



**ISO 32210 – THE FIRST ISO STANDARD ON  
SUSTAINABLE FINANCE  
ASSISTS ESG CONSIDERATIONS**

22.02.22



# **ISO & ISO TC 322**

## **Overview of the Standard and how the need has arisen**

**Dr. Peter Young**

**Chair of ISO TC 322 Sustainable Finance**



Cyprus Organisation for Standardisation



# Introducing ISO, TC322 on Sustainable Finance, and our Standardisation Work

**Peter Young Chair, ISO/TC322**



**Webinar: “*ISO 32210 – The first ISO Standard on Sustainable Finance assists ESG considerations*”**

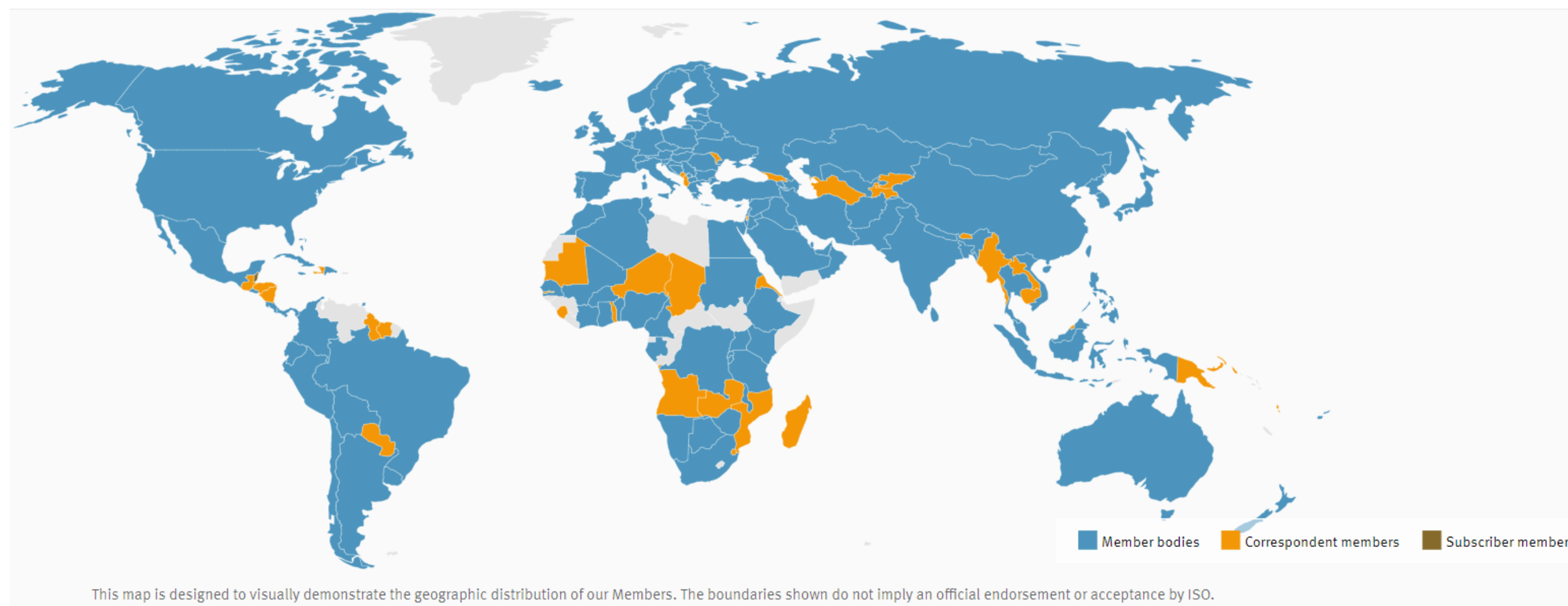
***12.00-13.30 22<sup>nd</sup> February 2022***



# Introducing ISO

## International Organization for Standardization

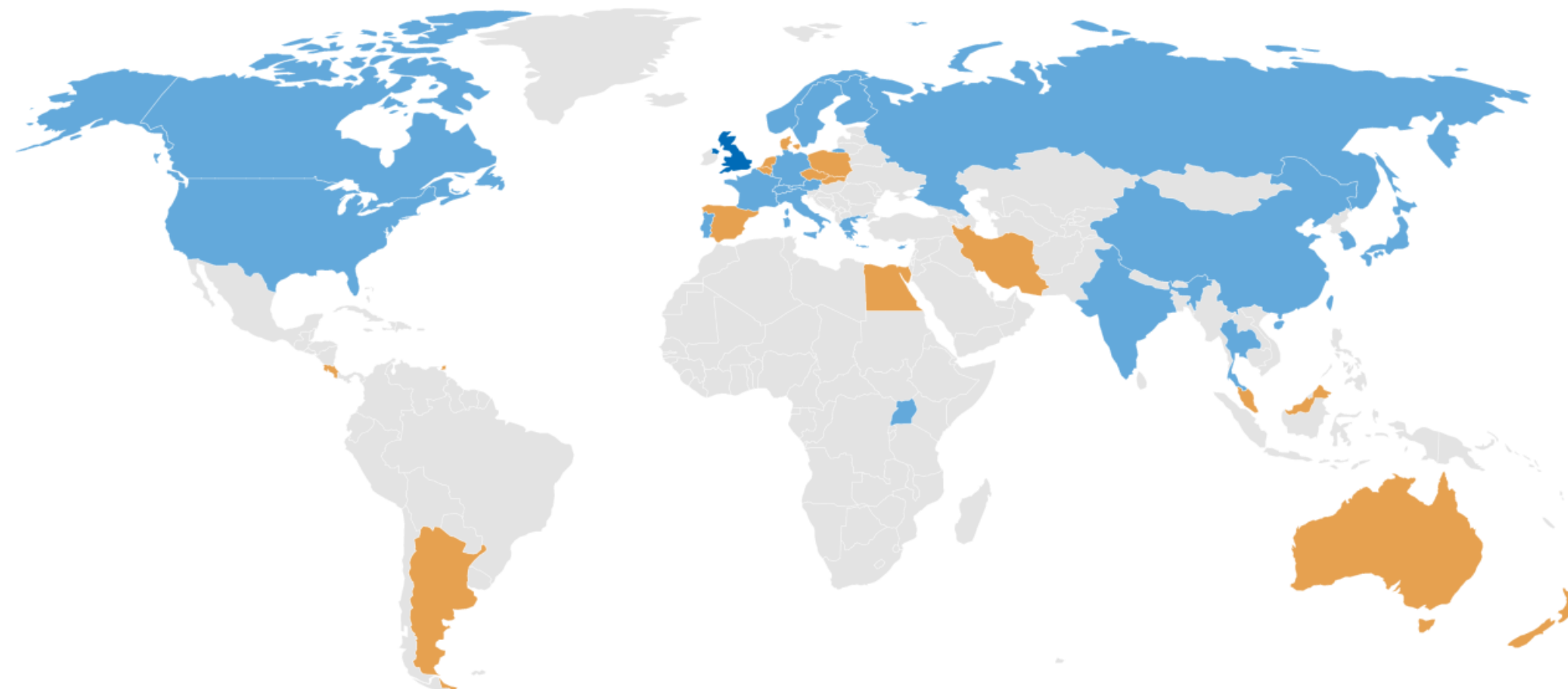
- Independent non-governmental organization
- Global network of national standards bodies
- Well-established, proven consensus-building process
- 165 members: <https://www.iso.org/members.html>





