

ESG Communications

A Glossary/Roadmap

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CDP	Carbon Disclosure Project – used by corporations, nongovernmental organizations (NGOs), cities, government organizations and others to measure and report GHG and other emissions as well as water and forestry impacts. Uses numeric scoring. See www.cdp.net .
DEI or DEIB	Diversity (the presence of multiple demographics or characteristics – the “mix”), Equity (providing the opportunity for people to participate, prosper and reach their full potential) & Inclusion (bringing together diverse forces in a beneficial way – how people feel). Now sometimes Diversity, Equity, Inclusion and Belonging (creating a sense of psychological safety where people of different backgrounds or characteristics feel welcome and that they belong). (See also IDEA and JEDI)
DJSI	Dow Jones Sustainability Index – industry-specific reporting framework that produces sustainability scores for companies. A joint product of Dow Jones and S&P.
EN-ROADS	A simulator tool from the Climate Initiative, MIT and Ventana Systems that allows users to model the effects of different policies or climate solutions on an array of factors such as air quality, sea-level rise and energy prices. Further information and the simulator can be found here: https://www.climateinteractive.org/en-roads/
EPA Environmental Justice Screen	A tool provided by the Environmental Protection Agency to show high-level environmental and demographic information about locations throughout the United States to assess health, economic and other impacts associated with the location of structures or activities. Especially useful for infrastructure projects. The tool and other information about environmental justice can be found here: https://www.epa.gov/ejscreen .
ESG	Environmental, Social and Governance. The various factors to be analyzed when assessing corporate choice and actions for long-term sustainability.
ESG IDP	The Integrated Disclosure Project is a credit-industrywide initiative to identify material environmental, social and governance risks. The IDP’s template leverages the SASB/ISSB metrics and focuses on the questions that are most likely to have material financial effects and be relevant to credit decisions. To learn more and access the template, see www.esgidp.org .
EU Taxonomy	The European Union’s classification system for environmentally sustainable activities. Associated with the EU’s sustainable finance regulation platform. The taxonomy regulation covers climate change mitigation; climate change

adaptation; sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention & control; and protection and restoration of biodiversity and ecosystems. The Taxonomy and related regulatory platform are evolving. For more information see: https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance_en.

GABV	The Global Alliance for Banking on Values, an international association of banks committed to improving transparency and to promoting a triple bottom line in banking. See https://www.gabv.org .
GHG	Greenhouse gas emissions.
GIIN	Global Impact Investors Network
GRI	Founded in 2000, the Global Reporting Initiative. Used by large corporations to report on their sustainability risks, opportunities and efforts. Meant to communicate with a diverse set of stakeholders as opposed to more investor-focused frameworks.
GRESB	Originally, the Global Real Estate Sustainability Benchmark, GRESB is now the ESG benchmarking tool for assessing multiple kinds of real assets. It aims to be aligned with other reporting frameworks such as SASB, TCFD and PRI.
IDEA	Inclusion, Diversity, Equity and Access (related to access to opportunity and social justice; often involves reaching out to underserved communities to increase the opportunity to participate in education or other activities). See also DEI, JEDI.
IFRS	The IFRS Foundation, a not-for-profit organization, sets international accounting and sustainability reporting standards. The International Sustainability Standards Board (ISSB) within IFRS sets the IFRS Sustainability Standards.
ILPA	The Institutional Limited Partners Association. ILPA is an international organization focused on promoting best practices and education for institutional fund investors. ILPA has a number of tools and materials related to ESG issues including a template Due Diligence Questionnaire, an ESG roadmap and an industry-wide initiative to define ESG data and measurement metrics. ILPA's ESG tools can be found here: https://ilpa.org/esg/

IMP	Impact Management Project, a forum for measuring and assessing impacts on sustainability factors.
Impact-Weighted Accounts (Accounting)	The Harvard Business School project intended to create a means of assessing a company's financial, social and environmental performance in monetary terms. Leading voices for the project include Sir Ronald Cohen and Professor George Serafim. For more information including data visualizations and research reports see https://www.hbs.edu/impact-weighted-accounts . See also https://blogs.cfainstitute.org/investor/2021/02/18/impact-weighted-accounting-the-missing-ingredient/ .
Impact Investing	Investing for a combination of desired social or environmental impact (or societal benefits) as well as financial return. See https://sirronaldcohen.org/speeches-interviews; https://www.mckinsey.com/industries/private-equity-and-principal-investors/our-insights/a-closer-look-at-impact-investing;
IRIS+	An impact assessment tool developed by the GIIN. See https://iris.thegiin.org/about/ .
JEDI	Justice, Equity, Diversity and Inclusion. (See also DEI, IDEA.)
LSTA	Loan Syndications & Trading Association.
Net Negative	The GHGs emitted by an enterprise are lower than the GHGs removed from the atmosphere by that enterprise, perhaps through carbon sequestration.
Net Zero	The GHGs emitted by an enterprise are cut to as near to zero as possible, with the remaining emissions balanced or offset by the same amount of GHGs being taken out of the atmosphere. The UN's goal is to achieve net zero by no later than 2050.
PPP	Can refer to public-private partnerships or people planet profit. The latter is sometimes also referred to as the 3 Ps or 4 Ps (people planet profit & purpose).
PRI	Principles for Responsible Investment. Established in 2006. A set of 6 voluntary principles meant to embed ESG analysis in to investing. For more information see: https://www.unpri.org/pri/about-the-pri .

