

Five Pathways for Credible Green Bond Reporting

Building a Verified, Transparent, and Aligned Market for Australia's Green
and Transition Finance

Insights from the Green Bonds Reporting Metrics Review (2025)

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Original report:

Green Bonds Reporting Metrics Review (UNSW Sydney, 2025).
This summary distils findings and policy pathways from the full report,
prepared with insights from industry partners including Australian
Ethical Investment/Altius Asset Management.

Executive Summary

Green bonds are a cornerstone of green and transition finance—mobilising capital toward decarbonisation, resilience, and sustainable infrastructure. Yet, inconsistent reporting standards and verification practices has limited their credibility and the full understanding of their impact.

This RISE Finance Lab report distils insights from leading fund managers and investor frameworks — including Australian Ethical Investment/Altius Asset Management, Wellington Management, Affirmative Investment Management (AIM)/MetLife Investment Management, BNP Paribas, PIMCO, and Ethinvest — to identify practical pathways for building a trustworthy, measurable, and taxonomy-aligned market.

The Five Pathways

1. Build Transparency Beyond Emissions

Reporting must evolve from simple emissions accounting to genuine impact transparency.

Dual-lens disclosure—combining lifecycle carbon data with verified social and environmental outcomes—helps investors see how capital translates into real-world decarbonisation and resilience.

2. Embed Independent Verification

Independent certification and assurance should be standard practice.

Verification by credible third parties (e.g. Climate Bonds Initiative or equivalent) helps reduce greenwashing, strengthens market confidence, and gives investors consistent, comparable data that they can rely on.

3. Integrate ESG and Climate Alignment Across the Chain

From portfolio design to issuer engagement, ESG and climate integrity must be embedded throughout the investment process.

Using science-based tools such as sectoral decarbonisation pathways, temperature-alignment metrics, and physical risk assessment enables coherent transition planning and risk management.

4. Lead Through Stewardship and Engagement

Stewardship turns data into accountability.

Active engagement—especially on social and environmental integrity—drives better disclosure and reinforces that sustainable finance is not just about projects, but about principles in practice.

5. Align with National Standards and Global Taxonomies

The Australian Sustainable Finance Taxonomy and ISSB S2 disclosure standards provide the architecture for credible reporting.

Alignment with these frameworks ensures interoperability, comparability, and confidence that Australia's green bond market meets international expectations for integrity and ambition.

Why It Matters

A taxonomy-aligned, verified, and transparent reporting ecosystem is essential to scale transition finance.

By embedding these five pathways, Australia can move from fragmented disclosures toward a more credible, and accountable green bond market—boosting its capacity to finance a just and lasting transition.

About RISE Finance Lab

RISE Finance Lab — co-led by Associate Professors Kristle Romero Cortés and Kingsley Fong — explores how finance can serve society by being Responsible, Impactful, Sustainable, and Ethical.

Through research, policy engagement, and market partnerships, RISE advances integrity and innovation in sustainable finance—bridging academic insight and practical action to help shape a more coherent financial system for the future.