# 'ISO/TC 322' – A Short History

- [ISO Technical Committee 322 on Sustainable Finance](#) (SF)
- First plenary meeting March 2019
- [Strategic Business Plan](#) published April 2020
- 25 participating + 18 observer countries and growing
- 12 external liaison members, incl. EC, EEA, SVI, GABV, IIF
- Leads ISO's contributions to eg ISSB/IFRS, TNFD



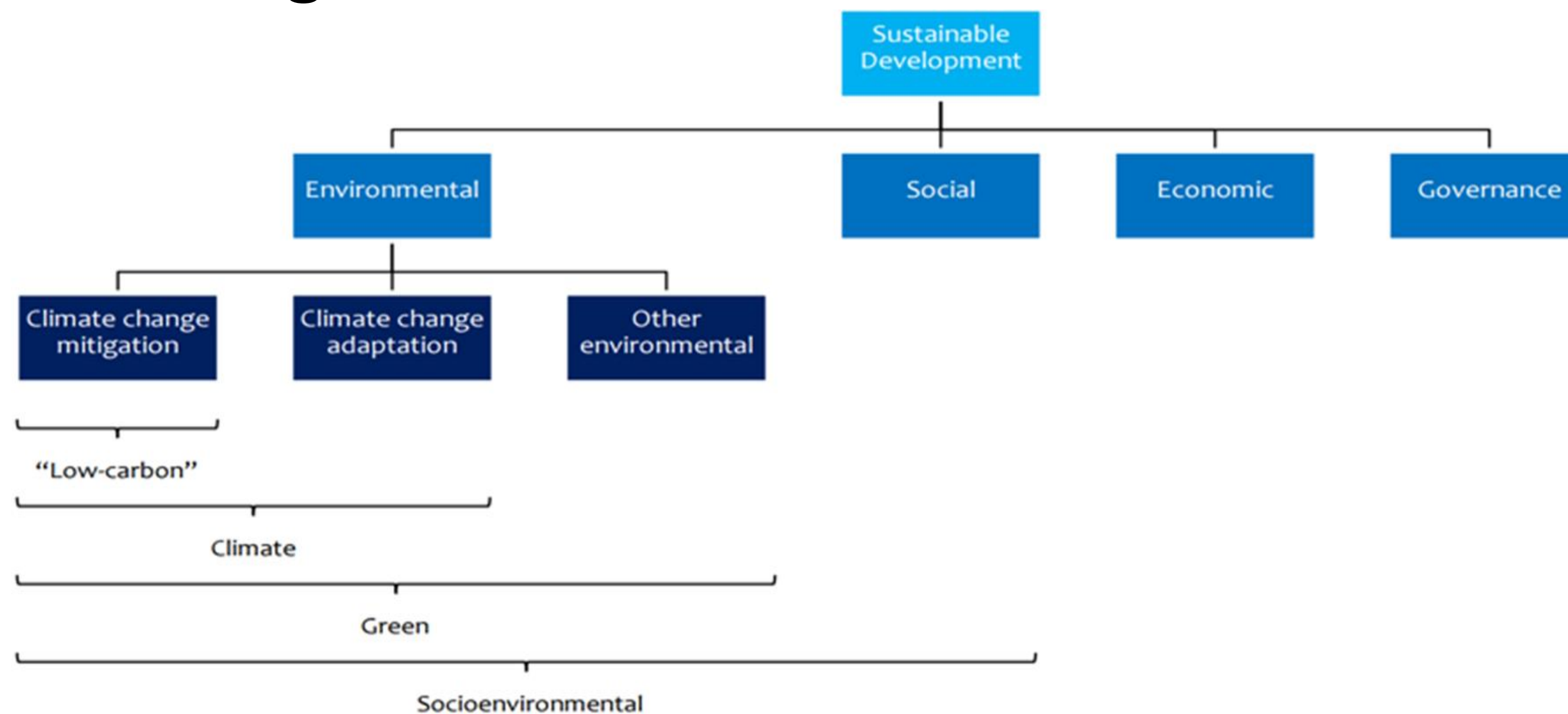
This map is designed to visually demonstrate the geographic distribution of our Members. The boundaries shown do not imply an official endorsement or acceptance by ISO.



