



# Green Finance, Green Futures

## Session 2 Key Terms

- **Capital** – wealth in the form of money or other assets.
- **Investors**- Person or organisation that provides capital with the expectation of receiving financial returns (get more money back than they put in).
- **Fund**- Pool of money often invested and managed professionally. People put money into a pension fund, which the fund managers invest with and make more money, and when people retire, they get access to their money.
- **Equities**- Shares of ownership in a company. If you buy equities (shares) in a company, you effectively own a tiny % of the business. If the business does well the share price will increase, meaning the value of your shares increase. These shares are traded in the stock market.
- **Venture capital** - Investment, often in start-up and innovative companies. It can come from specific venture capital funds or the government owned national investment banks.
- **Government Bonds**- A bond is a debt instrument. So, a government will issue a 'bond' and investors will buy them → the government then uses this money for a specific purpose → The government pays back the investor with an annual interest rate → The investor makes money.
- **ESG**- Environment, Social, Governance. ESG rankings provide scores based on how companies' activities affect the environment, people (social) and how the company is run (governance).
- **Greenwashing**- When companies or organisations falsely portray their product, service, or the organisation themselves as environmentally friendly or sustainable. Strict disclosure regulations and data collection can help tackle this.