



Creating a Global ESG Market Standard
for Owners, Lenders, Borrowers and
Impact Creators

Consolidated Terms and Conditions for Stakeholder Engagement

Issue 1.0

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1. Global PSSSL Community Interest Company (CIC) and The Principles

1.1 Global PSSSL Community Interest Company (hereafter “the CIC”) is the impartial, independent and not for profit organisation whose main purpose is to create, maintain, update and implement the Global Principles for Sustainable Securities Lending (hereafter “Global PSSSL or The Principles”).

1.2 Global PSSSL, as a mechanism by which participants can work towards their sustainability goals, has been developed since 2018. In order to preserve its impartiality, Global PSSSL has been based within its own independent community interest company following an agreement by key stakeholders, and approval by the Regulator of Community Interest Companies since October 2020.

1.3 Global PSSSL is a standard for sustainable securities lending that is co-created by the securities lending industry, the broader community of sustainable finance stakeholders, and the CIC.

2. Objectives

2.1 The main objective of the CIC is to provide a platform to engage stakeholders in Global PSSSL and other key outputs, as appropriate.

2.2 These consolidated terms and conditions clarify the relationship between the CIC and its stakeholders and align with the key management assumptions described in Annex 1.

3. CIC Composition

The Global PSSSL CIC comprises the following bodies:

3.1 Global PSSSL (market standard) Signatories, represented by organisations that directly or indirectly engage with securities lending, and chaired by the CIC CEO.

3.2 Global PSSSL College of Advisors, represented by individuals from the broader community of stakeholders, and chaired by The Executive Director(s).

3.3 Global PSSSL Observers, represented by regulators, international organisations, non-governmental organisations and other relevant organisations and individuals; also media observers.

3.4 Global PSSSL Secretariat, represented by the CIC Director(s)/Secretary(ies) as well as supportive staff.



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4. Leadership

The Global PSSL CIC leadership includes:

- 4.1 Senior Management, represented by the CEO and the CIC Directors/Secretary(ies), who are accountable to [The Office of the Regulator of Community Interest Companies](#).
- 4.2 Senior Participants, individuals drawn from the pool of observers or signatories who consistently demonstrate a commitment to the objectives and philosophy of Global PSSL as a Community Interest Company. Senior Participants take up roles such as workstream chairs, executive directors of the College of Advisors and are accountable to the Senior Management.

5. Public Community Interest and Representation

Public community interest is at the heart of Global PSSL and the role of the CIC is to ensure and represent this interest. All external representation by any stakeholders outside the CIC Secretariat must be approved by the CIC in writing.

6. Global PSSL market standard signatories

- 6.1 Global PSSL is a voluntary market standard which neither confers any rights nor obligations on the signatories.
- 6.2 A Signatory is an entity that officially supports the Global PSSL. This organisation will be included in a list of signatories next to a downloadable version of Global PSSL on the Global PSSL website.
- 6.3 An Opening signatory is an organisation that signed up to Global PSSL on 7th September 2021 only.
- 6.4 From December 2021, signatories must place a signature on a pdf copy of Global PSSL (stored internally by The Secretariat).
- 6.5 Signatories decide how they promote Global PSSL.
- 6.6 Signatories always implement generalist Global PSSL principles and follow the specialist principles within their organisational limits.
- 6.7 All signatories are steering Global PSSL through the Global PSSL CEO's leadership until such time as the Steering Committee, comprising between eight and seventeen organisations, is established.
- 6.8 All decisions on Global PSSL are made by consensus. If a consensus cannot be reached, decisions are made by a simple majority. The CIC has one vote.
- 6.9 All Global PSSL signatories may be subject to a nominal administrative fee from 2022, subject to regulatory approval.



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7. Global PSSSL College of Advisors

7.1 The College of Advisors will take an inclusive approach by bringing together independent advisors to provide impartial advice to the Global PSSSL CEO and to the practitioners co-creating the Global PSSSL market standard. Advisors can choose to be more active participants in the workstreams run by the CIC.

7.2 The College of Advisors is composed of an Executive Director of the College, Strategic Advisors, and Advisors.

7.3 The Global PSSSL CEO is responsible for all nominations and, together with the CIC Secretary(ies), is also an ex officio member of the College of Advisors.

7.4 The Executive Director of the College chairs the executive meetings and makes sure that the Global PSSSL CEO and Secretariat receive adequate advice per needs.