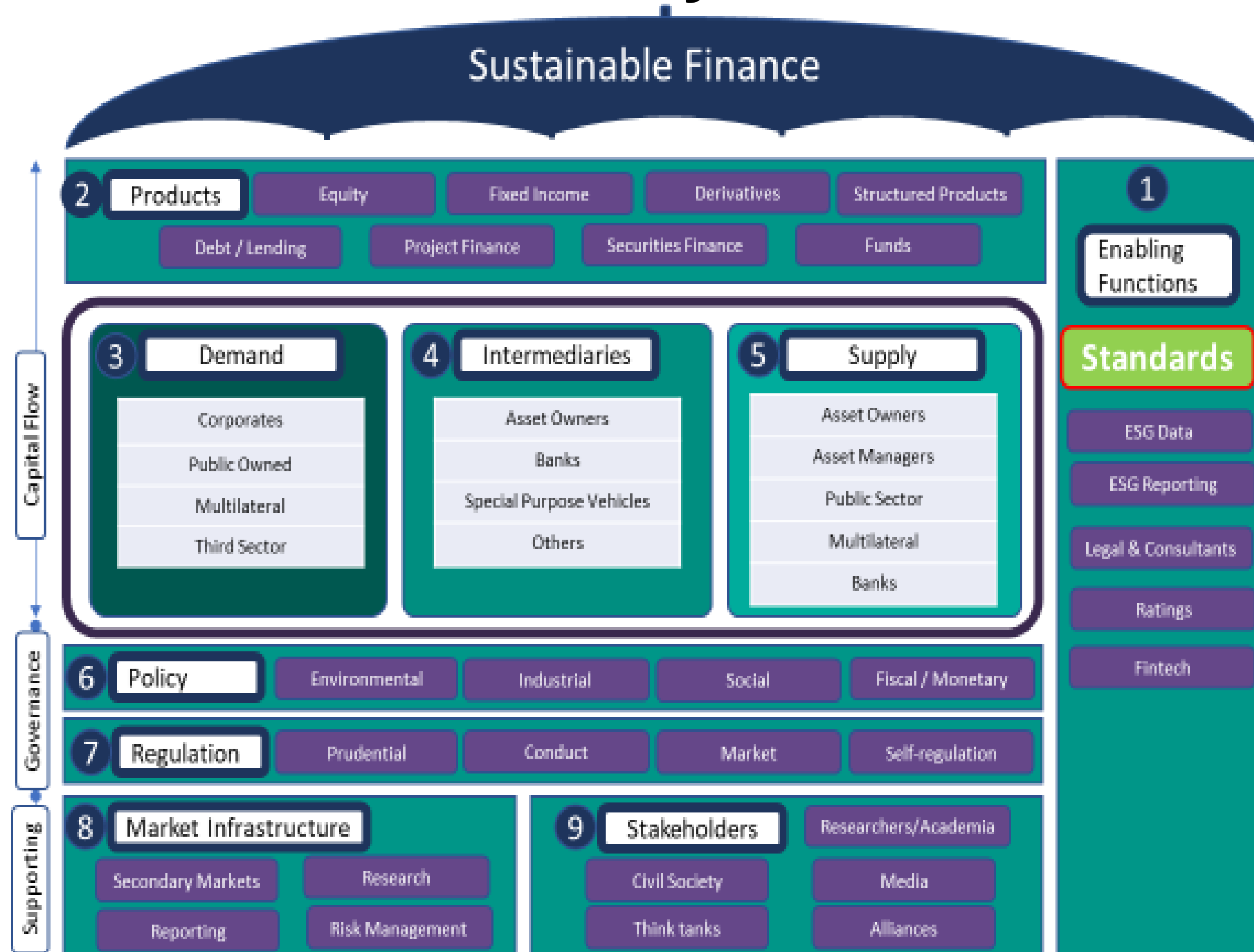


# ISO/TC 322 Scope

***“Standardization in the field of sustainable finance to integrate sustainability considerations including environmental, social and governance practices in the financing of economic activities”***

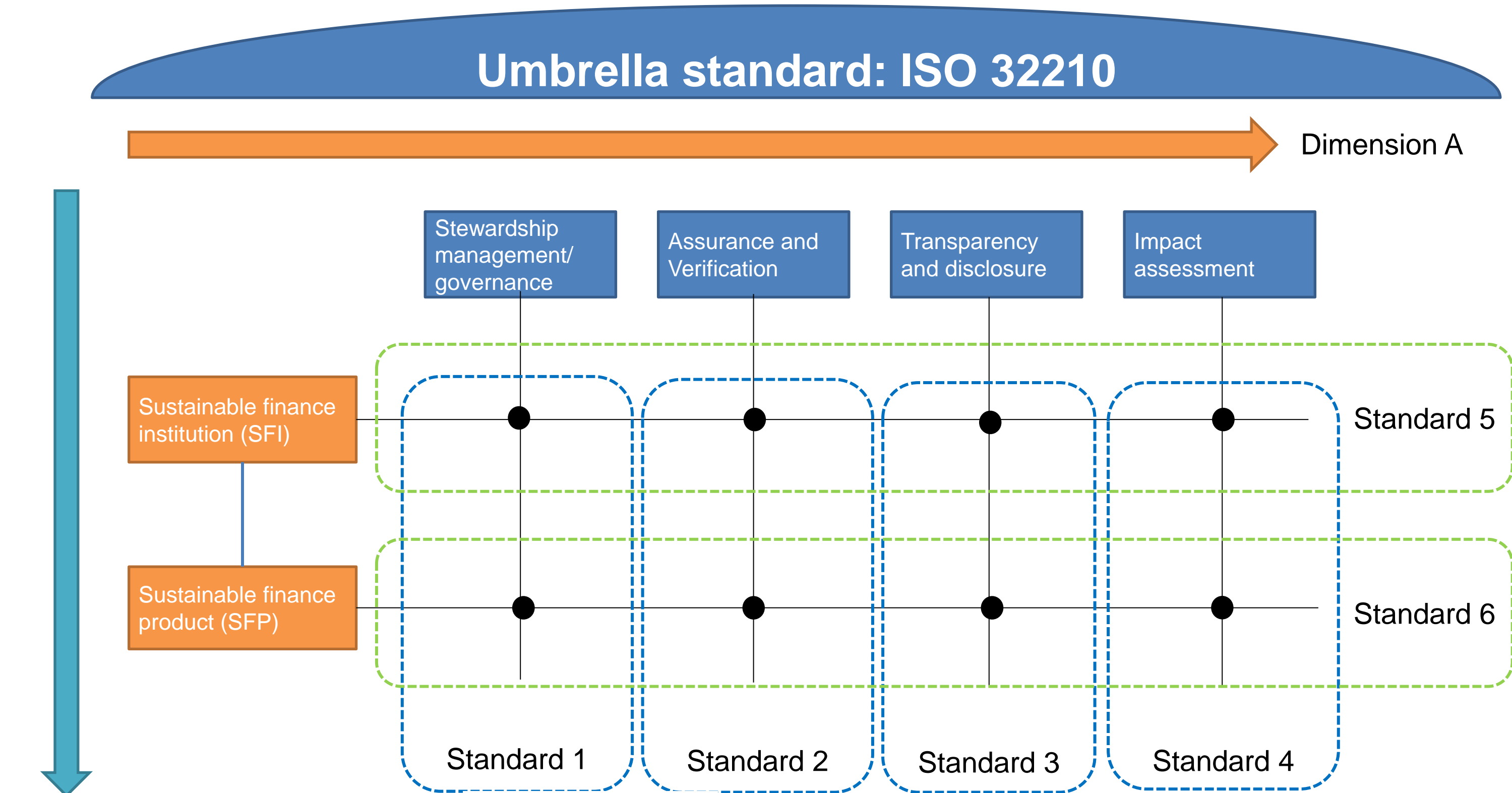


# Rationale: The Sustainable Finance Ecosystem





# Rationale: A Single Global Structure



Dimension B

A Repository for all:







# Strategy: Amplifying role of ISO to deliver the transition to SF

- Delivery of core work through 5 main internal activities:
  1. Collaborative work within ISO: eg in finance, asset management, governance, environmental performance and social responsibility
  2. Develop a SF framework standard – ISO32210, the DIS was published last month and is the main topic today
  3. Publish a [terminology guide TR32220](#), available since August 2021
  4. Combine experts to produce joint input standards such as the Guidance on environmental criteria for projects, assets and activities to support the development of green finance ([ISO14100](#)) and Green Debt Instruments series ([ISO14030](#)) Parts 1 to 4
  5. Contribute to harmonization, alignment and demystifying of SF standards in approach to selecting work on new ISO standards
- Reach out to new countries and enable engagement
- Bringing ISO experience to international initiatives...