PSB	Principles for Sustainable Banking. Launched in September 2019. So far, 206 banks have signed on to this effort. For more information, see: https://www.unepfi.org/banking/bankingprinciples/ .
PSI	Principles for Sustainable Insurance. Launched in 2012. Fosters embedding ESG analysis into insurance business. For more information see: https://www.unepfi.org/psi/the-principles/ .
ROSI	Pronounced “rosy”: a measurement framework developed at NYU Stern School of Business to measure Return on Sustainable Investment. Allows companies to assess the monetary impact of their ESG/sustainability efforts.
SASB	The Sustainability Accounting Standards Board standards – now part of IFRS/ISSB. SASB includes industry-specific standards spread across five sustainability dimensions: environment; social capital; human capital; business model; and leadership/corporate governance.
SFDR	The EU’s Sustainable Finance Disclosure Regulation intended to improve transparency and reduce greenwashing. The main provisions of the SFDR have been effective since March 2021.
Shared Value	The concept of shared value is a product of the work of Professor Michael Porter and Mark Kramer shared in a seminal article in Harvard Business Review. They posit that a company can enhance its competitiveness and therefore longevity by addressing the needs of the society in which it is operating. For more information, see: https://www.sharedvalue.org/about/what-is-shared-value/ .
SRI	Socially responsible investing. Originally the practice of screening out certain categories of investments (typically, alcohol, tobacco and/or firearms) for religious or ethical reasons. The concept has expanded to include some purposeful direction of capital investments that promote some pro social purpose.
Stakeholder Capitalism	A form of capitalism focused on the long term. In making decisions, companies take into account the needs of various stakeholders and the effects of the company’s actions and strategies on the environment, communities in which they operate, the people they employ, shareholders, lenders, vendors and others. For a history and further explication of stakeholder capitalism see: https://www.weforum.org/agenda/2021/01/klaus-schwab-on-what-is-stakeholder-capitalism-history-relevance/ .

SDGs	<p>The UN Sustainable Development Goals. 17 goals adopted in 2015 by all of the member states of the United Nations to end poverty, improve lives and protect the planet. The member states announced plans to achieve the goals by 2030. The SDGs include ending poverty, achieving gender equality, having sufficient clean water, addressing climate change, etc. The full set of goals and more information can be found at https://www.un.org/sustainabledevelopment/. For a discussion of how the SDGs may be implemented through corporate action, see: https://hbr.org/2019/06/business-as-usual-will-not-save-the-planet.</p>
SDG Impact Standards	<p>Three sets of measurement standards & tools developed by the UNDP to allow organizations to assess their policies and processes and to evaluate ESG risks and opportunities so that they can better align activities to promote SDG achievement. The Standards for Private Equity Funds are now in early use. The Standards for Enterprises are in public comment phase and should be available for use in the second quarter of 2021. The Standards for Bonds have completed the public comment phase and will be available for use in early 2021. See https://sdgimpact.undp.org/practice-standards.html.</p>
Sustainable	<p>In business, “sustainable” or “sustainability” refers to practices that incorporate the long-term needs of society and the planet into the company’s way of doing business. Increasingly synonymous with “ESG.” For a robust exploration of various aspects of “sustainable” business see: https://www.asbcouncil.org.</p>
TCFD	<p>Task Force on Climate-related Financial Disclosure. 32 member task force to establish disclosure standards that will help investors, lenders and insurance underwriters quantify and assess climate-related risks. Members were selected by the Financial Stability Board (FSB). Backed by Michael Bloomberg and Mark Carney. Investor-focused reporting framework mainly centered on a company’s climate impacts. For more information, see: https://www.tcfhub.org/.</p>
TNFD	<p>Newly established Task Force on Nature-related Financial Disclosure. Similar goals to TCFD, but focused on nature/biodiversity loss. For more information, see: https://tnfd.info/.</p>
Triple Bottom Line	<p>The results of a company’s performance in terms of people, planet and profit.</p>
UNDP	<p>United Nations Development Programme.</p>

UNEP FI	United Nations Environmental Programme – Financial Initiative, a partnership to mobilize private financial actors [banks, insurers, investors] to deploy capital sustainably. Established PRI, PSB and PSI.
UNGC	United Nations Global Compact. Voluntary commitments of corporate CEOs to adopt sustainable business practices and policies and report on progress toward SDGs.
WBCSD	World Business Council for Sustainable Development.

OTHER USEFUL RESOURCES

Moody's Environmental Risks Heat Map

Moody's Social Risks Heat Map

NASA Climate Data <https://climate.nasa.gov/>

NYU Institute for Policy Integrity <https://policyintegrity.org/>

Yale Program on Communicating Climate Change (multiple tools and research)