Foundation

A not-for-profit, public interest organisation established to develop a single set of high-quality, understandable, enforceable and globally accepted accounting standards – **IFRS Standards** – and to promote and facilitate adoption of the standards.

- **IASB**

International Accounting Standards Board – the IFRS Foundation's standard setting body

- **ISSB**

The **ISSB** was formed by the IFRS Foundation to develop standards for high-quality, comprehensive global baseline of sustainability disclosures, to meet the needs of investors and the financial markets. Sustainability-related standards are denoted with an S (e.g. IFRS S1 etc.)

IFRS S1 sets down general disclosure requirements. IFRS S2 addresses climate-related disclosures and an **adoption guide overview** for both is provided together with the **IFRS Sustainability Disclosure Taxonomy**.



Investors

In the case of regulated entities, these predominantly include asset managers and funds; also banks and insurers.

IAASB

The International Auditing and Assurance Standards Board

The **IAASB** is an independent standard-setting body that sets international standards for auditing, assurance and quality management.

IAASB have developed a proposed International Standard on Sustainability Assurance (ISSA) 5000 entitled General Requirements for Sustainability Assurance Engagements.

IESBA

International Ethics Standards Board for Accountants.

The **IESBA** is a global standard-setting body that sets ethics (including independence) standards as a cornerstone to ethical behaviour in business and organizations, and to public trust in financial and non-financial information that is fundamental to the proper functioning and sustainability of organizations, financial markets and economies worldwide

IFC

The **International Finance Corporation** is part of the World Bank Group and is focussed on encouraging growth in the private sector in developing countries. IFC helps its clients understand and manage the ESG risks they face.

IOSCO

International Organization of Securities Commissions

IPCC

The Intergovernmental Panel on Climate Change

IPCC is the United Nations body for assessing the science related to climate change.

NGFS

Network for Greening the Financial System

A group of Central Banks and Supervisors willing on a voluntary basis to exchange experiences, share best practices, contribute to the development of environment and climate risk management in the financial sector, and to mobilise mainstream finance to support the transition toward a sustainable economy. Its purpose is to define and promote best practices to be implemented within and outside of the Membership of the NGFS and to conduct or commission analytical work on green finance. NGFS consists of 121 members and 19 observers, including the Central Bank of Ireland.

Platform on Sustainable Finance

An advisory body and permanent expert group of the European Commission.

PCAF

Partnership for Carbon Accounting Financials

A global initiative by financial institutions to develop a global **GHG** accounting standard.

SASB

Sustainability Accounting Standards Board.

The **SASB** developed industry based standards for the disclosure of sustainability information which is **financially material**. SASB Standards are now under the oversight of the **ISSB** and provide for 77 industries within 11 distinct sectors.

SEC

US Securities and Exchanges Commission. The SEC have proposed climate related disclosure requirements for issuers.

QUICK LINKS

TCFD

Task Force on Climate-Related Financial Disclosure

The **TCFD** was created by the **FSB** to develop recommendations on disclosures related to climate change risks.

The TCFD has fulfilled its remit and is disbanded.

TNFD

Taskforce on Nature-related Financial Disclosures

The **TNFD** is a global, market-led initiative established to develop and deliver a risk management and disclosure framework for organisations to report and act on evolving nature-related risks and opportunities.

The TNFD issued **Recommendations of the Taskforce on Nature-related Financial Disclosures**.

TPT

Transposition Plan Taskforce

The **TPT** is a UK based body established to develop best practice for firm-level transition plans including **guidance** and templates for both generic and sector-specific disclosures and metrics.

WBCSD

World Business Council for Sustainable Development

A global CEO led organisation working to accelerate the transition to a sustainable world by making sustainable business more successful. Reports from member companies are analysed against **WBSSD** indicators.

WEF

World Economic Forum

The World Economic Forum brings together government, businesses and civil society to improve the state of the world.

UN

United Nations

An international organisation founded in 1945 which currently has 193 members.

- **UN PRI**

UN Principles for Responsible Investment

PRI is an international organisation that works to promote the incorporation of ESG factors into investment decision making.