# Strategy: Amplifying role of ISO – External Activities

Bringing ISO experience to international initiatives - Examples:

1. Input to Mark Carney chaired Quarterly Global Climate Reporting International Organizations Roundtables pre-COP26
2. Contribution to development of IFRS proposals to establish an International Sustainability Standards Board (ISSB)
3. IOSCO Sustainable Taskforce Roundtable on Sustainability-related Financial Disclosures
4. Knowledge partner to G20 Sustainable Finance Working Group and the G20 Sustainable Finance Road Map
5. Contributed (via ISO CCCC) to technical appendix of relevant standards for Taskforce for Scaling Voluntary Carbon Markets
6. ISO representative on TNFD Forum
7. ISO representative on UNFCCC Race to Zero Working Group 1 on net zero finance and disclosure of climate-related risks
8. TC322 input to key international initiatives including EFRAG (EU) APEC NGFS TCED IPES NGFS



# ISO TC 322 Next Steps

- Encourage dialogue and input to get the framework and principles for sustainable finance in ISO32210 locally useful and globally consistent – today you can help!
- Develop further standards and encourage experts to join us:
  1. A Standard for Sustainable Financial Products & Services
  2. A Standard for Sustainable Venture Capital/Private Equity Funds
  3. A Standard for ESG Impact Assessment - focussed on Transparency & Disclosure
  4. Possibly as a separate initiative or within 3. above the Social Aspects of Sustainable Finance
- Ensure the ISSB governance structure reflects the breadth of its responsibilities and build mutual support with ISO



# Thank You for Your Attention



For more information on ISO/TC 322 Sustainable Finance see  
[ISO page](#) or [Committee Website](#)

or contact: Mike Henigan, Committee Manager –  
[mike.henigan@bsigroup.com](mailto:mike.henigan@bsigroup.com)



**Mike HENIGAN**



**“ISO/DIS 32210 – Sustainable Finance:  
Principles and Guidance”. Benefits, Scope,  
Structure, Principles & Implementation**

**Mr. Hayden Morgan**  
**Convenor, WG 1 of ISO TC 322 Sustainable Finance**





# ISO 32210

## Sustainable Finance: Principles & Guidance



Hayden Morgan  
Convenor, ISO/32210, Founder / Director: Morgan Green Advisory  
[hayden@morgangreenadvisory.com](mailto:hayden@morgangreenadvisory.com)

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### Agenda

1. ISO & development of the Standard
2. Benefits of the Standard
3. Scope / Contents
4. Principles & Guidance
5. Invitation to participate





## ISO & Development of ISO 32210

- **Consensus-driven solutions for global challenges**
- **Standard drafting process is credible, trusted and transparent**
- **Standards are often used as pseudo-regulation**
- **Ideal platform for Sustainable Finance**

### ISO 32210: Sustainable Finance: Principles & Guidance

3 year programme

- Commenced 2019

100s of experts

- From over 25 countries

1000s of comments

- To review, consider and agree

>15 meetings

- Plus numerous sub group and editing meetings

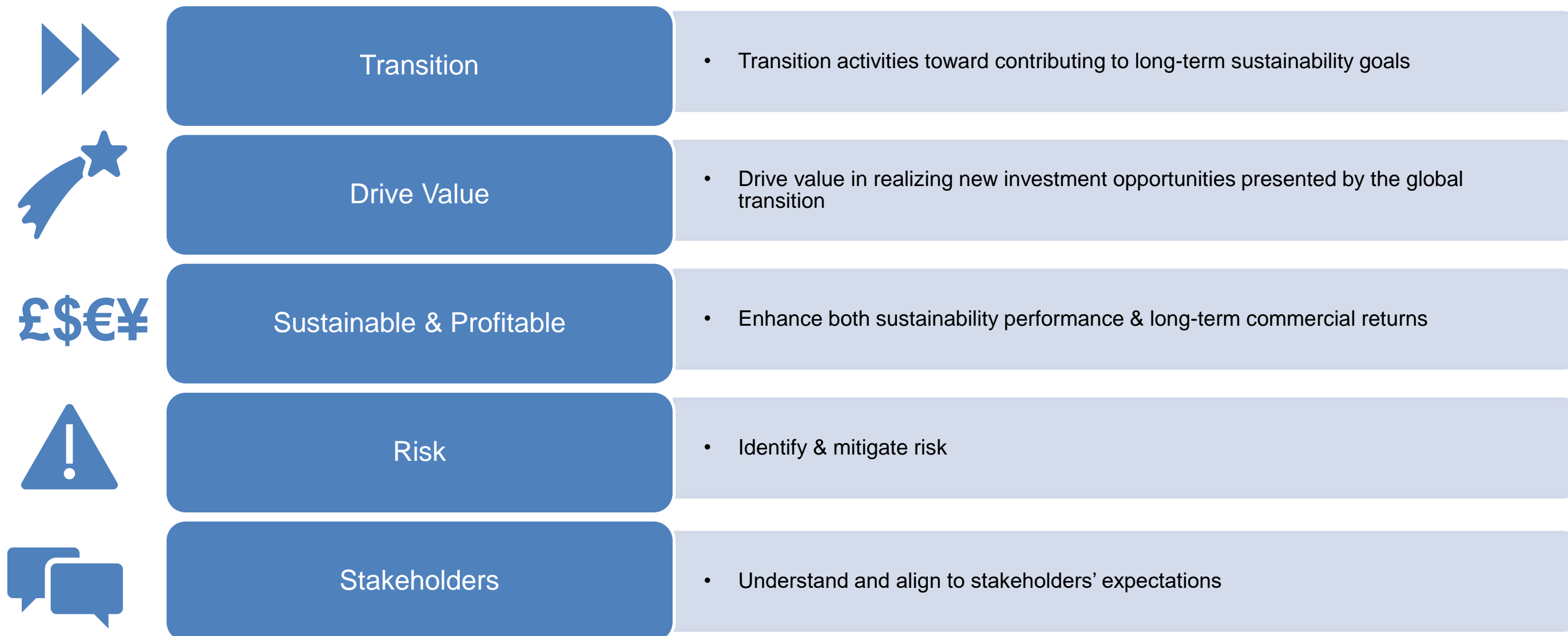
7 Principles

- Core to the standard



## ISO 32210, Sustainable Finance: Principles & Guidance Benefits

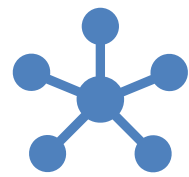
- **Financial sector crucial to enable sustainable transition**
- **>\$1 trillion / yr additional investment to meet Net Zero / Paris goals, plus SDGs**
- **ISO 32210 supports organizations integrate sustainability governance**
- **ISO 32210 enables access market opportunities, added value, risk management**





## ISO 32210, Sustainable Finance: Principles & Guidance Benefits

- **Transparent assessment, management, and reporting**
- **Covers all dimensions of sustainability**
- **Enables confidence and reassurance for key stakeholders**



### Cohesion

- Supports other initiatives & regulation
- TCFD, Disclosure, Taxonomies, PRI, ISSB



### Good practice

- Benchmark for organizations to reference



### Transparent

- Clarity & demonstration of alignment of interest
- Reduces risk of 'greenwash'



### Relevant

- Curated & dynamic web-based resource to support implementation
- Ensures relevance



## ISO 32210, Sustainable Finance: Principles & Guidance Scope

- **Principles & Good Practice**
- **Focus on material ESG / Sustainability issues**
- **Whole organisational activities: From 'Strategy' to 'Products & Services'**



- What is material from the organizational perspective?
- Guidance on application of sustainability principles & practices, eg for investment and financing activities.
- Demonstrate alignment with sustainability principles, guidance and practices through operations, actions, reporting and disclosures.
- Applicable for all organizations in financial sector, including direct lenders, investors, asset managers and service providers.

