Glossary of Sustainable Finance Concepts

Disclaimer

Concept	Acronym	Meaning
Active Ownership	-	This refers to investors addressing concerns of environmental, social and governance (ESG) issues by voting on such topics or engaging corporate managers and boards of directors on them. Active ownership is utilized to address business strategy and decisions made by the corporation in an effort to reduce risk and enhance sustainable long-term shareholder value.
Additionality	-	A donor intervention is defined as additional if: Interventions are necessary to make the project happen, i.e. the private investor would not have engaged without public sector involvement (this is often defined as financial or input additionality); and/or interventions increase the development impact and sustainability of a project with positive implications for growth and poverty (this is often defined as development or output additionality).
Advanced Market Commitments	-	AMCs are commitments of development capital providers to guarantee price/market for products once they are developed.
African Development Bank	AfDB	The African multilateral DFI is a financial provider to African governments and private companies investing in the regional member countries. The AfDB is headquartered in Abidjan, Ivory Coast.
Agribusiness, Food and Water	AFW	The AFW sector encompasses the integrated system of economic activities related to the production, processing, distribution, and consumption of agricultural products, food, and water resources. Agribusiness includes all the businesses involved in farming, including smallholder producers to national markets, production, supply chain management, and retail. The food component involves the transformation of raw agricultural goods into consumable food products, ensuring food security and safety. Water management within AFW focuses on the sustainable use and distribution of water resources essential for agriculture and food production, addressing both quality and availability issues. Together, AFW aims to enhance the efficiency, sustainability, and resilience of food and water systems to support global nutrition and economic stability.
Alternative Investment Fund Managers	AIFMs	According to the Commission de Surveillance du Secteur Financier (CSSF), an "Alternative Investment Fund Manager (AIFM) is any legal person whose regular business is managing one or more alternative investment funds (AIFs). AIFMs are governed by the Law of 12 July 2013 on alternative investment fund managers". See the Alternative Investment Funds definiton below. (CSSF, 2021 - https://www.cssf.lu/en/aifm/)
Alternative Investment Funds	AIFs	The European Commission defined the alternative investment funds (AIFs) as "collective investment funds that are not covered by the directive on undertakings for collective investment in transferable securities (UCITS). AIFs vary in terms of their investment strategies, markets, asset types and legal forms. Alternative investment fund managers manage the AIFs, which are often established for saving- or income-generating purposes while supporting broader economic activity. The AIFs include venture capital and private equity funds, real estate funds, hedge funds and fund of funds" (European Commission, 2020 - https://ec.europa.eu/newsroom/fisma/items/692258/).
Art. 6 Products	-	As per SFDR, products that do not have any sustainability ambition (SFDR, 2021).
Art. 8 Products	-	As per SFDR, products that either promote environmental and/or social characteristics (SFDR, 2021).
Art. 9 Products	-	As per SFDR, products that have sustainability as their objective (SFDR, 2021).
Asset Overlays	-	This refers to exclusionary screens that do not just apply to a specific sustainable investment product, but instead to the whole asset base of an asset manager or institutional investor. Often such criteria apply to controversial weapons such as cluster bombs, land mines and nuclear weapons.
Best In Class / Positive Screening	-	Approach in which a company's or issuer's environmental, social and governance (ESG) performance is compared with the ESG performance of its peers (i.e. of the same sector or category) based on a sustainability rating. All companies or issuers with a rating above a defined threshold are considered as investable. The threshold can be set at different levels (e.g. 30% best performing companies or all companies that reach a minimum ESG score).
Blended Finance	BF	Blended finance refers to the complementary use of grants (usually from public sources) and non-grant financing from private and/or public sources. Such structures are used to make infrastructure and sustainability projects that would otherwise not be financially sustainable attractive for private investors. The IFC uses the term blended finance to distinguish it from 'concessional finance', which requires a minimum 25% grant element. Although blended finance has a concessional component, the subsidy portion of the investment is minimised in order to avoid crowding out private financing.
Bonds	-	A debt security under which the issuer (typically a development finance agency, a national or local government or a company) owes the holders a debt and (depending on the terms of the bond) is obliged to pay them interest (the coupon) or repay the principal at a later date. Bonds have a longer duration than loans and can be sold and bought by investors.
Buyout Private Equity	-	A specialised form of private equity, characterised by controlling investments in established and mature privately-held firms that are undergoing A fundamental change in operations or strategy.
Capacity Development	CD	Capacity building, also known as capacity development or capacity strengthening, refers to enhancing an individual's or organization's ability to "produce, perform, or deploy." Although the terms capacity building and capacity development are frequently used interchangeably, a 2006 OECD-DAC publication recommended using the term capacity development.
Carbon Finance	-	Generic term for financial services related to mitigation of and adaptation to climate change. It specifically refers to investments in greenhouse gas emission reduction projects and the related creation of CO2-certificates, financial instruments that are tradable on carbon markets.
Carbon footprint of a portfolio	-	A carbon footprint refers to the entire greenhouse gas (GHG) emissions of a portfolio. It is calculated in tons of CO2 equivalents per million USD invested (tCO2e/mUSD). It expresses the amount of annual GHG emissions which can be allocated to the investor per million USD invested in a portfolio and is therefore probably the most intuitive carbon metric available at the portfolio level.
Carbon Neutral	-	This occurs when an organisation's net carbon emissions is equal to zero. The process requires measuring total CO2 emissions, taking active steps to reduce emissions where the company can, and then purchasing CO2-certificates to offset CO2 emissions that cannot be eliminated from a company's operations. The CO2-certificates contribute to financing projects reducing CO2-emissions (i.e. by replacing fossil power generation with renewable energy projects).
Catalytic capital	-	Usually refers to actions aimed at stimulating positive change. The result of such actions – the catalytic effect – may be financial (funds mobilised) or non-financial (transfer of knowledge, sharing of new practices, introduction of a policy, etc.). It is generally recognised that catalytic effects are difficult to measure statistically.
Climate Finance	-	Climate finance encompasses funding from various local, national, or international sources—both public and private—to facilitate mitigation and adaptation efforts aimed at combating climate change.

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Climate Alignment	-	The climate alignment of a portfolio refers to the reduction of the greenhouse gas emissions of a portfolio (i.e. of the issuers it contains) in line with global climate goals.
Committed capital	-	Amount committed in a fund vehicle by its Limited Partners (LPs) /investors.
Community Investment	-	Directing investment capital to communities that are underserved by traditional financial services institutions. Generally provides access to credit, equity, capital, housing, and basic banking products that these communities would otherwise lack. The term usually refers to investments in developed countries.
Concessional loans	-	Such loans offer better than market-rate terms, either through longer repayment times, low interest rates, or both. Development finance institutions often use these loans to de-risk or encourage certain investments.