7.5 Advisors commit to working with Global PSSSL, in an advisory capacity, on at least one occasion per financial quarter.

7.6 Strategic Advisors provide more frequent advice to the CEO through executive meetings or in person.

7.7 There must be at least two executive meetings of the College of Advisors including one annual meeting prior to the CEO's annual report to the Office of the Regulator of Community Interest Companies.

7.8 All assumptions in Annex 1 apply to the College of Advisors.

8. Global PSSSL Observers

OBSERVERS

8.1 The Global PSSSL Community Interest Company (CIC) is keen to demonstrate its commitment to transparency and accountability through a permanent position for observers.

8.2 Representatives of relevant international organisations, NGOs, think tanks and regulators (in personal or organisational capacity) can become observers. The observer's position is negotiated directly with The Global PSSSL CEO.

8.3 Observers can attend certain meetings and have the opportunity to speak with the Global PSSSL CEO when required.

8.4 An organisation can cease to be an observer by contacting the CIC.

8.5 Observers can become more active participants in workstreams run by the CIC.



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MEDIA OBSERVERS

8.6 Media observers constitute a distinct category to accommodate agents of the free media.

8.7 Media observers benefit from a more regular contact with the CIC and may be invited to attend certain meetings, with permission of all participants.

8.8 In return for this level of access, the CIC requests that Media Observers commit to the impartial reporting of facts and demonstrate a mature observation of ethical journalism.

8.9 Organisations are named as Observers or Media Observers on the Global PSSSL website.

9. Workstreams and partnerships

9.1 Workstreams are separated from the main work on the Global PSSSL market standard and aim at providing an underlying evidence base for sustainable securities lending/sustainable finance. Such workstreams offer an opportunity to push the boundaries of the sustainable finance agenda.

9.2 Workstreams are run by Global PSSSL CIC in line with the requirements of the community interest. The Global PSSSL CEO nominates a Chair(s) and, together with the Secretariat, supports the work of the Chair(s), and ensures the work is done within the requirements of the Global PSSSL community interest test.

9.3 Workstreams are focused on delivering outcomes and outputs. As long as they deliver, there is no requirement on the number of virtual/physical meetings.

9.4 Workstreams may include partnerships with external organisations for the delivery of specific research and impact projects.

9.5 All assumptions in Annex 1 apply to the operation of the workstreams.

10. CIC Secretariat

10.1 The Secretariat provides leadership for the operation of the whole organisation and assistance to all senior management.

10.2 The Secretariat has the representation functions that may be delegated to another person subject to a written agreement.

10.3 The Secretariat is directly accountable to The Office of the Regulator of Community Interest Companies.

10.4 The Secretariat is open to applications from individuals (from the not-for-profit community) wishing to serve as directors/secretaries who are willing to share this level of participation and accountability. Applicants must accept the rules in Annex 2 and are able to add value to shaping the long-term strategy and financial health of the CIC. All applications will be considered and are subject to appropriate and extensive due diligence.



11. Legal and financial matters

11.1 The CIC has insurance that includes the appropriate legal protection.

11.2 The CIC has a chartered accountant who provides appropriate advice and assistance in relation to the CIC asset lock and financial matters.

11.3 The CIC recruits an advisor on accounts from the industry to receive further assistance on financial matters.

11.4 Sponsors are welcomed to support the ongoing work of the CIC through financial assistance but will hold no influence on Global PSSL policy, the Secretariat, or Senior Participants.

12. Competition law and policy

12.1 The CIC abides by the relevant competition law and policy and the CIC Director(s) and Secretary(ies) must follow the relevant guidance from the [Competition and Markets Authority](#).

12.2 The CEO collaborates regularly with the Secretary(ies) to test the CIC's compliance with competition law and policy.

12.3 The CEO nominates a Secretary to keep the appropriate record and, if necessary, obtain appropriate legal advice.

12.4 The Global PSSL CEO must have experience with competition law and policy.

12.5 All Global PSSL meetings must include either Global PSSL CEO or Secretary. The names of the meeting participants are distributed prior to the meeting and communicated publicly through progress reports.

12.6 Off-governance meetings (that is meetings that discuss Global PSSL without permission/participation of the CIC Secretariat) are prohibited.

12.7 The Secretariat does not distribute stakeholders' email addresses by default.

13. Changes to the terms and conditions

13.1 All minor changes to this document are implemented by The Secretariat. In such instances, the issue number of this document will increment by 0.1.