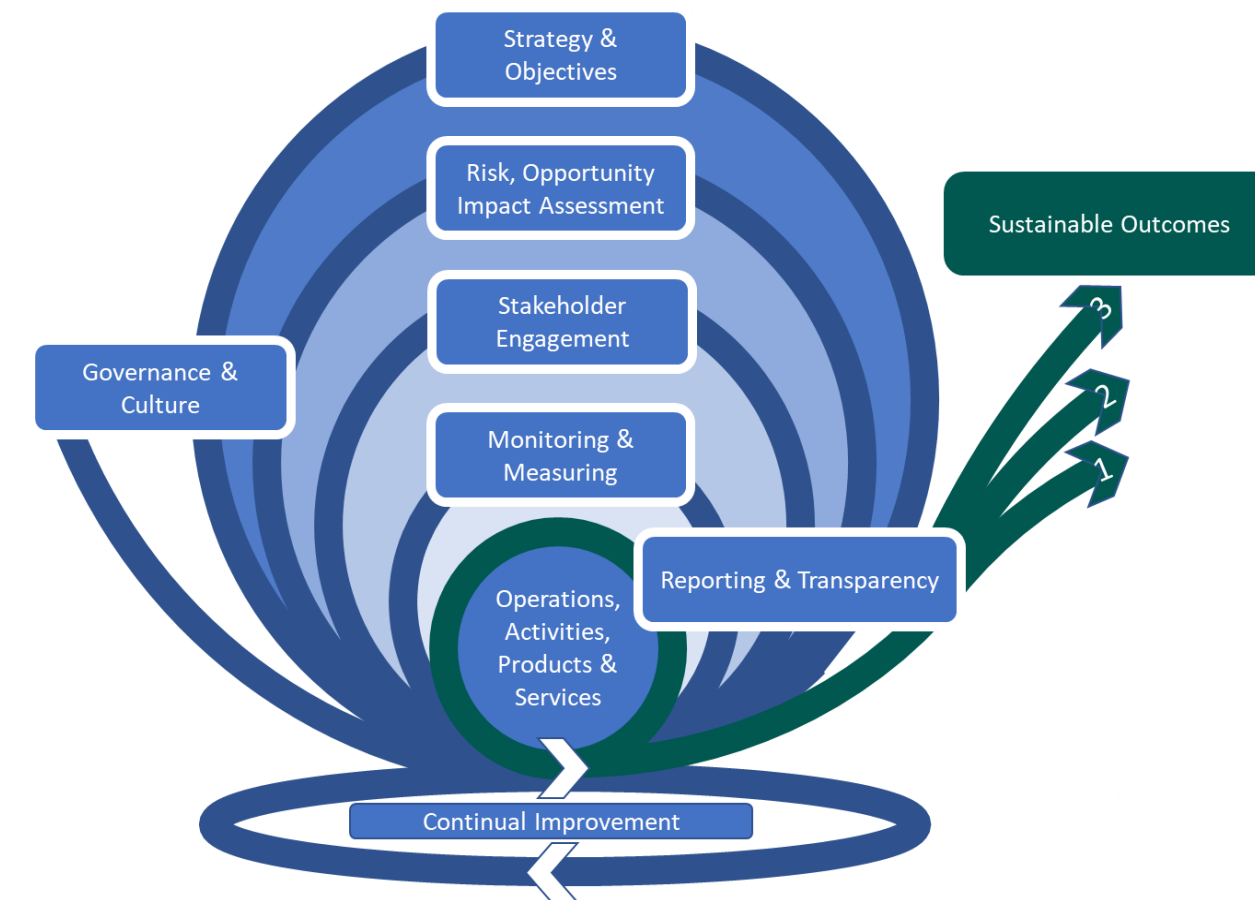


# ISO 32210, Sustainable Finance: Principles & Guidance Contents

## ISO 32210 Contents

1. Scope
2. Normative references
3. Terms and Definitions
- 4. Sustainable Finance Principles**
  - i. Governance and culture
  - ii. Strategy alignment and objectives
  - iii. Risk & opportunity management & impact assessment
  - iv. Stakeholder engagement
  - v. Monitoring and measuring
  - vi. Reporting, transparency and assurance
  - vii. Continual performance improvement and enhancing ambition
- 5. Sustainable Finance – Implementation (Guidance)**