Concessionality	-	Concessional financing is financing below market rates (or with maturity, grace period, security or rank offered on soft terms without being priced according to the market), keeping in mind that in many situations where blended concessional finance is likely to play a role, there is no real market rate and market rate proxies tend to be based on individual practices. Investment and performance grants are included in concessional financing.
Conditional Cash Transfers	-	In order to incentivise certain 'desirable' behaviours, conditional cash transfers are made when mostly an individual or a household meets specific criteria. This could be when an expected mother completes four ante-natal care check-ups, or for children's school attendance, or a number of other areas where these payments can stimulate community and individual investment in human capital.
Convertible debt	-	A form of investment where the investor wants to reserve the right to change their loan into a shareholding, i.e. take an equity position, of an enterprise, if the business meets certain targets or shows continued promise.
Corporate Governance / Governance Factors	G of ESG	Governance factors within ESG criteria in the context of investing refer to the system of policies and practices by which a company is directed and controlled. They include but are not limited to transparency on Board compensation, independence of Boards and shareholder rights.
Corporate Responsibility	CR	Commitment of an organisation, beyond what is required by law, to ensure that the social, economic and environmental impacts of their actions create a net benefit to communities and society. This is founded on the belief that all corporations have a 'duty of care' to all their stakeholders in every area of their business operations and that being a responsible citizen improves the long-term business success of a company.
Corporate Social Responsibility	CSR	See definition of corporate responsibility above.
Corporate Sustainability Due Diligence Directive	CSDDD	The directive aims to compel companies to address their adverse effects on human rights and the environment.
Corporate Sustainability Reporting Directive	CSRD	The Corporate Sustainability Reporting Directive (CSRD – Directive (EU) 2022/2464) is an EU Directive introduced by the European Commission. It mandates both European companies, whether public or private, and non-EU companies with significant operations in the EU, to disclose the environmental and social impacts of their activities. Additionally, it necessitates the auditing of this reported information. The CSRD expands upon and revises the existing Non-Financial Reporting Directive (NFRD), broadening the scope of reporting obligations.
Countercyclical loans	-	Allow for adjustments in the repayment terms and maturities of loans in response to external shocks. External debt service is thus adapted to the ability of the borrower to meet its financial obligations.
Debt swaps	-	Debt swaps are financial transactions in which a portion of a developing nation's foreign debt is forgiven in exchange for investments in social or environmental conservation measures incl. debt-for-nature swap or debt-for-education swaps.
Delegated Act	-	Delegated acts are non-legislative acts adopted by the European Commission that serve to amend or supplement the non-essential elements of the legislation.
Development Finance / Official Development Finance	ODF	See Official Development Finance (ODF)
Development Finance Institution	DFI	DFIs occupy the space between public aid and private investment. They are financial institutions, which provide finance to the private sector for investments that promote development. They focus on developing countries and regions where access to private sector funding is limited. They are usually owned or backed by the governments of one or more developed countries.
Development Investments / Investments for Development	-	Investments with a clear intention to improve the social/environmental/economic situation in developing and emerging markets while targeting market or above-market returns.
Directive	-	A "directive" is a legislative act that sets out a goal that all EU countries must achieve. However, it is up to the individual countries to devise their own laws on how to reach these goals.
Do No Significant Harm principle	DNSH	Set of criteria that eligible economic activities must respect to ensure that they do not generate any significant negative impact on the other EU Taxonomy objectives.
Economic activity	-	Every activity a company performs that uses resources (e.g., labour) to generate a product (e.g., goods or services).
Emerging Market	EM	An emerging country, economy, or market refers to a nation with a lower per capita GDP compared to developed countries, yet experiencing rapid economic growth.
Environmental and Social Action Plan	ESAP	The Environmental and Social Action Plan (ESAP) describes the environmental & social mitigation and monitoring measures, the criteria for their successful implementation and organisational measures to be implemented during the pre-construction, construction and operation of the Project.
Environmental Factors	E of ESG	Environmental factors within ESG criteria in the context of investing include but are not limited to the environmental footprint of a company or country (e.g. energy consumption, water consumption), environmental governance (e.g. environmental management system based on ISO 14 001) and environmental product stewardship (e.g. cars with low fuel consumption).
Environmental Finance	-	According to LuxFLAG, the Environmental Finance is environment-related sectors as defined in a globally recognized classification system such as: the FTSE Environmental Markets Classification System or the HSBC Climate Change Structure, etc.
Environmental Lending	-	Refers to lending activities for environmental projects or companies often provided by multinational development banks. The term also covers lending activities with clear procedures to assess environmental risks of projects or companies. In some cases, banks provide preferential interest rates for environmental projects (i.e. environmental mortgages for low energy buildings).
Environmental, Social, Governance	ESG	ESG stands for Environment, Social and Governance factors that helps stakeholders understand how an organization is managing risks and opportunities related to sustainability (i.e. these 3 pillars/criterias).

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Equator Principles	–	The Equator Principles is a risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in project finance and is primarily intended to provide a minimum standard for due diligence to support responsible risk decision-making.
ESG Analysis	–	This analysis includes collecting information on how an investment target manages environmental, social and governance factors. When an investment institution wishes to track how potential investments (i.e. companies, countries and issuers) actively manage ESG risks and opportunities they carry out an ESG Analysis.
ESG Engagement	–	Engagement is an activity performed by shareholders with the goal of convincing management to take account of environmental, social and governance criteria. This dialogue includes communicating with senior management and/or boards of companies and filing or co-filing shareholder proposals. Successful engagement can lead to changes in a company's strategy and processes so as to improve ESG performance and reduce risks.
ESG Integration	–	The explicit inclusion by investors of ESG risks and opportunities into traditional financial analysis and investment decisions based on a systematic process and appropriate research sources.
ESG Investing	–	ESG investing refers to how compagnies score these responsibility and sustainability metrics and standards for potential investments.
ESG Voting	–	This refers to investors addressing concerns of environmental, social and governance (ESG) issues by actively exercising their voting rights based on ESG principles or an ESG policy.
Ethical Investing	–	Investments where the main motivation is aligning the ethical values of an organisation or a person with investments. In comparison to sustainable investments which are based on the conviction that an active management of environmental, social and governance risks and opportunities improves the long-term performance of a company, an ethical investment is mainly guided by ethical codes, religious beliefs or personal values and is often carried out using exclusionary screening.
EU Climate Transition Benchmark	EU CTB	EU Climate Transition Benchmarks are indices of equities or corporate bonds that aim to assist in meeting the decarbonization objectives set by the European Union's Sustainable Finance Action Plan (Europan, 2020 - https://finance.ec.europa.eu/regulation and-supervision/financial-services-legislation/implementing-and-delegated-acts/eu-climate-transition-benchmarks-regulation_en).
