

GREEN BOND VERIFICATION



Enhance the credibility of your debt issuance's environmental or climate benefit claim with third-party verification from NSF International.

GREEN BONDS

Investors have identified green bonds as an effective instrument for financing the transition to a low-carbon economy. Green bonds mitigate fossil fuel and sustainability risks and help issuers expand and diversify their investor base. They also play an important role in financing conservation and other environmental benefits.

Green bond issuers commit to disclose how proceeds are used for environmentally beneficial purposes. Labelling a bond "green" generates more investor interest and helps an issuer fulfill environmental and climate change objectives.

OUR SERVICES

NSF provides independent third-party verification of the environmental statements in green bond official disclosures. These statements may be based on the Green Bond Principles or the Climate Bonds Standard. NSF is approved by the Climate Bonds Standard to verify green bond issuances in the following sectors:



Solar



Wind



Water



Low Carbon
Buildings



Low Carbon
Transportation

Climate Bonds Standard certification assures investors and intermediaries of the environmental integrity of bonds claiming to mitigate climate change or advance adaptation strategies.

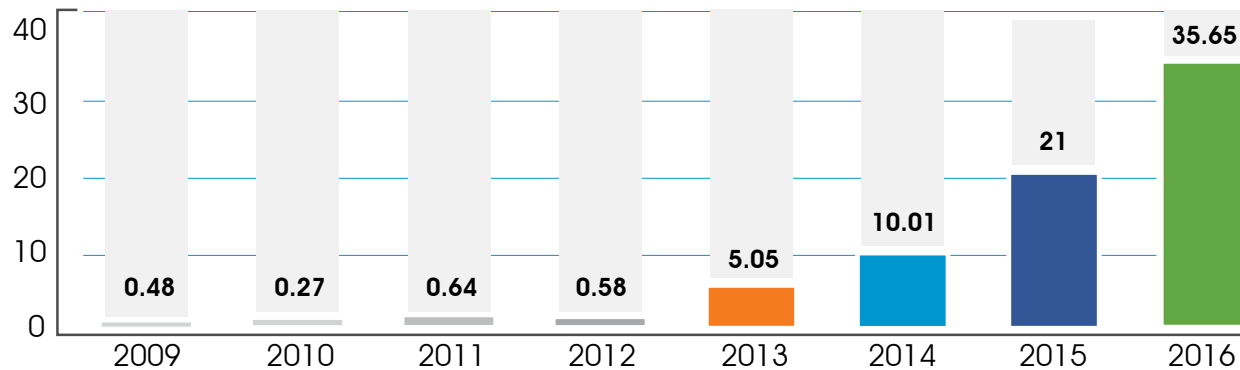
Verifiers such as NSF International play a key role in the Climate Bonds Standards process. Green bond issuers contract an approved verifier to provide assurance that the requirements of the Climate Bonds Standard are met. The verifier evaluates the eligibility of the bond against the Standard and submits its opinion to the Climate Bonds Standard Advisory Board which retains decision authority for certifying the bond.

Investors are increasingly more interested in incorporating environmental, social and governance (ESG) factors in their investment decisions. Purchasing verified green bonds reduces investment risks and demonstrates commitment to transitioning to a low-carbon economy and to meeting the challenges of climate change.



TRENDS AND DRIVERS

The green bond market is growing rapidly according to the Climate Bonds Initiative, who has tracked the green labelled market since 2009. The following image shows the US dollar-issued green bonds by year, in billions.



Large corporations are continuing to take interest in green bonds in 2017. As of September, approximately \$31.4 billion were issued in US dollars, which includes issuers such as Apple, Iberdrola, Intesa SanPaolo, QBE Insurance Group and TenneT.

The interest in green bonds is high among investors, and there are often not enough green bonds to satisfy their demand. Additionally, competing standards have emerged for what constitutes a green bond, with investors increasingly reliant on independent certification to differentiate between projects that will make an environmental difference and “greenwashed” claims.

PROPOSED ISO STANDARD

The International Organization for Standardization (ISO) is now developing an international green bond standard to harmonize multiple definitions of green bonds and to specify requirements for eligibility, use and management of proceeds, impact assessment, disclosure and verification.

The proposal for the standard originated with NSF International and was submitted to ISO by the American National Standards Institute (ANSI) – the US member body of ISO. John Shideler, Climate Services Manager at NSF, is chairman of ISO TC207/SC4 and convener of the working group developing the ISO 14030 standard.

WHY NSF?

NSF can support your companywide strategies, helping build more sustainable brand equity and differentiating your products and services in a marketplace crowded with unsubstantiated claims.

We are dedicated to being the leading global provider of public health and safety-based risk management solutions while serving the interests of all stakeholders, namely the public, the business community and government agencies.

Let NSF International put our expertise to work by providing you value-added environmental services.

For more information, visit www.nsfustainability.org or contact us at sustainability@nsf.org.

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