## Sustainable Finance Principles

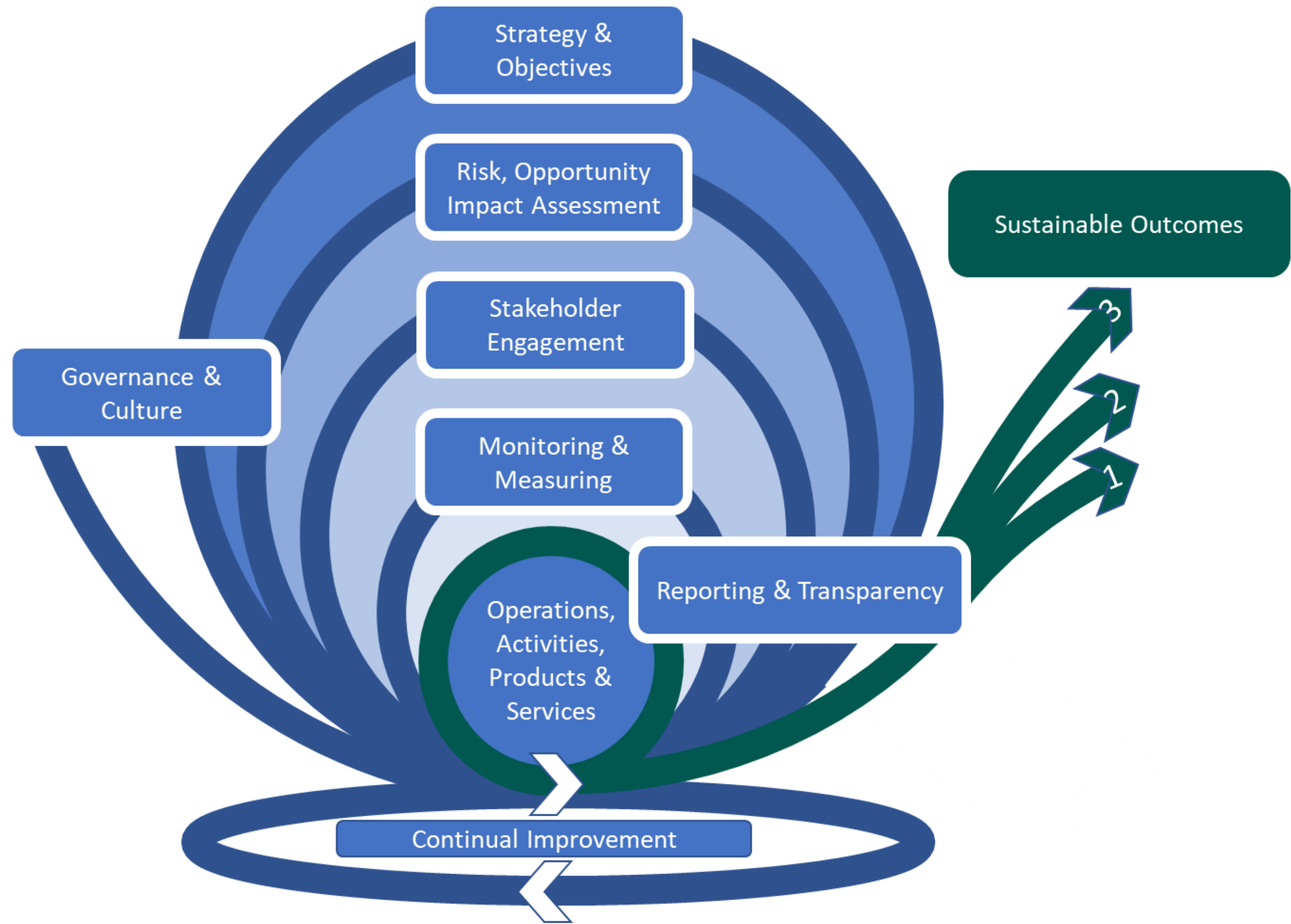




# ISO 32210, Sustainable Finance: Principles & Guidance

## Principles

Holistic approach - Principles are overarching and interactive by design.







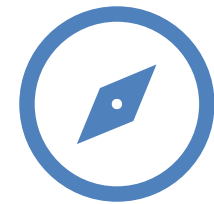
# ISO 32210, Sustainable Finance: Principles & Guidance Implementation Guidance

## Good Practice guidance provided to support operational implementation



### Governance & culture

- Defined board commitment and accountability.
- Identify value, liability, impact, risk and risk mitigants.
- Implement a strategy into all appropriate processes and activities.



### Strategy alignment & objectives

- Sustainability Policy: ambitious goals, commitments, embed operations.
- Alignment with global sustainability goals / stakeholders expectations.
- Transformational change to reframe purpose, values and mission.



### Risk & opportunity management Impact assessment

- Robust understanding of impacts and risk/opportunity management.
- Materiality may include dual and/or dynamic materiality considerations.
- Conduct scenario analysis, assess future risks and opportunities.



### Stakeholder engagement

- Effective engagement with relevant stakeholders.
- Insights, understanding, mitigate risk, identify best & lagging practices.
- Feedback integrated within implementation of the Principles.



### Monitoring & measuring

- Strategic goals supported with metrics and KPIs to measure progress.
- Focus on material and relevant factors.
- Measurement shows performance, outcomes, impact, benchmarking.



### Reporting, transparency & assurance

- As a *minimum*, publicly demonstrate progress with each Principle.
- Progress toward strategic goals & objectives (metrics and KPIs).
- 3<sup>rd</sup> party review to support trust & confidence is good practice.



### Continual performance improvement Enhancing ambition

- Continual improvement of sustainability outcomes & impacts.
- Enhancing ambition to global environmental & social goals over time.
- Periodic review of performance, processes and organizational capacity.



## ISO 32210, Sustainable Finance: Principles & Guidance Key Documentation

- **Key documents and outputs from implementation of the Principles and Guidance may include...**



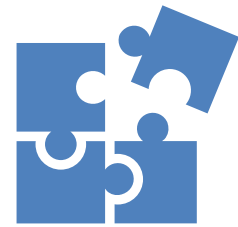
- Sustainability Statement or Policy
- Development of strategic goals on material sustainability issues
- Development of suitable metrics and associated key performance indicators
- Executive / board accountability for sustainability matters
- Executive / board compensation aligned with sustainability performance and outcomes
- A systematic review of existing organizational processes and resources
- Stakeholder Engagement Plan
- Benchmarking / Peer Review / Gap Analysis
- Transition Plan
- Strategic Implementation Plan
- Scenario Analysis / Risk Impact Assessment and Mitigation Plan
- Public reporting showing material and relevant progress, performance and outcomes
- External Assurance Statement



## ISO 32210, Sustainable Finance: Principles & Guidance

### Key users and interested parties

**Implementation of the principles and guidance will require interfacing with a number of organizational departments, roles and stakeholders.**



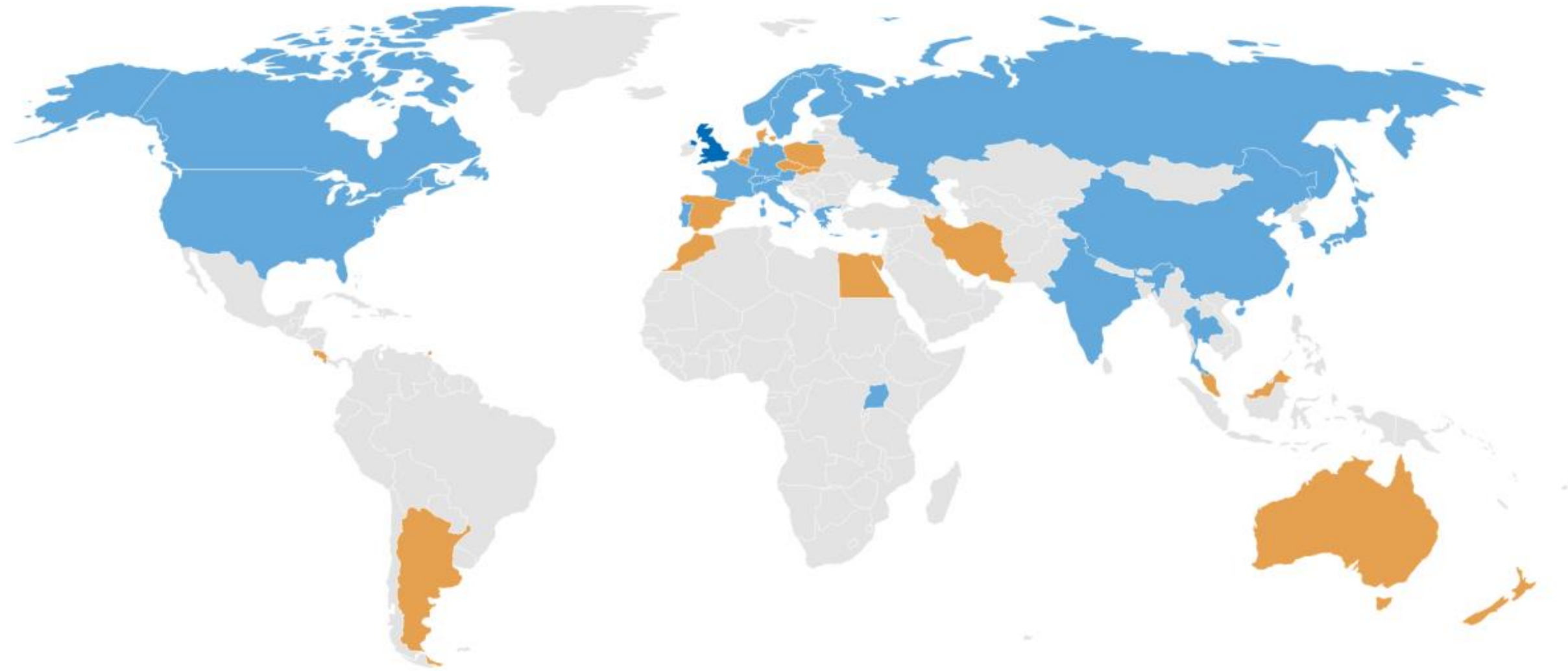
**Successful integration of sustainability requires engagement with many internal and external stakeholders, including those responsible for:**

