

Principles to mitigate the Risk of Greenwashing in ESG labelled debt securities

Walk the talk - Managing and

The issuer shall outline procedures for

tracking use of proceeds



IFSCA issued principles to be adhered by issuers of ESG labelled debt securities in IFSC

Being True to Label - Avoid misleading labels and terminology

Issuers have to explain how the issue including use of proceeds aligns with the chosen framework and the specific environmental or social objectives it aims to achieve.

Disclosure on statement on ESG objectives,

details of process followed for evaluating and

selecting the project(s) and/or asset(s),

proposed use of the proceeds and details of

the systems and procedures for tracking the

deployment of the proceeds, in the offer

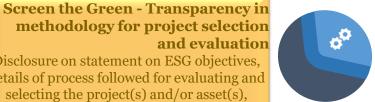
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Overall Impact - Quantification of Negative Externalities

Environmental data used in disclosures should be comprehensive, verifiable and the issuer must avoid selectively presenting data to create a misleading picture of the overall environmental impact.





Be alert - Monitoring and **Disclose**

Qualitative performance indicators & where feasible, quantitative performance measures of the expected/achieved ESG impact of the project(s) shall be disclosed.

Expected Impact

- To mitigate the risk of greenwashing
- Strengthen investor's confidence
- Quantification of targets
- Uniform rules and standards for companies
- Mobilise finance towards sustainability

Source: https://ifsca.gov.in/Document/Legal/circular-on-greenwashing final21112024111211.pdf