EU Green Bonds Standard	–	The European Council adopted a regulation creating a European green bond standard in 2023. The regulation "lays down uniform requirements for issuers of bonds that wish to use the designation 'European green bond' or 'EuGB' for their environmentally sustainable bonds". Environmentally sustainable bonds are "one of the main instruments for financing investments related to green technologies, energy efficiency and resource efficiency as well as sustainable transport infrastructure and research infrastructure. European green bonds will be aligned with the EU taxonomy for sustainable activities and made available to investors globally" (European Council, 2024 - https://www.consilium.europa.eu/en/press/press-releases/2023/10/24/european-green-bonds-council-adopts-new-regulation-to-promote-sustainable-finance/).
EU Paris-Aligned Benchmark	EU PAB	The EU Paris-Aligned Benchmark (PAB) is a set of criteria established by the European Commission to help align investment portfolios with the goals of the Paris Agreement. Introduced in 2020, these benchmarks aim to reduce carbon intensity and support the transition to a low-carbon economy.The European Commission laid down the minimum criteria that indexes must meet to be labeled CTB and PAB1. PAB indexes approximate a pathway for the index to achieve alignment with the 1.5°C goal of the Paris Agreement, measured against an initial base level for the index (European Commission, 2024 - https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32020R1818)
Euro Interbank Offered Rate	Euribor	The Euribor rates are "based on the average interest rates at which a large panel of European banks borrow funds from one another. There are different maturities, ranging from one week to one year". The Euribor rates are "considered to be the most important reference rates in the European money market. The interest rates do provide the basis for the price and interest rates of all kinds of financial products like interest rate swaps, interest rate futures, saving accounts and mortgages. That's the exact reason why many professionals as well as individuals do monitor the development of the Euribor rates intensively" (Euribor - https://www.euribor-rates.eu/en/).
European Bank For Reconstruction And Development	EBRD	The European Bank for Reconstruction and Development (EBRD) is an international financial institution established in 1991. Its mission is to foster the transition towards open, market-oriented economies and to promote private and entrepreneurial initiatives in countries from Central Europe to Central Asia. It was "established to help build a new, post-Cold War era in Central and Eastern Europe. It has since played a historic role and gained unique expertise in fostering change in the region - and beyond - investing more than €190 billion in over 7,000 projects". (EBRD - https://www.ebrd.com)
European Central Bank	ECB	The ECB is the central bank of the European Union countries which use the euro. Their main task is "to maintain price stability. We do this by making sure that inflation remains low, stable and predictable" (ECB - https://www.ecb.europa.eu/ecb/all-about-us/html/index.en.html).
European Commission	EC	The European Commission is the "EU's politically independent executive arm1. It is responsible for drawing up proposals for new European legislation and implementing decisions of the European Parliament and the Council of the EU". The Commission is composed of 27 Commissioners, including its President, and acts in the EU's general interest with complete independence from national governments (EU - https://european-union.europa.eu/institutions-law-budget/institutions-and-bodies/search-all-eu-institutions-and-bodies/european-commission_en).
European Development Finance Institutions	EDFIs	EDFI is "the association of 15 european bilateral development finance institutions". Development Finance Institutions (DFIs) "are specialised development organisations that are usually majority owned by national governments. DFIs invest in private sector projects in low- and middle-income countries to promote job creation and sustainable economic growth. They apply stringent investment criteria aimed at safeguarding financial sustainability, transparency, and environmental and social accountability" (EDFI - https://www.edfi.eu/about-dfis/what-is-a-dfi/).
European Financial Reporting Advisory Group	EFRAG	EFRAG is "a private association established in 2001 with the encouragement of the European Commission to serve the public interest. EFRAG extended its mission in 2022 following the new role assigned to EFRAG in the CSRD, providing Technical Advice to the European Commission in the form of draft European Sustainability Reporting Standards and/or draft amendments to these Standards. Its Member Organisations are European Stakeholders Organisations, National Organisations and Civil Society Organisations." (EFRAG - https://www.efrag.org/en/)

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European Investment Bank	EIB	The European Investment Bank "is the lending arm of the European Union. We are one of the biggest multilateral financial institutions in the world and one of the largest providers of climate finance" (EIB - https://www.eib.org/en).
European Securities and Markets Authority	ESMA	ESMA "was founded as a direct result of the recommendations of the 2009 de Larosière report which called for the establishment of a European System of Financial Supervision as a decentralised network. It began operations, under its Founding Regulation on 1 January 2011, replacing the Committee of European Securities Regulators which was a network of NCAs which promoted consistent supervision across the EU and provided advice to the European Commission" (ESMA - https://www.esma.europa.eu/).
European Sustainability Reporting Standards	ESRS	The Commission "adopted the European Sustainability Reporting Standards (ESRS) for use by all companies subject to the Corporate Sustainability Reporting Directive (CSRD).The ESRS cover the full range of environmental, social, and governance issues, including climate change, biodiversity and human rights. They provide information for investors to understand the sustainability impact of the companies in which they invest. They also take account of discussions with the International Sustainability Standards Board (ISSB) and the Global Reporting Initiative (GRI) in order to ensure a very high degree of interoperability between EU and global standards and to prevent unnecessary double reporting by companies" (European Commission - https://finance.ec.europa.eu/news/commission-adopts-european-sustainability-reporting-standards-2023-07-31_en).
European Union	EU	The European Union (EU) is am economic and political union between 27 European countries.
Eurosif	-	Eurosif is the European association whose mission is to promote sustainability through European financial markets. It works as a partnership of several Europe-based national Sustainable Investment Forums (SIFs). Eurosif engages in a range of promotional activities such as public events or discussion fora, both with the industry and policy-makers (Eurosif - www.eurosif.org).
Exclusion Criteria	-	Activities on the grounds of which a company, country or issuer is considered as not investable. Exclusion criteria can refer to product categories (i.e. weapons, tobacco) activities (i.e. animal testing) or practices (i.e. severe violation of human rights, corruption). They can also be based on personal values (i.e. gambling) or on risk considerations (i.e. nuclear power).
Exclusionary Screening / Negative Screening	-	An investment strategy excluding companies, countries or issuers on the grounds of activities considered as not investable. Exclusion criteria can refer to product categories (e.g. weapons, tobacco) activities (e.g. animal testing) or practices (e.g. severe violation of human rights, corruption). They can also be based on personal values (e.g. gambling) or on risk considerations (e.g. nuclear power).
Facilities	-	Pooled financing models in which developmental capital providers align on a common financing or investment strategy.
Farmland & cropland	-	A specialised form of real assets. Land dedicated to the systematic and controlled use of livestock and production of crops.