- Fulfilling fiduciary responsibilities
- Setting and monitoring progress against strategic goals
- Understanding and monitoring risk
- Developing new products and services
- Ensuring legal compliance
- Approving investments / capital allocation
- Monitoring portfolios
- Engagement with, and reporting to, stakeholders



ISO 32210, Sustainable Finance: Principles & Guidance  
**NOW OPEN: DIS Review & Ballot**

- **TC322 Committee Ballot set up for members to submit vote.**
- **Comments from members and liaison organizations.**



Review period / ballot: Now open closes 7 April 2022





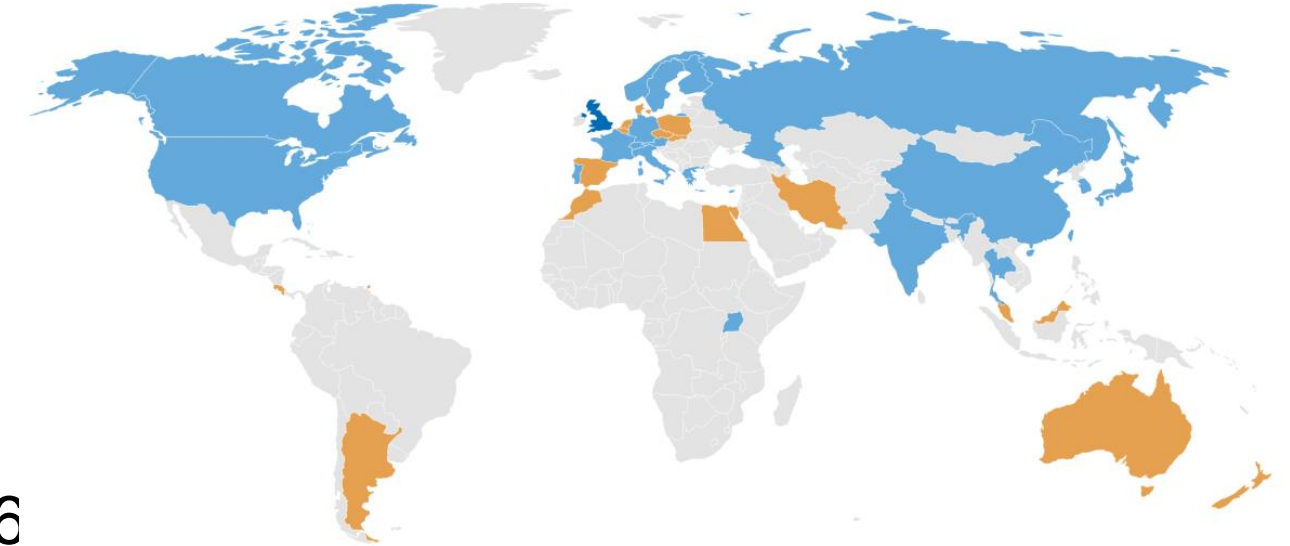
# ISO 32210, Sustainable Finance: Principles & Guidance Get Involved



TECHNICAL COMMITTEES

## ISO/TC 322 Sustainable finance

<https://www.iso.org/committee/7203746>



<https://committee.iso.org/home/tc322>



In Cyprus: CYS





**“ISO/DIS 32210 – Sustainable Finance:  
Principles and Guidance”.**

**How to get involved. Future actions of  
ISO TC 322 – Challenges & Opportunities**

**Mr. Mike Henigan  
Committee Manager of ISO TC 322  
Sustainable Finance**



# ISO/TC 322 Sustainable Finance

- ✓ How to get involved
- ✓ Future actions
- ✓ Challenges & opportunities



**Mike Henigan**  
**Committee Manager, ISO TC 322**  
[mike.henigan@bsigroup.com](mailto:mike.henigan@bsigroup.com)

# ISO/TC 322 Sustainable Finance



## How to get involved

Cyprus Organisation for Standardisation, CYS, is one of the 25 Participating member of ISO/TC 322

- Nominates delegates to TC322 plenary
- Vote/comment on new work proposals (NWIP), committee draft (CD), Draft International Standard (DIS)
- Nominate expert(s) to participate in any of TC322 working groups, ad hoc groups, study groups

# ISO/TC 322 Sustainable Finance – Structure

- **Working Group 1 Sustainable Finance Framework (ISO 32210)**
- **Working Group 2 Terminology (incl. ISO TR 32220)**
- **Ad Hoc Group 2 Future Standards Development**
- **Technical Advisory Group on Sustainable FinTech**
  
- **Chair's Advisory Group (CAG)**
- **Advisory Group Communications and Engagement (AGCE)**

# ISO/TC 322 Sustainable Finance – Standards

## ISO DIS 32210 Sustainable Finance: Principles and Guidance

- Voting closes April 2022, WG1 will review comments
- Final Draft for ballot Q3 2022
- Expect publish November 2022

## ISO/TR 32220 Sustainable Finance – Basic Concepts and Key Initiatives

- Published August 2021 – kept under review by WG2

# ISO/TC 322 Sustainable Finance – Pending

## ISO PWI 32211 Sustainable Finance Products and Services

**Status:** NWIP expected Q1/2022 (China)

**Type & Scope:** Technical Specification -  
Guidance to integrate sustainability aspects  
when developing and presenting products and  
services

**Aim:** Strengthen credibility and transparency

**Basis:** Existing & developing approaches of  
legislations, financial sector initiatives and  
recent ESG covering ISO standards

**Time:** 24 month dev. Track for ISO -Technical  
Specification

## ISO PWI 32212 Sustainable Finance Private Equity & Venture Capital Funds

**Status:** NWIP expected Q2/2022 (China)

**Type & Scope:** Standard - Guidance &  
requirements for PE/VC funds with holistic  
sustainability integration / ESG focus

**Aim:** Provide practical guidance for ESG  
integration and impact documentation

**Basis:** Existing/developing approaches of  
legislations, financial sector initiatives and  
standards

**Time:** 36 month dev. track for ISO - Standard



# ISO/TC 322 Sustainable Finance – Future ideas

## AHG2 Future Standards Development

- ESG Impact assessment – transparency and disclosure
- Social aspects of sustainable finance
- Transparency of asset management solutions
- ESG properties for asset classes

