



ISO Technical Committee 322 Sustainable Finance

2023-2025 Strategic Plan*

This document sets out the strategic plan for ISO's Technical Committee on Sustainable Finance (ISO/TC 322) (hereafter, 'the Committee'). It defines strategic priorities for the Committee for 2023 to 2025 and potentially beyond, the opportunity on which it will act, its differentiators to other sustainable finance initiatives, and the work plan through which it will exploit these.

This strategy is designed to create a strong sense of identity, purpose and priority for the Committee. Though this is intended to remain an internal document, a separate concise summary of the Committee's objectives and work plan has been prepared that Committee members may share with stakeholders that are external to ISO.

The text that follows has been approved by the Committee's members. It is the product of discussion at the Committee's 2023 Annual Plenary, as well as extensive commenting during a subsequent consultation process.

What is sustainable finance and why does it matter?

A sustainable economy can be defined as one in which the **needs of the current generation are met without compromising the ability of the economy to meet those of future generations**.¹ Doing so presents substantial challenges as well as opportunities for the financial sector, which must be addressed by the sector and society if the world is to meet ambitious global environmental and social commitments.

There is a **mutually beneficial relationship between global sustainability and a commercially successful financial services sector**. While the global transition towards greater sustainability potentially increases some types of financial risk, it also creates opportunities – including for the development of new financial products and services. In this context, sustainable finance seeks to bring together the aims of overall sustainability and commercial success of financial actors. To thrive in this changing landscape, organizations of all sizes, across the globe and from all economies, will need to evolve and adapt business models and strategies to respond to these shifting market forces at a pace and scale greater than that seen in previous economic transformations.

Strategic priorities for the Committee in 2023 to 2025

The **success of the Committee hinges on the degree to which its standards and work have impact**: that is, the degree to which they guide, govern and provide a source of best practice for the users and providers of sustainable finance.

In order to do so, the Committee will ensure its work is:

- **FOCUSSED**. Sustainable finance is a crowded space of many voices, with a multitude of work underway by both official and private-sector bodies with different approaches, interests and objectives. The Committee's work plan is an articulation of where it intends to **add value** in line with its differentiators (see below). The Committee will continue to look ahead and identify future areas in which it can add value in future.
- **CONNECTED**. The Committee, and its work in the field of sustainable finance, does not exist in a vacuum. It therefore needs to co-operate and exchange information with other bodies, both those internal and external to ISO. To do so, the Committee regularly invites other bodies, including those not amongst its

¹ See United Nations (1987), 'Report of the World Commission on Environment and Development: Our Common Future'.



membership, to speak and contribute on a regular basis, particularly at (or around) its annual plenary. It will connect with the wider family of ISO standards, in financial services, asset management, environmental management and governance, among others.

- **RECOGNISED.** In order for its standards to be adopted, the Committee **needs to increase its penetration and recognition with and amongst market participants.** In order to achieve this the Committee has formulated a **strategic engagement plan** (see below) that sets out its priorities for engaging with stakeholders and other external organizations, including first of all those aiming at sustainable finance.

The opportunity (the business environment)

Sustainable finance – and the regulation, standards and policies that influence it – is a **busy and crowded space**. The way that sustainable finance operates risks becoming fragmented across jurisdictions, as well as between different initiatives of financial sub-sectors and users of finance. This can result in greater inefficiencies as well as confusion across stakeholders. It can also erode trust in the financial system (e.g. due to ‘greenwashing’), and result in the shifting of the risks associated with sustainable finance (e.g. from the more regulated, towards the less regulated, parts of the financial system).

In addition, some of the *regulatory* frameworks that govern sustainable finance (including, for example, those developed by central banks), have been **developed by the official sector with limited input from industry** (that is, the financial organizations, entities and expert bodies that must implement them). This can create a gap between the principles set out by regulators, and the reality faced by the users of finance concerned with their implementation.

With the current fragmentation, inefficiencies and confusion outlined above, there is in particular a need for **consistency of practice across emerging markets**. ISO and the Committee include representatives from many such developing countries, and is well placed to provide both guidance to the users of sustainable finance in their jurisdictions, as well as a forum in which their voices can be heard (see Annex 4).

The tangible benefits of the Committee’s work in Sustainable Finance (its differentiators)

ISO – and the Committee in particular – are uniquely placed to address these challenges and add value in the area of sustainable finance. The key areas in which it can add value are as follows.

