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**Guidance on environmental criteria  
for projects, assets and activities to  
support the development of green  
finance**

*Recommandations relatives aux critères environnementaux pour les  
projets, les actifs et les activités visant à soutenir le développement de  
la finance verte*



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## Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

The procedures used to develop this document and those intended for its further maintenance are described in the ISO/IEC Directives, Part 1. In particular, the different approval criteria needed for the different types of ISO documents should be noted. This document was drafted in accordance with the editorial rules of the ISO/IEC Directives, Part 2 (see [www.iso.org/directives](http://www.iso.org/directives)).

Attention is drawn to the possibility that some of the elements of this document may be the subject of patent rights. ISO shall not be held responsible for identifying any or all such patent rights. Details of any patent rights identified during the development of the document will be in the Introduction and/or on the ISO list of patent declarations received (see [www.iso.org/patents](http://www.iso.org/patents)).

Any trade name used in this document is information given for the convenience of users and does not constitute an endorsement.

For an explanation of the voluntary nature of standards, the meaning of ISO specific terms and expressions related to conformity assessment, as well as information about ISO's adherence to the World Trade Organization (WTO) principles in the Technical Barriers to Trade (TBT), see [www.iso.org/iso/foreword.html](http://www.iso.org/iso/foreword.html).

This document was prepared by Technical Committee ISO/TC 207, *Environmental management*, Subcommittee SC 4, *Environmental performance evaluation*, in collaboration with Technical Committee ISO/TC 322, *Sustainable finance*.

Any feedback or questions on this document should be directed to the user's national standards body. A complete listing of these bodies can be found at [www.iso.org/members.html](http://www.iso.org/members.html).

## Introduction

This document provides guidance on identifying and assessing environmental aspects and impacts, and performance criteria for projects, assets and activities.

The intent is to support the development of green finance by assisting borrowers and financiers to take into account the environmental aspect and impacts or environmental performance of the project, asset or activity for which funds are sought. The guidance is applicable to individual, corporate or public entities providing or seeking green finance, regardless of size. A framework to determine relevant environmental criteria supported by credible information is presented. The objective of applying these criteria is to avoid, minimize, reduce and mitigate adverse environmental impacts and risks, as well as to identify opportunities to optimize environmental performance.

Key concepts involved in identifying and assessing relevant environmental criteria, including significance, context and materiality as well as “do no significant harm”, are examined and examples presented. The relationship between what is determined to be environmentally significant and materiality is also explained. Concerns related to greenwashing that affect green financing decisions are addressed. Relevant information is identified to assist borrowers and financiers to align with the principles presented and to facilitate access to green finance.

This guidance is designed to be flexible. Intended users can determine the application that best suits their internal and external context. This may include, but is not limited to, their policies, processes, systems, operating environments, economic constraints, interested party needs and relevant regulatory requirements. Organizations are also provided insight on sources of information that can be applied to manage their environmental aspects to reduce their environmental impacts, manage environmental risks and optimize operational performance overall. The objective is to improve green financing, facilitate transparency and align the organization’s activities with national and international environmental goals and agreements.

The environment operates as a system that includes people, and the interaction that they have with the environment and their interrelationship as citizens, communities, corporations and countries. Increasingly, there is an understanding of a critical need to address the impact on the environment that results as an outcome of human activity. There is also a parallel need to understand the effect that changes to the environment are having on humans, whether it is related to specific social concerns or broader societal issues, with immediate to long-term consequences. Green financing offers the opportunity to ensure that all three pillars critical for a sustainable future are addressed.

[Annexes A](#) to [D](#) provide additional knowledge, and covers the relationship of key concepts, other International Standards, initiatives that can help with green finance, and improving the opportunity for small and medium-sized enterprises (SMEs).

# Guidance on environmental criteria for projects, assets and activities to support the development of green finance

## 1 Scope

This document establishes a framework and outlines a process to identify criteria for environmental impacts and performance to take into account when considering projects, assets and activities seeking finance.

This document also gives guidance on assessing the risks and opportunities that can arise in applying environmental criteria to projects, assets and activities.

It is applicable to parties seeking finance, providing finance or other interested parties.

## 2 Normative references

There are no normative references in this document.

## 3 Terms, definitions and abbreviated terms

### 3.1 Terms and definitions

For the purposes of this document, the following terms and definitions apply.

ISO and IEC maintain terminology databases for use in standardization at the following addresses:

- ISO Online browsing platform: available at <https://www.iso.org/obp>
- IEC Electropedia: available at <https://www.electropedia.org/>

#### 3.1.1

##### **organization**

person or group of people that has its own functions with responsibilities, authorities and relationships to achieve its objectives

Note 1 to entry: The concept of organization includes, but is not limited to sole-trader, company, corporation, firm, enterprise, authority, partnership, charity or institution, or part or combination thereof, whether incorporated or not, public or private.

[SOURCE: ISO 14001:2015, 3.1.4]

#### 3.1.2

##### **interested party**

stakeholder

person or *organization* (3.1.1) that can affect, be affected by, or perceive itself to be affected by a decision or activity

EXAMPLE Customers, communities, suppliers, regulators, non-governmental organizations, investors and employees.

Note 1 to entry: To “perceive itself to be affected” means the perception has been made known to the organization.

[SOURCE: ISO 14001:2015, 3.1.6, modified — “stakeholder” added as the admitted term.]