Fiduciary Duty / Responsibility	-	In the institutional investment context, trustees of pension funds owe fiduciary duties to beneficiaries to exercise reasonable care, skill and caution in pursuing an overall investment strategy suitable to the purpose of the trust and to act prudently and for a proper purpose. The explicit legal nature of fiduciary duty varies depending on the country of origin. While most institutional investment funds strive to create financial benefits for their beneficiaries, it is also possible for trust deeds explicitly to require trustees to consider ESG factors in investments. Given the increasing evidence supporting the materiality of ESG issues, some legal experts conclude that it is part of the fiduciary duty of a trustee to consider such opportunities and risks in investment processes.
Financial approaches	-	Approaches are vehicles and financial structures that in IDF are often used in combination with financial instruments, including funds and facilities, securitisation, results-based finance and public-private partnerships (PPPs).
Financial Centres for Sustainability	-	The Financial Centres for Sustainability (FC4S) Network is a partnership between financial centres and the United Nations Environment Programme, with the objective to exchange experience and take common action on shared priorities to accelerate the expansion of green and sustainable finance. The long-term vision of the FC4S Network is rapid global growth of green and sustainable finance across the world's financial centres, supported by strengthened international connectivity, and a framework for common approaches. www.fc4s.org
Financial Institutions	FIs	A company that provides financial services, for example, a bank, an insurance company, or an investment fund.
Financial Market Participant	FMP	FMPs are actors that take part in the market by purchasing and offering financial assets. Amongst others, FMPs in scope are Alternative investment fund managers (AIFMs), UCITS management companies, investment firms, credit institutions providing portfolio management services.
Financial Market Participants	FMPs	Financial market participants (FMP) are defined as investment firms, such as asset managers who offer portfolio management services, pension providers, and insurance-based investors, as well as qualifying venture capital and social entrepreneurship activities.
Foreign Direct Investment	FDI	The term foreign direct investment (FDI) refers to an ownership stake in a foreign company or project made by an investor, company, or government from another country.
Fund managers	FM	Organisations managing commingled, pooled and customised vehicles invested by institutional asset owners.
Fund-of-funds	FoF	Fund manager that invests in other funds as a LP.
Giga Watt Hours	GWh	Gigawatt hours (GWh) is a unit of energy representing one billion watt hours and is equivalent to one million kilowatt hours.
Global Environment Facility	GEF	The Global Environment Facility (GEF) is "a multilateral family of funds dedicated to confronting biodiversity loss, climate change, and pollution, and supporting land and ocean health. Its financing enables developing countries to address complex challenges and work towards international environmental goals" (GEF - https://www.thegef.org/who-we-are).
Global Impact Investing Network	GIIN	The GIIN is a not-for-profit organisation that is committed to increasing the scale and effectiveness of impact investing. www.thegiin.org
Global Impact Investing Ratings System	GIIRS	A system for assessing the social and environmental impact of companies and funds (GIIRS - www.giirs.org).
Global Reporting Initiative	GRI	The Global Reporting Initiative is the most widely used global framework for the standardized reporting of economic, social and environmental performance. The GRI guidelines are created through a multi-stakeholder, consensus-seeking process that involves an international network of business, civil society, labour and professional institutions. www.globalreporting.org
Global Sustainable Investment Alliance	GSIA	A Global network of membership-based sustainable investment organisations. GSIA's purpose is to extend the impact and visibility of sustainable investment organisations on a global level. GSIA was founded by Eurosif together with other regional and national SIFs (GSIA - www.gsi-alliance.org).

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Green Bonds	-	Green bonds are broadly defined as fixed-income securities that raise capital for a project with specific environmental benefits. The majority of green bonds issued to date have raised money for renewable energy projects, energy efficiency measures, mass transit and water technology. Most green bonds have been either plain vanilla treasury-style retail bonds (with a fixed rate of interest and redeemable in full on maturity), or asset-backed securities tied to specific green infrastructure projects.
Green Climate Fund	GCF	The Green Climate Fund (GCF) – a critical element of the historic Paris Agreement - is the "world's largest climate fund, mandated to support developing countries raise and realize their Nationally Determined Contributions (NDC) ambitions towards low-emissions, climate-resilient pathways" (GCF - https://www.greenclimate.fund/about).
Green Finance	-	Green finance is "any structured financial activity that's been created to ensure a better environmental outcome" (WEF - https://www.weforum.org/agenda/2020/11/what-is-green-finance/).
Green House Gasses	GHGs	Greenhouse gas (GHG) emissions are "the atmospheric gases responsible for causing global warming and climatic change" (UNEP -https://www.unep.org/news-and-stories/story/how-do-greenhouse-gases-actually-warm-planet).
Growth private equity	-	A specialised form of private equity, usually a minority investment, in relatively mature companies that are looking for capital to expand or restructure operations, enter new markets or finance a significant acquisition without a change of control of the business.
ILO Conventions	-	The ILO Conventions encompass international labour standards which are integrated into legally binding international treaties, setting out basic principles and rights at work. Those legal instruments are ratified in all participating countries. The eight fundamental conventions cover the topics freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation. They are frequently used as the basis for exclusion and engagement approaches.
Impact Finance	-	Impact Finance is "an investment or financing strategy that aims to accelerate the just and sustainable transformation of the real economy, by providing evidence of its beneficial effects. It is based on the pillars of intentionality, additionality and impact measurement" (L'institut de la finance durable - https://institutdelafinancedurable.com/en/impact-finance/)
Impact Investing	ImpInv	Investments intended to generate a measurable, beneficial social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets, and target a range of returns from below-market to above-market rates, depending upon the circumstances. SSF considers impact investments as those having three main characteristics: intentionality, management and measurability.
Inclusive Finance	IF	Inclusive finance, often confused with the microfinance, are "financial services and products destined to aid low income populations. It is a word that is on one hand more global because it regroups all the activities linked to the financial sector, but it is also more precise because it clearly indicates its objective: to include the whole population in the economic system" (ADA - https://www.ada-microfinance.org/en/about-ada/definition-inclusive-finance).
Inclusive Finance Institutions	IFIs	Inclusive finance institutions provide financial services and products destined to include the whole population in the economic system.
Independent Complaints Mechanism	ICM	An Independent Complaints Mechanism (ICM) allows external parties to file a complaint concerning the project an organisation is involved in.
Institutional asset owners	-	Pension funds, insurance companies, family offices, sovereign wealth funds, endowments, foundations, banks, fiduciary managers, discretionary investment consultants, and Outsourced Chief Investment Officers (CIOs),
Integrated Reporting	-	An integrated report (IR) combines a company's financial report and sustainability report in order to give a concise view about how an organisation's strategy, governance, performance and prospects lead to the creation of value over the short, medium and long term.