First, the Committee can **‘bridge the gap’ between the broad principles applied by regulators and the detail of how these are to be implemented** in financial firms and markets. In doing so, the Committee can help align the financial sector with, and facilitate, sustainability goals in the real economy. Part of the Committee’s ability to do so lies in the **industry experts amongst its members**, who are involved in the use and extension of sustainable finance and are therefore able to develop standards that help implement the principles set out by regulators.

By way of example, the Committee’s recent standard – *‘Guidance on the application of Sustainability Principles for organizations in the financial sector’* ([ISO 32210:2022](#)) – is a prime first example of this differentiator in action. This standard, which was published in November 2022, gives guidance to financial organizations on the application of sustainability principles, practices and terminology for their financing activities. It provides a concise and holistic framework that financial organizations can follow in order to be sustainable and aligned with global initiatives such as the UN Sustainable Development Goals and the Paris Agreement. It is also supported by additional selected resources that have been ‘curated’ to assist users in identifying examples of best practice.

Second, the Committee – and ISO more broadly – offers the opportunity for **independent, trusted and transparent verification** that a financial organization, product or service adheres to certain sustainability goals. This verification gives confidence to the users of finance that a product or service meets – or goes some



way towards fulfilling – a certain definition of sustainability. It can therefore help towards avoiding the erosion of trust around the financial system with respect to sustainable products and services.

For example, the work that the Committee intends to undertake in making ISO 32210:2022 – as well as its **standard on sustainability requirements for financial products and services** (currently under development) – verifiable, speaks to this differentiator. All our work items have or will have the potential to provide the users of financial institutions, products and services with reassurance that they are in keeping with specific and transparent sustainability goals.

Third, the Committee’s **global reach means it works in a manner that is consistent** – both internationally, across financial sub-sectors. The Committee’s outputs can therefore facilitate and increase interoperability between different financial actors, for example by providing consistent language and terminology. Two examples of this differentiator lie in:

- The Committee’s proposed forthcoming standard on terminology (ISO 32219; see below). This will identify and define a set of concepts that are fundamental to sustainable finance and its outcomes, thereby enhancing and streamlining communication across different process and technologies.
- The Committee’s ongoing work on sustainable financial products and services ([ISO 32211](#)), which will provide finance practitioners as well as stakeholders with internationally consistent definitions and sets of requirements for developing, implementing, communicating and verifying financial products and services with a claim to contribute to sustainable development.

The Committee – and ISO more broadly – also provides considerable cross-disciplinary expertise across finance, the environment and governance and social issues, artificial intelligence, and blockchain/digital ledger technology. This expertise is being brought to bear in the Committee’s FinTech Technical Advisory Group, and its consideration of standardisation in areas such as Blockchain for Carbon Trading.

Strategic engagement plan

The Committee’s engagement will aim to promote:

- **Awareness** of the work of the Committee and its strategy;
- The **value** of standards developed by the Committee and the **opportunities for verification and assurance** against those standards;
- the **potential for involvement** in the development of relevant, applicable sustainable finance standards.

In order to achieve this, the Committee will work to identify and prioritise engagement with:

- ISO members, whether currently or previously active in the committee as Participating (‘P’) or Observer (‘O’) members, or new to the Committee’s work, with a particular effort in relation to ISO developing countries.
- External organizations (e.g. the International Sustainability Standards Board, ISSB), whether at high level or with technical experts, with active cooperation in our respective organizations and on our respective outputs.
- Other ISO committees and groups with relevant standards development activities
- National experts who bring specific knowledge and expertise relevant to the Committee’s work.

The Committee will also aim to participate in key speaking events in the course of 2023-25 – principally COP28 – and to do so in tandem with other stakeholder organisations (e.g. the ISSB).

The Committee will also seek to use the relevant tools to support this strategy, such as the Committee website, social media and appropriate marketing and promotional collateral.



Annex 1

Strategic Areas of focus for the Committee in 2023/4 (workplan)

At its 2023 annual meeting, the Committee confirmed three broad areas of focus for 2023/4. These are:

- Promote the use and profile of TC322's Sustainable finance framework standard, ISO 32210.
- Developing a new proposed standard ISO 32219 *Sustainable Finance – terminology for impact, risk and related information technology*.
- Completing ISO TS 32211 *Requirements and guidelines for development, implementation and presentation of sustainable finance products and services*.
- Further work on Sustainable FinTech and considering potential standards on fintech in carbon markets.

