

# SPECTRUM OF SUSTAINABLE INVESTING

Similarity to traditional investing:

More similar

Similar

Less similar

TRADITIONAL INVESTING

ESG INTEGRATED

ESG SCREENED - EXCLUSIONARY

ADVOCACY

THEMATIC - INCLUSIONARY

ETHICAL / IMPACT

Investment decisions consider only financial-metrics and consider companies to be solely obligated to the shareholder. Little emphasis on other stakeholders.

Seeks durable companies with long-term viability, with less emphasis on short-term profits. Often uses a weighting methodology including ESG criteria to determine portfolio companies. I.e. If two investments are strongly considered, may select the company with higher ESG rating.

Seeks durable companies with long-term viability and may eliminate companies or sectors with short-term success, but long-term concerns. Typically an emphasis on long-term returns and performance relative to short-term. I.e. No guns, alcohol, tobacco, fossil fuels in portfolio.

Actively engages with companies with varied ESG ratings through proxy voting, board membership, and other methods in an effort to improve financial and non-financial goals. I.e. Voting shares for or against proposals, lobbying board of directors for specific changes.

Investments typically start with a central theme or goal and add investments related to that theme. Strong emphasis on risk management and performance persists. I.e. Clean energy, board diversity.

Desire to achieve specific and measurable E, S, or G goals while acknowledging potential tradeoff in risk management and performance expectations.