Intergovernmental Panel on Climate Change	IPCC	The Intergovernmental Panel on Climate Change (IPCC) is the "United Nations body for assessing the science related to climate change" (IPCC - https://www.ipcc.ch/).
International Accounting Standards	IAS	The IAS (International Accounting Standards) are international accounting standards that define the rules and principles for the preparation and presentation of financial statements and provide a common language for reporting. They were developed by the International Accounting Standards Committee (IASC), which later became the International Financial Reporting Standards (IFRS) Foundation (IASB).
International Finance Corporation	IFC	IFC is "the largest global development institution focused on the private sector in developing countries. By encouraging growth, IFC advances economic development, creates jobs and improves the lives of people" (IFC - https://www.ifc.org/en/home).
International Financial Reporting Standards	IFRS	The IFRS Foundation is a "not-for-profit corporation founded on the principle that better information leads to better decisions. Investors need reliable, transparent and globally comparable information about companies to make better investment decisions. IFRS Standards meet this need by enabling companies worldwide to provide such information to their investors" (IFRS - https://www.ifrs.org/about-us/who-we-are/) .
International Monetary Fund	IMF	The IMF is "a global organization that works to achieve sustainable growth and prosperity for all of its 190 member countries. It does so by supporting economic policies that promote financial stability and monetary cooperation, which are essential to increase productivity, job creation, and economic well-being. The IMF is governed by and accountable to its member countries" (IMF - https://www.imf.org/en/About).
Investee	-	The recipient of the funds from the Vehicle, which includes a company or an organization, a fund, or another financial intermediary.
Investment	-	Investment includes: equity, debt, credit enhancements, guarantees, or any instrument with similar attributes.
Investment / Fund Advisors	-	Organisations advising commingled, pooled and customised vehicles invested by institutional asset owners.
Investment Committee	IC	An Investment Committee is "a group of individuals who are responsible for the management of an organization's investments. The Investment Committee typically meets on a regular basis to review the organization's investments and make recommendations about how to best grow and protect the organization's investment portfolio" (Finance strategists - https://www.financestrategists.com/retirement-planning/investment-committee/).

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Investment Manager(s)	-	The Investment Manager(s) is/are the asset manager(s), the fund general partner(s), the fund investment advisor(s), or the institution(s) responsible for managing the investments. We use them interchangeably. We consider the Investment Manager to be a company.
Investment Vehicle	-	An investment vehicle is an instrument, product, or container that houses a particular investment strategy that allows investors to earn a positive return through income and capital gains. Investment vehicles include individual securities such as stocks and bonds as well as pooled investments like mutual funds and ETFs. Investment vehicles can be categorized into two broad types: Direct investments or Indirect investments
IRIS Catalogue	IRIS	IRIS is a catalogue of generally accepted performance metrics that impact investors use to measure social, environmental, and financial success, evaluate deals, and improve the credibility of the impact investing industry. The catalogue is prepared by the Global Impact Investing Network (GIIN), a non-profit organisation dedicated to increasing the scale and effectiveness of impact investing (IRIS - www.iris.thegiin.org).
Kilo tonne CO2 equivalent	ktCO2e	The tonne and Kilo tonne of CO2 equivalent (eq CO2) is an index introduced in the IPCC First Assessment Report. This index makes it possible to compare the impact of greenhouse gases (GHGs) on the environment by simplifying the comparison, but also to aggregate them into a single index.
Least Developed Countries	LDCs	The Least developed countries (LDCs) are "low-income countries confronting severe structural impediments to sustainable development. The are highly vulnerable to economic and environmental shocks and have low levels of human assets.There are currently 45 countries on the list of LDCs which is reviewed every three years by the Committee for Development" (UN - https://www.un.org/development/desa/dpad/least-developed-country-category.html).
Low-Income Countries	LICs	Low-income countries are "those which have the weakest economies when evaluated by the World Bank, an international coalition of countries dedicated to reducing poverty around the world. As part of its work, the World Bank analyzes the economic health of each of the world's countries and territories based upon their gross national income (GNI) per capita" (World Population Review - https://worldpopulationreview.com/country-rankings/low-income-countries).
Materiality	-	In the sustainability context, information is material if there is a clear link to the financial performance of a company.
Mega Watt hours	MWh	A megawatt is "a unit for measuring power that is equivalent to one million watts. One megawatt is equivalent to the energy produced by 10 automobile engines. A megawatt hour (Mwh) is equal to 1,000 Kilowatt hours (Kwh). It is equal to 1,000 kilowatts of electricity used continuously for one hour. It is about equivalent to the amount of electricity used by about 330 homes during one hour". (Clean Energy Authority - https://www.cleanenergyauthority.com/solar-energy-resources/what-is-a-megawatt-and-a-megawatt-hour).
Micro Finance / Microfinance	MF	A range of financial tools (loans, savings, money transfers, etc.) provided by microfinance institutions and designed for people who do not have access to the traditional banking system.
Micro Finance Institutions	MFI	Organisations that offer microcredits and other microfinance products to companies and individuals in developing and emerging market countries.
Micro, Small, And Medium Enterprise	MSME	Micro enterprise have fewer than 10 employees and an annual turnover (the amount of money taken in a particular period) or balance sheet (a statement of a company's assets and liabilities) below €2 million. The small enterprise have fewer than 50 employees and an annual turnover or balance sheet below €10 million. Finallly, medium-sized enterprise have fewer than 250 employees and annual turnover below €50 million or balance sheet below €43 million. They can benefit from EU and national business support programmes, such as research, competitiveness and innovation funding, which otherwise would not be allowed under EU state aid rules, fewer requirements or reduced costs when complying with EU legislation (EUR Lex - https://eur-lex.europa.eu/EN/legal-content/summary/micro-small-and-medium-sized-enterprises-definition-and-scope.html).
Microcredit	-	Refers to small loans from a microfinance institution granted to lower income entrepreneurs in developing and emerging market countries. These loans contribute to the development of local economies and therewith contribute to creating jobs and reduce poverty.
Microinsurance	-	Microinsurance products are designed for individuals in developing and emerging market countries who do not have access to traditional insurance services.
MiFID II	-	The Markets in Financial Instruments Directive (MiFID II) is a directive that regulates markets in financial instruments and investment services in the EU (ESMA -https://www.esma.europa.eu/publications-and-data/interactive-single-rulebook/mifid-ii)
Minimum social safeguards	-	Safeguards that ensure that a company and its economic activity(ies) adhere to the following internationally-recognised standards and guidelines, such as the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.
Mission Based Investing	-	The incorporation of an organisation's mission into its investment decision-making process. Most often used in reference to foundations and other non-governmental organisations working for social or environmental change. Mission-based investing ensures that organisations' investments are aligned with the overall goals of the organisation itself and are helping, not hindering, the achievement of those goals.