Between them, these strategic priorities aim to capture and leverage the Committee's differentiators described in the previous section. Further details of each initiative are given below:

Working Group 1: Increasing the profile and usage of ISO 32210 *Sustainable finance: Guidance on the application of sustainability principles for organizations in the financial system*.

This standard was published in late 2022. A launch event was held in London in February 2023. The standard was developed by WG 1, led by Hayden Morgan (UK).

The Committee's strategic aim for 2023/4 is to increase the use of the standard by industry. To do so, WG1 is:

- Seeking to improve the presentation of the standard – and the profile of the 'selected resources' that accompany it – on the ISO website.
- Maintenance of the 'selected resources' on a periodic basis (e.g. 2x year updates)
- Undertaking a programme of engagement with market practitioners, in order to promote the standard.
- Engaging with ISO and certification bodies to explore the possibility of producing a verifiable version of the standard and enabling conformity assessment. Offering this possibility to financial organizations would increase uptake of the standard.

Working Group 2: Terminology

The Committee published a technical report in 2021 that set out basic concepts connected to sustainability (ISO/TR 32220, *Sustainable finance – basic concepts and key initiatives*). This technical report aimed to harmonise understanding of – and language connected to – sustainable finance. WG2 is convened by Bolu Wang (China).

WG2 has considered a proposal for a technical specification, ISO 32219 *Sustainable Finance – terminology for impact, risk and related information technology*. This would enhance and streamline communication across different processes and technologies involved in the deployment of sustainable finance. By providing a common terminology between which these processes and technologies can communicate, the proposed specification standard will increase the efficiency with which sustainable finance can be extended, particularly that which involves multiple financial institutions.

This proposal is subject to a 3-month TC322 approval ballot and would then be developed by WG2 with a maximum 36-month development timeframe.

Working Group 3: Sustainable Finance Products and Services (ISO 32211)

WG3 is well advanced in its work to produce a new standard ISO TS 32211 *Principles and guidelines for development and implementation of sustainable finance products and services*. This standard will enable finance practitioners to define consistently the properties of sustainable finance products and services during their development, integration, and communication phase, including verification. This in turn will allow for



the more robust integration of sustainability considerations into new – as well as the evaluation of existing – financial products and services and is intended to be certifiable. The consultation draft is expected to be issued in Q2 2024.

Ad Hoc Group on FinTech in Carbon Markets

At its June 2023 Plenary meeting, TC322 initiated the process to establish an Ad-Hoc Group (AHG) ‘FinTech in Carbon Markets’. This AHG will investigate the case for the Committee undertaking further work in the area of carbon markets and FinTech – including in areas such as Blockchain/DLT, AI, Satellite data and the Internet of Things.

Importantly, the case for further work – including the development of standards – in this area is not yet established. However, the work of the AHG will be to (inter alia) study and scope the broad and growing ecosystem of initiatives involving carbon markets and technology (including that by other ISO and IEC technical committees), and make recommendations on possible future work in this area including the development of standards, for example:

- Standard for Carbon Markets Data Model
- Standard for DLT Exchanges for Carbon Markets

There are two other groups with the Committee that have been established for early consideration of topics:

Technical Advisory Group (TAG): Sustainable FinTech

The Sustainable FinTech TAG aims to integrate FinTech with financial sustainable development (e.g. Environmental, Social/Societal, Governance issues, specific SDGs) via the following strategic goals:

- Liaison / collaboration function with other groups (mainly but not exclusively inside ISO).
- To support and engage FinTech experts and TC 322 committees/working groups.

Its ultimate goal is to help ISO and TC 322 establish a “unique” world leading expertise in the area of “Standards for Sustainable FinTech”.

Ad Hoc Group Future Standards Development

This group was established to consider future standardization work, and to prioritise and develop new work items for ballot by TC322. It provides an opportunity for early discussion of the possible work for the Committee, as well as the needs of its users.

The group will convene in 2023 to develop a potential future work programme for standards development in 2024 and beyond. Proposals for potential future sustainable finance standards are welcomed from national standards bodies.

Related standards

There are other published standards that are directly relevant to sustainable finance which TC322 will consider for its communications plan and in which TC322 will have input into the systematic review process at the appropriate time.