13.2 Stakeholders will be consulted about any major changes to this document that will affect their position. In such instances, the issue number of this document will increment by 1.0.

14. Global PSSL Archive

Obsolete or superseded features from the Global PSSL website will be watermarked as non-current and archived in the appropriate area of the website.

Global Principles for Sustainable Securities Lending



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Annex 1. Global PSSSL Management Assumptions

Focus on Outcomes and Outputs

- Global PSSSL CIC and market standard are focused on results and all actions and meetings must lead to tangible outcomes/outputs that add value to the public community interest.

Continued Business Justification

- Satisfying community interest test is at the heart of Global PSSSL and the CIC, and must be ensured continuously.

Strong and long-term leadership

- Global PSSSL and the CIC are based upon strong and visible leadership.
- Senior participants and advisors are appointed by the CIC Secretariat to serve long-term, with at least annual reviews.
- Senior participants can introduce additional governance for workstreams/meetings only in collaboration with the CIC Secretariat.

Defined Roles and Responsibilities

- The CIC Secretariat must ensure that all roles and responsibilities are clearly defined in advance of any meeting and collaboration for outcomes/outputs. The Secretariat meets with Chair(s)/Executive Director of The College of Advisor in advance of group meetings to confirm agendas, expectations, roles and responsibilities.

Accountability

- Global PSSSL Secretariat is accountable to the Regulator of CICs.
- Advisors constitute additional accountability for all stakeholders shaping Global PSSSL. Some observers may also choose to provide additional accountability.
- All senior participants are accountable to the CIC Secretariat.

Incremental approach/Tolerances and Tailoring

- Global PSSSL and the CIC take a pragmatic and incremental approach to advancing sustainable securities lending and the broader sustainable finance agenda.
- Default tolerance for deadlines when possible +/- three days (day-to-day) and 6 working days (major matters).
- Certain milestones are non-negotiable (e.g. annual report).

Risk management

- The CIC Secretariat is responsible for an ongoing risk management.

Trust and co-creation

- All stakeholders contribute to Global PSSSL and the CIC in good faith.
- All senior participants and management must declare their interest that may impact the operation of Global PSSSL to the Secretariat.
- Emphasis is put upon co-creation and collaboration of diverse participants and talent.

Transparency and confidentiality

- Global PSSSL CIC is a transparent organisation and respectful of confidentiality when appropriate.
- The Global PSSSL Secretariat provides internal minutes to the meetings' participants and facilitates the publication of public progress reports based upon those minutes.
- All participants must agree to respecting confidentiality when requested.
- Secretariat may seek advice from individual advisors on a confidential basis.

Inclusion and diversity

- Global PSSSL CIC is committed to encouraging equality and diversity among our workforce and eliminating unlawful discrimination.
- The Global PSSSL Secretary(ies) are responsible for shaping the inclusion and diversity policy with relevant industry representatives (e.g. Chair of The Global PSSSL Mentorship Programme).
- Further guidance must be issued by Spring 2022.



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Annex 2. Internal rules applicable to the Global PSSSL Community Interest Company

The existing and incoming CIC leadership must accept, abide by and maintain these rules. The CIC may provide additional guidance on these rules on a case by case basis.

A. Global PSSSL public community interest rule

As a CIC, Global PSSSL passed a [community interest test](#) during its initial registration and must continuously satisfy the Regulator of The Community Interest Companies that it serves the public community.

The CIC Secretariat must ensure that it continues to satisfy the public community interest test.

B. Global PSSSL continuity rule (also known as the Global PSSSL 20+ rule)

Global PSSSL, as a voluntary market standard, aligns with long-term sustainability goals and is independent of any short-term political, financial, regulatory and cultural changes.

The CIC Secretariat must ensure this Global PSSSL continuity by taking a minimum twenty-year time horizon through innovative legal and financial solutions.

The CIC Secretariat must ensure that this rule is communicated clearly to all stakeholders.

C. Global PSSSL 'prevent and do no harm' rule

In satisfying the community interest test, and, in so far as possible, the Global PSSSL Secretariat will prevent, reduce and do no harm to the securities lending community and the broader sustainable finance agenda.

The CIC Secretariat must ensure that this rule is communicated clearly to all stakeholders, especially those holding senior positions.