Montreal Carbon Pledge	-	Launched in September 2014, signatories of the Montreal Carbon Pledge commit to measure and publicly disclose the carbon footprint of their investment portfolios on an annual basis (Montreal Carbon Pledge - www.montrealpledge.org).
Multiannual Financial Framework	MFF	The Multiannual Financial Framework (MFF) is a seven-year framework regulating the annual budget of the European Union (European Commission - https://commission.europa.eu/strategy-and-policy/eu-budget/long-term-eu-budget/2021-2027/documents_en)
Multilateral Development Banks	MDBs	Multilateral development banks, or MDBs, are "supranational institutions set up by sovereign states, which are their shareholders. Their remits reflect the development aid and cooperation policies established by these states" (European Investment Bank - https://www.eib.org/en/about/partners/development-banks/index).
Natural Capital Finance Alliance	n/a	The Alliance and its Secretariat was originally formed to support the signatories of the Natural Capital Declaration (NCD), which was launched at the Rio+20 conference in 2012. The declaration has been signed by the CEOs of more than 40 financial institutions from around the world. It formalises their commitment to the integration of natural capital considerations into financial sector reporting. www.naturalcapital.finance

Concept	Acronym	Meaning
Negative Screening / Exclusionary Screening	-	An investment strategy excluding companies, countries or issuers on the grounds of activities considered as not investable. Exclusion criteria can refer to product categories (e.g. weapons, tobacco) activities (e.g. animal testing) or practices (e.g. severe violation of human rights, corruption). They can also be based on personal values (e.g. gambling) or on risk considerations (e.g. nuclear power).
Neighbourhood, Development And International Cooperation Instrument	NDICI	The Neighbourhood, Development and International Cooperation Instrument (NDICI) is "a new mechanism which combines all EU external action programmes into one broad financing tool. This new instrument is made up of three main components (geographical, thematic and rapid response) and a more flexible element to counter emerging crises. Funds can be more easily shifted from one issue to another within the broader scope of the instrument. It also provides a more policy-driven and inclusive approach, with potentially more direct input from local and national stakeholders. The new instrument can help closing gaps and avoiding overlaps in the multitude of EU external programmes. This means that EU policies focusing on poverty reduction, protection of human rights and crisis response would now all be financed from this single instrument" (Initiative Policy Report - https://89initiative.com/a-global-europe-the-neighbourhood-development-and-international-cooperation-instrument/).
Non-Financial Disclosure Directive	NFRD	The Non-Financial Disclosure Directive (NFRD) requires large public interest entities with over 500 employees to disclose certain non-financial information. It aims to provide greater business transparency and accountability on social and environmental issues. The Non-Financial Disclosure Directive (NFRD) was replaced by the Corporate Sustainability Reporting Directive (CSRD).
Norms-based Screening	-	Screening of investments against minimum standards of business practice based on national or international standards and norms such as the ILO conventions, the OECD Guidelines for Multinational Enterprises, the UN Global Compact or the UN Guiding Principles on Business and Human Rights.
OECD Guidelines for Multinational Enterprises	-	This is a comprehensive set of government-backed recommendations on responsible business. The governments who aim to adhere to the Guidelines intend to encourage and maximise the positive impact multinational enterprises can make to sustainable development and enduring social progress (OECD - www.oecd.org/corporate/mne)
Official Development Assistance	ODA	Official development assistance (ODA) is "government aid that promotes and specifically targets the economic development and welfare of developing countries" (OECD - https://www.oecd.org/en/topics/official-development-assistance-oda.html).
Official Development Finance / Development Finance	ODF	Official Development Finance (ODF) describes funds from official development finance institutions to developing nations with the objective of reducing poverty and developing the economy of recipient countries. This includes (a) bilateral official development assistance (ODA), (b) grants and concessional and non-concessional development lending by multilateral financial institutions, and (c) other official flows for development purposes (including refinancing Loans) which have too low a Grant Element to qualify as ODA.
Organisation For Economic Co-Operation And Development	OECD	The OECD (Organisation for Economic Co-operation and Development) is a "forum and knowledge hub for data, analysis and best practices in public policy" (OECD - https://www.oecd.org/).
Paris Agreement	-	Agreed at COP21 in paris in 2015, the Paris Agreement's central aim is to strengthen the globalr esponse to the threat of climate change by keeping a global temperature rise this century well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C.
Principal Adverse Impacts	PAI	Environmental and social-related indicators that assess the (negative) impacts that investment decisions taken by FMPs have on sustainability factors, such as environmental and social issues.
Principles for Responsible Investment	PRI / UNPRI	The United Nations-supported Principles for Responsible Investment (PRI) Initiative is an international network of investors and asset managers working together to put the six Principles for Responsible Investment into practice. Its goal is to understand the implications of sustainability for investors and support signatories to incorporate these issues into their investment decision making and ownership practices. Asset owners, investment managers and service providers can become signatories which obliges them to annually report on their progress regarding the six principles covering ESG integration, active ownership and promotion of sustainable investments. www.unpri.org
Private debt	-	Debt instruments to companies: direct lending, mezzanine, microfinance strategies.
Private equity	PE	Equity stakes in privately held companies/funds: venture capital, growth, buyout strategies.
Proxy Voting	-	A ballot cast by one person on behalf of another. One of the benefits of being a shareholder is the right to vote on certain corporate matters. Since most shareholders cannot, or do not want to, attend the annual and special meetings at which the voting occurs, corporations provide shareholders with the option to cast a proxy vote. Shareholders receive a proxy ballot in the mail along with an informational booklet called a proxy statement describing the issues to be voted on. Shareholders return a form by mail agreeing to have their vote cast by proxy.
Public debt	-	Publicly traded fixed income securities: investment grade or high yield, focused on green bonds and municipal and community infrastructure and affordable housing issuers.
Public equity	-	Equity stakes in publicly traded companies: from small-cap to mid-cap and large-cap.
Public Private Partnership	PPP	Typically medium to long-term arrangements between the public and private sectors, whereby some of the service obligations of the public sector are provided by the private sector, with clear agreement on shared objectives for delivery of public infrastructure and/or public services. In the finance context, PPPs often form the basis for long-term investments by the private sector in infrastructure or other services of the public domain.
Real assets	-	Encompasses real estate, infrastructure, farmland & cropland, timberland & forestry assets. Infrastructure: Greenfield and brownfield facilities or asset investments focused on social (airports, roads...), healthcare (hospitals), education (schools), energy (hydro, wind, solar...). More about infrastructure
Real estate	RE	A specialised form of real assets. Commercial and residential properties and/or Real Estate Investment Trusts (REITs) focused on green buildings, elder care, disability and affordable housing properties.