An international signatory network

The United Nations six Principles for Responsible Investment

UN Global Compact

A voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals

UNEP

United Nations Environment Programme

The **UNEP** is the leading global authority on the environment. It unites 193 Member States in an effort to find solutions to climate change, nature and biodiversity loss and pollution and waste, collectively known as the triple planetary crisis.

UN EPFI

UN environment programme finance initiative

A UN convened network of banks, insurers and investors accelerating sustainable development

UNEP Finance Initiative is the UN-convened network of banks, insurers and investors accelerating sustainable development. The **UNEP FI Interoperability Guide** was developed to facilitate implementation of CSRD/ESRS by banks using UNEP FI and/or PRB content.

UNFCCC

UN Framework Convention on Climate Change

The UNFCCC Secretariat is the UN entity charged with supporting the global response to the threat of climate change.



3

Everything Else

3

Everything Else

Carbon Credits

Carbon credits are transferable instruments, representing an emission reduction or removal of one tonne of CO₂ or Co₂ equivalent.

CBD

Convention on Biological Diversity

The **CBD** is the international legal instrument for “the conservation of biological diversity, the sustainable use of its components and the fair and equitable sharing of the benefits arising out of the utilization of genetic resources”. The CBD is governed by the **COP**.

- The **Kunming–Montreal Global Biodiversity Framework (GBF)** was adopted during COP 15. The Framework supports the achievement of **UN SDGs** and outlines measures and supportive indicators to develop a sustainable relationship with nature.
- The **IFC** published a **Biodiversity Finance Reference Guide** to help channel private finance to address the drivers of biodiversity loss. It sets out how investment activities can be considered to qualify as biodiversity finance and includes an indicative list of investments, activities and project components. Originally published in 2022, it was updated in May 2023 following publication of the **GBF**.

Climate Action 100+

An investor-led initiative to ensure the world’s largest corporate greenhouse gas emitters take necessary action on climate change.

Climate Risk

The potential negative impacts of climate change on an organisation, including **physical** risks (e.g. event driven risks such as extreme weather events and longer term shifts in precipitation and temperature) and **transition** risk.

- **Physical Risks:** Physical risks are either acute (event driven) or chronic (longer term shifts in climate patterns).
- **Transition Risks:** The risks inherent in changing strategy, policy or investments in the move to reducing reliance on carbon and a less polluting, greener economy. The TCFD set out that transition risks may include policy, legal, technology, market and reputational risks.

Compliance Carbon Markets also known as Emissions Trading Systems (ETS)

IOSCO issued this **final report** in July 2023 setting out a series of recommendations to promote integrity and orderly functioning of primary and secondary CCM markets. IOSCO identifies these under two broad categories of compliance carbon markets – “cap and trade” and “baseline and credit system”. The report also includes a useful set of definitions on carbon market related terms including carbon credits.



COP

Conference of the Parties

An international climate summit initiated by the United Nations and bringing together the signatories to the UN Framework Convention on Climate Change. The most recent is **COP 27** in Sharm El Sheikh, Egypt.

Definitions for Responsible Investment Approaches

The CFA Institute, GSIA, and PRI issued guidance on **Definitions for Responsible Investment Approaches**

Double Materiality Principle

The combination and interconnectivity of **Financial Materiality** and **Impact Materiality**

- **Financial Materiality**
(the outside-in perspective)
- **Impact Materiality**
(the inside-out perspective)

The Dutch AFM provides this **guidance** on double materiality analysis.

ESAP

European Single Access Point. A proposed Regulation creates an EU-wide mechanism offering easily accessible and digitally usable information based on companies' public reporting requirements.

ESRS

European Sustainability Reporting Standards

- **EU Emissions Trading System (EU ETS)** is the European Union "cap and trade" compliance carbon market, details on which are provided by the European Commission [here](#).
- **European Union allowance (EUA)** is set out in the **EU ETS**, where one EUA corresponds to the right to emit 1 tonne of carbon dioxide equivalent under a specific period.
- **Greenhouse gases:** Greenhouse gases are listed in Annex II to the EU ETS (Emissions Trading Systems) Directive (**Directive 2003/87/EC**) and include carbon dioxide and methane and nitrous oxide.