*Volunteers to participate in AHG2 are welcome!*

# ISO/TC 322 Sustainable Finance – Future ideas

## Technical Advisory Group (TAG) Sustainable FinTech

- Integrate FinTech with financial sustainable development (ESG, specific SDGs)
- Develop common understanding, examine market needs
- Liaison with other TCs, eg TC68 Financial services, and external organizations
- EG “Blockchain Green Bonds”

*Volunteers to participate in the TAG are welcome!*

# ISO/TC 322 Sustainable Finance Challenges

- Fast developing area – how to keep up?
- Ensure financial community understands the value that ISO can bring, our proven consensus-building process
- Increase developing countries/emerging market input, eg Asia/ Africa/ LatAm
- Increase activity with key external ‘liaison organizations’
- Co-ordination with other ISO TCs and other standards, eg ISO 14030 series on green debt instruments, ISO 14100 Environmental criteria to support green finance

# ISO/TC 322 Sustainable Finance Opportunities

- ISO well placed to fill gaps and provide clarity where there may be confusion
- Developing countries/emerging market can be key influencers
- ISO can be involved with other standards setters such as new ISSB, VRF, IOSCO



## ISO/TC 322 Sustainable Finance

- [Committee Website](#) – further background on our work
- [YouTube Channel](#) – insights from previous webinars
- [ISO page](#)

## General ISO information

- [About ISO](#)
- [Economic Benefits of Standards](#)
- [ISO and the UN Sustainable Development Goals](#)
- [ISO and Climate Change](#)
- [My ISO Job](#) – a guide for delegates and experts



# ISO/TC 322 Sustainable Finance



For information about ISO and ISO/TC 322



Mike HENIGAN

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For information about CYS and the national mirror committee

Natali GIORGALLA

[n.giorgalla@cys.org.cy](mailto:n.giorgalla@cys.org.cy)







# **The Cyprus Reality & the way Forward**

**Mr. Marios Tannousis**

**Deputy Director General & Head of HQ Unit  
Invest Cyprus & Cyprus Representative to the  
ISO TC 322 Sustainable Finance**



# The Cyprus reality and the way forward

**Marios Tannousis**

Deputy Director General & Head of HQ Unit Invest Cyprus & Cyprus Representative to the ISO Technical Committee 322 - Sustainable Finance





# Stakeholders

The stakeholders involved in the field of sustainable finance include all those participating in the global financial ecosystem from both the supply and demand sides of the market.



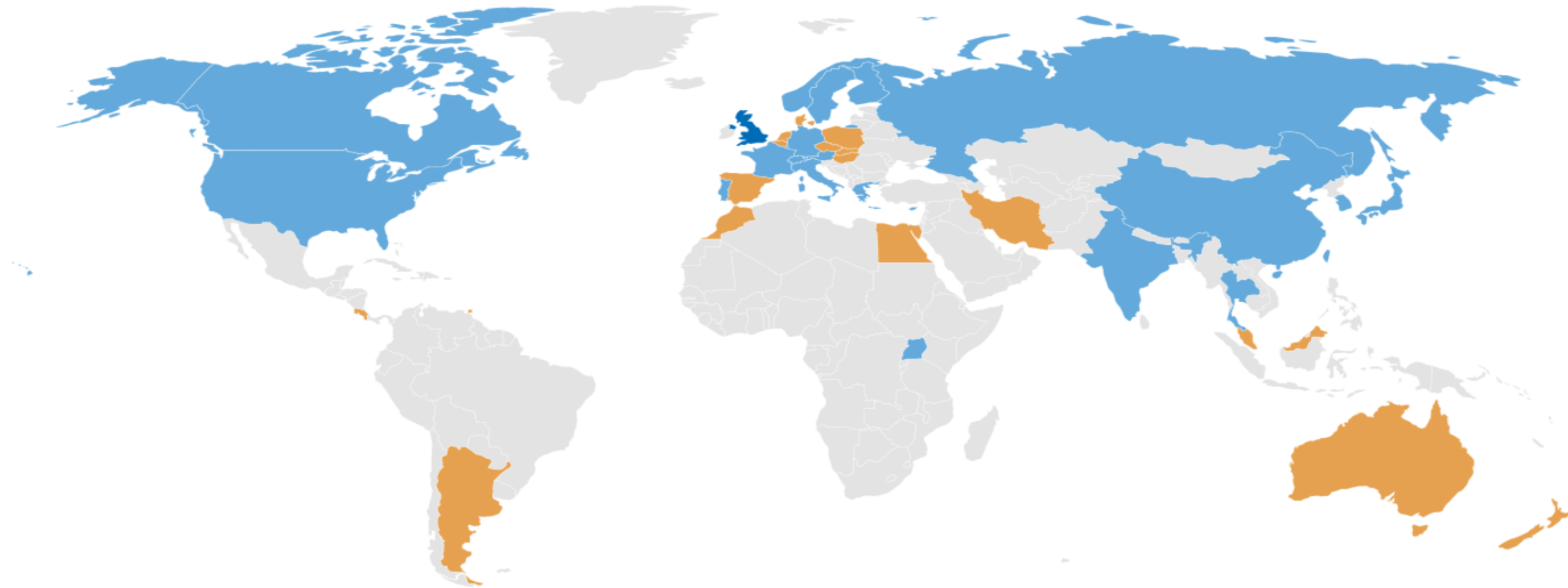
# Relevant Stakeholders

- Investment related Organizations
- Banking, Financial Services, Asset Managers, Investment Funds
- Insurance Organizations
- Intermediaries (including consultants, brokers, and pensions advisers)
- Public market exchange places (including for equities, fixed income, futures, derivatives and environmental rights)
- Independent supervisory bodies (i.e. Central bank of Cyprus, Cyprus securities & exchange commission)
- Ministries & Governmental organizations
- Professional bodies (CIFA, ICPAC, ACCB, CCCI, OEB et al)
- Stakeholders representing social and environmental interests (i.e. NGOs, Trade Unions & consumer organisations)





# As at 10/02/2022, ISO TC 322 Sustainable Finance has



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## ■ SECRETARIAT

[United Kingdom](#) - British Standards Institution (BSI)

■ PARTICIPATING MEMBERS (25)

■ OBSERVING MEMBERS (18)



# Ways to Get Involved & Benefits

- Through CYS
- It is important to take part in the DIS
- It's a learning process with a lot to learn and also network with leading personalities internationally in the matter of Sustainable Finance, ESG, UNSDGs
- ISO TC 322 convenes experts from across the financial community and includes extensive internal and external liaisons to take expertise in sustainability





# Thank you!







THANK YOU FOR ATTENDING

**ISO 32210 – THE FIRST ISO STANDARD ON  
SUSTAINABLE FINANCE  
ASSISTS ESG CONSIDERATIONS**

22.02.22