Regulation	-	A "regulation" is a binding legislative act. It must be applied in its entirety across the EU.
Regulatory Technical Standards	RTS	In the context of SFDR, these are standards that further detail the information FMPs must disclose by introducing, amongst others, a set of disclosure templates for products promoting environmental and/or social characteristics (Art. 8 I SFDR) and for products having sustainable investments as their objective (Art. 9 I SFDR).

Concept	Acronym	Meaning
Renewable Energy	RE	Renewable energy is "energy derived from natural sources that are replenished at a higher rate than they are consumed. Sunlight and wind, for example, are such sources that are constantly being replenished. Renewable energy sources are plentiful and all around us. Fossil fuels - coal, oil and gas - on the other hand, are non-renewable resources that take hundreds of millions of years to form. Fossil fuels, when burned to produce energy, cause harmful greenhouse gas emissions, such as carbon dioxide" (UN - https://www.un.org/en/climatechange/what-is-renewable-energy).
Responsible Investment / Sustainable Investment	-	Responsible investment (analogous to sustainable investment) refers to any investment approach, integrating environmental, social and governance factors (ESG) into the selection and management of investments. There are many different forms of responsible investing, such as best-in-class investments, ESG integration, exclusionary screening, thematic investing and impact investing. They are all components of responsible investments and have played a part in its history and evolution.
Science-based targets	-	The term "Science-based targets" is currently mostly applied in the context of climate targets. Such taregts provide a clearly defined pathway for companies to reduce greenhouse gas (GHG) emissions. According to the Science-based targets initiative, targets are considered "science-based" if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement —limiting global warminging to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. the concept can also be applied to other sustainability targets.
Scope 1	-	Scope 1 includes all direct Green House Gas emissions.
Scope 2	-	Scope 2 includes all indirect Green House Gas emissions from consumption of purchased electricity, heat or steam.
Scope 3	-	Scope 3 includes other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g. T&D losses) not covered in Scope 2, outsourced activities, waste disposal, etc.
Shareholder Activism	-	Investment strategy that employs shareholder power to influence corporate strategy and behaviour. Done by submitting and voting on proxy resolutions that influence a company's policies and practices.
Shareholder Proposal / Resolution	-	A legal right of shareholders to create a proposal for change in corporate policies and actions. Shareholder proposals are tools of corporate engagement and shareholders reserve the right to circulate proposals, and vote on them at the company's Annual General Meeting (AGM). For details on voting, see 'proxy voting'.
Small and Medium-Sized Enterprises	SMEs	Small and medium-sized enterprises (SMEs) represent 99% of all businesses in the EU. They employ less than 250 persons and have an annual turnover not exceeding EUR 50 million or a balance sheet total not exceeding EUR 43 million. They are often referred to as the backbone of the European economy (European Commission - https://single-market-economy.ec.europa.eu/smes/sme-fundamentals/sme-definition_en).
Social Factors	S of ESG	Social factors within ESG criteria in the context of investing include, but are not limited to, worker rights, safety, diversity, education, labour relations, supply chain standards, community relations, and human rights.
Social Finance	-	Social Finance is "the financing of activities made with the intention to generate positive, measurable and substantial social impact alongside a financial return. Social activities include those that promotes access to decent work, adequate living standards and wellbeing, and/or inclusive and sustainable communities" (ICFA, 2024).
Socially Responsible Investing	SRI	Socially Responsible Investing (SRI) is the term previously used for sustainable or responsible investing. SRI had its origin in the Anglo-Saxon investment world, where it originally referred to investments based on exclusionary screening and later to investments with a best-in-class approach and other forms of sustainable investments. Some players still use it as a generic term for sustainable investing.
Stranded Assets	-	Stranded assets refers to a scenario in which the value of fossil fuel reserves falls due to rising operational costs associated with carbon prices. Fossil fuel assets could become 'stranded' as production becomes unprofitable. The possibility of increased regulation and public pressure, both domestic and international, poses additional risks. The share price of fossil fuel companies could diminish considerably if political pressure to reduce carbon emissions strengthens. The risk of stranded assets is a growing concern for investors.
Sub-Saharan Africa	SSA	Sub-Saharan Africa is the part of the African continent south of the Sahara Desert. Thus, it consists of the overwhelming majority of Africa's landmass. It also includes most of the countries and peoples of the continent.
Sustainability Index / Benchmark	-	A sustainability index / benchmark is a tool to measure the value of a section of the stock market. It is computed from the prices of stocks selected by applying a sustainable investment approach. Investors use this tool to describe the market and to compare the return on specific investments.
Sustainability Ratings	-	Ratings reflecting a company's/country's/fund's performance with regards to environmental, social and governance (ESG) factors. Sustainability ratings enable investors to gain a quick overview of the sustainability performance of a company/country/fund and are the basis for a best-in-class investment approach.
Sustainable	-	Balancing economic ecological and social goals in such a way that the people living on our planet today can meet their needs without compromising the ability of future generations to meet their own needs. (WCED)
Sustainable Assets Under Management	-	Widely applied key performance indicator referring to the total volume of sustainable investments of an investor, asset manager or country. Often expressed as a percentage of total assets under management.
Sustainable Development Goals	SDG	The SDGs are 17 goals aiming to catalyse sustainable development set by the UN in 2015. They include goals such as no poverty, gender equality, decent work, sustainable consumption, climate action and reduced inequalities. The goals were developed to replace the Millennium Development Goals (MDGs) which ended in 2015. Unlike the MDGs, the SDG framework does not distinguish between "developed" and "developing" nations.
Sustainable Finance	SF	Sustainable finance refers to any form of financial service with the objective of supporting the transition to a sustainable economy and society by integrating environmental, social and governance (ESG) factors into business and investment decisions. Such finance aims for the lasting benefit to clients, society at large and the planet.
Sustainable Finance Disclosure Regulation	SFDR	The Sustainable Finance Disclosure Regulation (SFDR) came into effect on 10 March 2021. It "aims to trigger changes in behavioural patterns in the financial sector, discouraging greenwashing, and promoting responsible and sustainable investments" (European Commission - 2021).
Sustainable Financial Centre	SFC	A sustainable financial centre is a financial marketplace that contributes to sustainable development and value creation in economic, environmental and social terms. In other words, one that increases prosperity and economic competitiveness both today and in the long term, while aiming for the lasting benefit of clients, scoeity at large and the planet.

Concept	Acronym	Meaning
Sustainable Investment	-	Sustainable investment (analogous to responsible investment) refers to any investment approach integrating environmental, social and governance factors (ESG) into the selection and management of investments. There are many different approaches of sustainable investing, including best-in-class, ESG integration, exclusions and impact investing.