GHG Protocol

The Greenhouse Gas Protocol

An international accounting tool for quantifying and measuring greenhouse gas emissions (**GHG emissions**)

- **Scope 1 Emissions: GHG emissions** that are caused directly by an organisation's activities
- **Scope 2 Emissions:** The indirect **GHG Emissions** resulting from an organisation's energy consumption
- **Scope 3 Emissions:** All other **GHG Emissions** caused indirectly by an organisation. Under the **GHG Protocol** scope 3 emissions are separated into 15 categories



Greenwashing

The practice of using misinformation to gain confidence around a company's ESG claims. In the case of asset managers and others it is the practice of misrepresenting their own sustainability-related practices or the sustainability-related features of their own products.

- **GFIN define greenwashing**

Greenwashing is marketing that portrays an organisation's products, activities or policies as producing positive environmental or social outcomes, or avoiding environmental or social harm, when this is not the case.

Greenbleaching

The practice by asset managers that invest into sustainable activities but refrain from claiming so to avoid the data problems arising from the disclosure obligations.

IIGCC

The Institutional Investors Group on Climate Change

IIGCC is the European membership body for investor collaboration on climate change.

ISSB standards

are the IFRS Sustainability Disclosure Standards. The first ISSB Standards – IFRS S1 and IFRS S2 – were published in June 2023 endorsed by IOSCO in July.

Paris Agreement

The Paris Agreement is a legally binding international treaty on climate change adopted at **COP 21** in Paris on 12 December 2015. Its goal is to limit global warming to well below 2°, preferably to 1.5° Celsius.

Sustainability

Sustainability is the concept of meeting the needs of the present without compromising the ability of future generations to meet their own needs. It is a combination of environmental health, social equity and economic success in order to create vital, healthy, diverse and resilient communities for this generation and subsequent ones. The practice of sustainability recognizes how these issues are interconnected, complex and require a holistic approach.

TSC

Technical screening criteria

TSC are a set of rules to guide evaluation of each environmental objective under the Taxonomy Regulation.

Transition Finance

As set out by the European Commission in its **Recommendation** on facilitating finance for the transition to a sustainable economy, "transition finance should be understood as the financing of climate and environmental performance improvements to transition towards a sustainable economy, at a pace that is compatible with the climate and environmental objectives of the EU."

UN PRI

The six Principles for Responsible Investment, developed by an international group of institutional investors under a process convened by the UN. They are:

- **Principle 1:** We will incorporate ESG issues into investment analysis and decision-making processes.
- **Principle 2:** We will be active owners and incorporate ESG issues into our ownership policies and practices.
- **Principle 3:** We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- **Principle 4:** We will promote acceptance and implementation of the Principles within the investment industry.
- **Principle 5:** We will work together to enhance our effectiveness in implementing the Principles.
- **Principle 6:** We will each report on our activities and progress towards implementing the Principles.



UN PRB

UN Principles for Responsible Banking

The principles were created by the UN in partnership with founding banks and are designed to be integrated into banks' strategies and across their portfolio of activities. They are:

- **Alignment**
- **Impact and Target Setting**
- **Clients and Customers**
- **Stakeholders**
- **Governance & Culture**
- **Transparency & Accountability**

UN SDGs

United Nations Sustainable Development Goals

The 17 goals were adopted by all **UN** Member States in 2015 as part of the 2030 Agenda for Sustainable Development which set out a 15-year plan to achieve the Goals.

- (No poverty; zero hunger; good health and well-being; quality education; gender equality; clean water and sanitation; affordable and clean energy; decent work and economic growth; industry innovation and infrastructure; reduced inequalities; sustainable cities and communities; responsible consumption and production; climate action; life below water; life on land; peace, justice and strong institutions; partnerships for the goals.)

The Net Zero Asset Managers initiative

An international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius; and to supporting investing aligned with net zero emissions by 2050 or sooner.

WEF metrics

WEF have developed sustainability related metrics as set out in the WEF report: Measuring Stakeholder Capitalism: **Towards Common Metrics and Consistent Reporting of Sustainable Value Creation**

Voluntary Carbon Markets

Voluntary Carbon Markets are defined by IOSCO as ...*"markets where entities buy carbon credits for voluntary use (e.g. to offset carbon emissions and support a claim about their climate performance, or otherwise finance mitigation activities with traceable results) rather than to comply with an obligation."*



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