- ISO 14001:2022 *Guidance on environmental criteria for projects, assets and activities to support the development of green finance*
- ISO 14030 series on Environmental performance evaluation – Green debt instruments



Annex 2

Background on the Committee, its structure, members and meeting schedule

Scope *(approved by ISO Technical Management Board, 2018)*

The scope of the Committee’s work is “Standardization in the field of sustainable finance to integrate sustainability considerations including environmental, social and governance practices in the financing of economic activities”.

Note: the TC for sustainable finance will have close cooperation with TC 68 in the field of financial services, TC 207 in the field of environmental management, TC 251 in the field of asset management and TC 309 in the field of governance of organizations.

Leadership

Chair: Joseph Noss (UK)

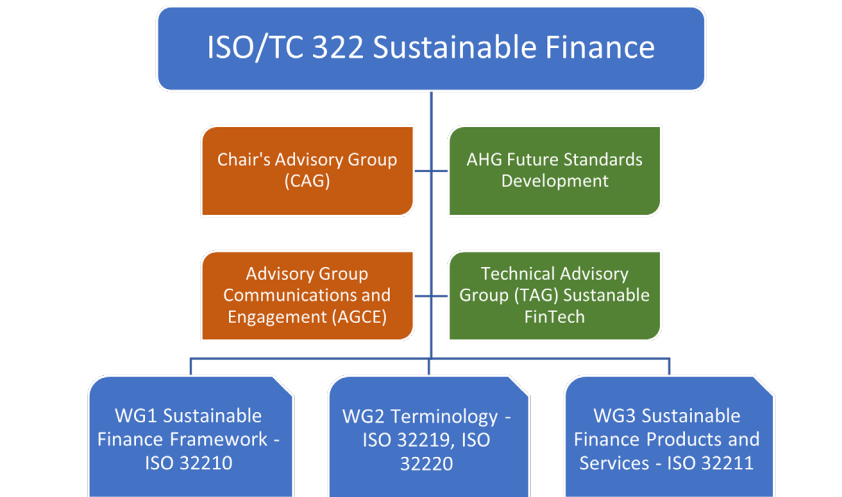
Committee Manager: Mike Henigan (BSI, UK)

Membership

Committee consists of 26 participating members, 16 observer members, 20 internal liaison committees and 14 external liaison organizations (31 August 2023). A full list of members is given on the [ISO website](#).

Committee Structure

The Committee currently consists of three working groups, each of which are tasked with developing specific standards (see below), and two further scope and value workgroups, examining potential areas of standardisation by ISO. In addition, there are two advisory groups to support the work of the Committee: the Chair’s Advisory Group (CAG) and the Advisory Group Communications and Engagement (AGCE).



ISO/TC 322 Structure, 31 August 2023

Meetings

Historically, the Committee has met annually. At its 2023 Annual Meeting, the committee decided to meet physically approximately every nine months, with its next meeting in Q1/Q2 2024. This change is a consequence of the fast development of Sustainable Finance initiatives and designed to increase the momentum behind the Committee’s work, reflect the breadth of work it has underway, and ensure strong communication and common understanding between its members and national member bodies.

The Committee also decided to have regular update calls between all working and task group convenors every three months. These calls would allow convenors to update the Chair, and each other, on developments, coordination needs, and cooperation with internal (ISO) and external bodies (SF initiatives), and last but not least to include National Member bodies.



Annex 3

Engagement

The Committee's Advisory Group on Communications and Engagement (AGCE) is developing a strategic communications plan for 2023/2024 covering:

- Published standards: ISO 32210:2022, ISO 32220:2021
 - 'Curated content' to support ISO 32210
 - Case studies
 - Leverage adoption of ISO 32210 as a CEN standard ('EN')
- Standards under development: ISO 32211, ISO 32219
- Related standards such as ISO 14100 and ISO 14030 series
- Work on Sustainable FinTech and fintech in carbon markets
- External organizations
 - Current liaison members
 - New liaisons, other organizations
 - Other opportunities to engage – conferences etc.
- Existing and new 'O' and 'P' members
- Developing countries, emerging markets
- Other Technical Committees
- Use of TC322 website at <https://committee.iso.org/home/tc322>
- Use of social media and other tools such as podcasts and video briefings
- Preparation of suitable material to assist with external and internal engagement, including a information pack for use by the Committee's experts



Annex 4

ISO's 2030 Strategy

The committee's strategic plan will align with [ISO's 2030 Strategy](#) as captured in the snapshot below, in particular in relation to achieving a sustainable future, meeting global needs and ensuring all voices heard.