Sustainable Investment Forum	SIF	A sustainable investment forum is an association promoting sustainable investments and finance in a national or multinational financial market. There are many SIFs in Europe, most of which are partners and founders of Eurosif. Eurosif together with other regional and national SIFs has founded the Global Sustainable Investment Alliance (GSIA) to align activities and gain a market overview on sustainable investments globally.
Sustainable Investment Fund	-	Investment fund based on an investment process integrating ESG criteria in different forms (i.e. best-in-class, ESG integration, exclusionary screening).
Sustainable Investment Mandate	-	Investment mandate based on an investment process integrating ESG criteria in different forms (i.e. best-in-class, ESG integration, exclusionary screening).
Sustainable Thematic Investments / Thematic Investing	-	Investment in businesses contributing to sustainable solutions, both in environmental or social topics. In the environmental segment this includes investments in renewable energy, energy efficiency, clean technology, low-carbon transportation infrastructure, water treatment and resource efficiency. In the social segment this includes investments in education, health systems, poverty reduction, and solutions for an ageing society.
Target fund size	-	The Target fund size is the amount an investment manager is targeting when raising capital.
Technical Assistance	TA	Technical assistance (TA) is a mode of support that facilitates the preparation, financing, and execution of development projects and programs. Within the ICFA program, emerging investemet managers selected receive access to trainings on a wide range of topics, an experienced coach and other benefits.
Technical Assistance Facility	TAF	The Technical Assistance Facility (TAF) support scheme provides free-of-charge expert advice to eligible investment projects. The EU's global Technical Assistance Facility- TAF is a "long-standing EU programme that assists partner countries in improving regulatory frameworks, enhancing institutional capacities and mobilising investments in sustainable energy. TAF works with a variety of stakeholders promoting cross-border energy cooperation and strategic partnerships, while supporting knowledge transfer and communication" (European Commission - https://international-partnerships.ec.europa.eu/policies/programming/projects/eu-global-technical-assistance-facility-sustainable-energy-eu-gtaf_en).
Technical Expert Group	TEG	The European Commission "set up a Technical expert group on sustainable finance (TEG) to assist it in developing, in line with the Commission's legislative proposals of May 2018 - an EU classification system – the so-called EU taxonomy – to determine whether an economic activity is environmentally sustainable; - an EU Green Bond Standard; - methodologies for EU climate benchmarks and disclosures for benchmarks; - and guidance to improve corporate disclosure of climate-related information". (European Commission - https://international-partnerships.ec.europa.eu/policies/programming/projects/eu-global-technical-assistance-facility-sustainable-energy-eu-gtaf_en)
Technical Screening criteria	-	Scientific-based quantitative and qualitative requirements and thresholds that an eligible economic activity must meet to be considered "significantly contributing to a sustainable objective". These criteria are economic activity- and environmental objective-specific.
Timberland & forestry (real assets)	-	A specialised form of real assets. Ownership and/or management of productive forest lands focused on biodiversity preservation, biological growth and sustainable timber sales. More about Timberland & forestry
Triple Bottom Line	-	A holistic accounting framework with three parts: environmental, social and financial. These three divisions are also called the three Ps: people, planet and profit, or the "three pillars of sustainability".
UN Guiding Principles on Business and Human Rights	-	The Guiding Principles for Business and Human Rights are meant to support the implementation of the United Nations "Protect, Respect and Remedy" Framework. This set of guidelines seeks to provide a global standard for preventing and addressing the risk of adverse human rights impacts linked to business activity. They were proposed by the UN Special Representative for Business and Human Rights, John Ruggie, and endorsed by the UN Human Rights Council in June 2011. As they cover all areas of business, they are also applicable to the financial sector.
Undertaking for Collective Investment in Transferable Securities	UCITS	The UCITS Directive "empowers the Commission to adopt delegated and implementing acts to specify how competent authorities and market participants shall comply with the obligations laid down in the directive" (European Commission, 2023 - https://finance.ec.europa.eu/regulation-and-supervision/financial-services-legislation/implementing-and-delegated-acts/undertakings-collective-investment-transferable-securities-directive_en.)
United Nations Conference On Trade And Development	UNCTAD	The UNTCAD support developing countries to access the benefits of a globalized economy more fairly and effectively. And we help equip them to deal with the potential drawbacks of greater economic integration.
United Nations Economic Commission For Africa	UNECA	"Established by the Economic and Social Council (ECOSOC) of the United Nations (UN) in 1958 as one of the UN's five regional commissions, ECA's mandate is to promote the economic and social development of its member States, foster intra-regional integration, and promote international cooperation for Africa's development." (Umeca, 2024 - https://www.uneca.org/)
United Nations Environment Program Finance Initiative	UNEP FI	The UNEP FI is a global partnership between UNEP and the financial sector founded in 1992. UNEP FI's mission is to bring about systemic change in finance to support a sustainable world, and is highlighted in its motto, "Changing finance, financing change". Member organisations, representing banking, insurance and investment, recognize sustainability as part of a collective responsibility and support approaches to anticipate and prevent potential negative impacts of the financial industry on the environment and society. UNEP FI develops selective collaborations with other partner organisations, in order to increase awareness and raise support for critical activities (UNEP FI - www.unepfi.org).
United Nations Environment Programme	UNEP	The United Nations Environment Programme (UNEP) is "the leading global authority on the environment. UNEP's mission is to inspire, inform, and enable nations and peoples to improve their quality of life without compromising that of future generations." (UNEP, 2024 - https://www.unep.org/who-we-are/about-us)
United Nations Global Compact	UNGC	This UN initiative aims to encourage businesses worldwide to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. Companies signing the UNGC commit to regularly reporting on progress on the ten principles. www.unglobalcompact.org

Concept	Acronym	Meaning
Values-based Exclusions	–	This refers to exclusions that are based on personal values (as opposed to exclusions based on risk considerations or the violation of international norms). Prominent examples are exclusions of companies involved in gambling, production of weapons or alcohol.
Venture capital (private equity)	VC	A specialised form of private equity, characterised by high-risk investment in early-stage or young companies following A growth path in technology and other value-added sectors
Verified Carbon Standards	VCS	The Verified Carbon Standard (VCS) Program is "the world's most widely used greenhouse gas (GHG) crediting program. It drives finance toward activities that reduce and remove emissions, improve livelihoods, and protect nature". (VCS, 2024 - https://verra.org/programs/verified-carbon-standard/)
Vintage	–	The vintage year refers to the year in which the fund manager first draws capital from investors.
World Bank	WB	"With 189 member countries, staff from more than 170 countries, and offices in over 130 locations, the World Bank Group is a unique global partnership: five institutions working for sustainable solutions that reduce poverty and build shared prosperity in developing countries." (World Bank, 2024 - https://www.worldbank.org/en/who-we-are).