

8 sustainable investing terms to know



1

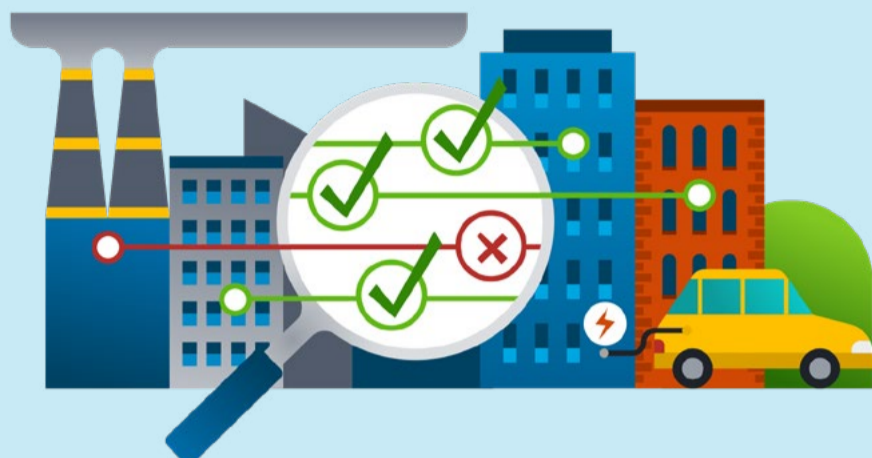
ESG

Environmental, Social and Governance – the three central factors/criteria used by responsible investors to screen and select companies and other investments for their portfolios. Sometimes E and S are substituted for ‘ethical’ and ‘sustainable’.

2

ESG integration

The systematic and explicit identification and inclusion of material ESG factors into investment analysis and investment decisions.



3

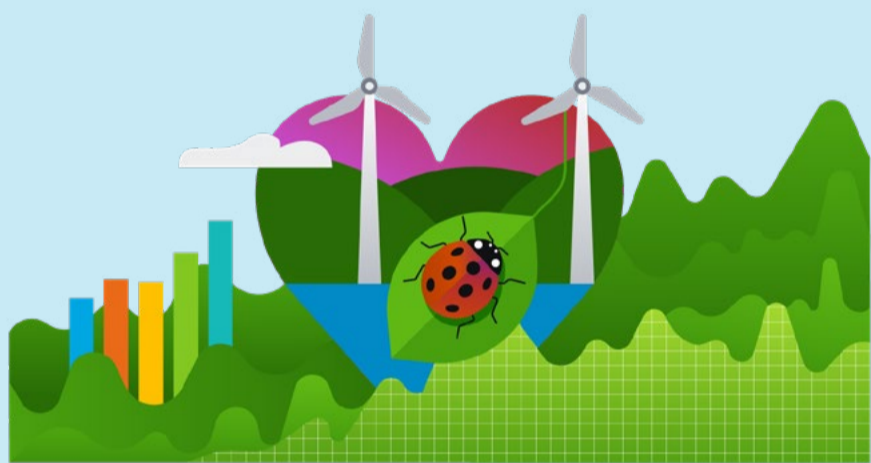
Screening

An approach which specifically filters companies based on their involvement in either beneficial (positive) or undesirable (negative) activities.

4

Norms-based investing

An approach that excludes investments based on not complying with international standards of conduct, such as the UN Human Rights Declaration.



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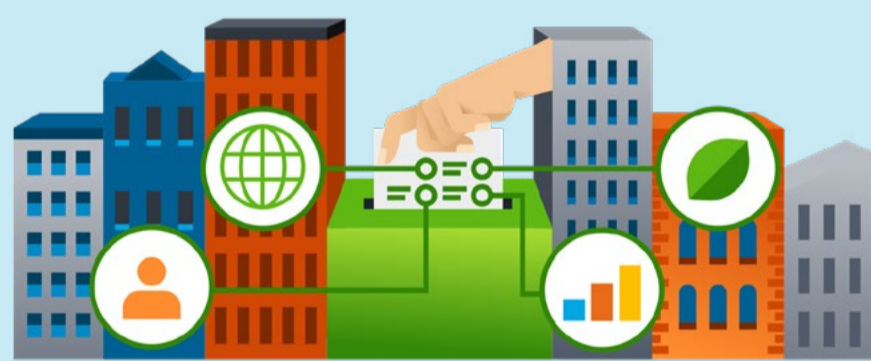
Values-based investing

An investment approach that excludes investments based on ethical, values-based or religious criteria, for example, gambling, alcohol, or pork.

6

Stewardship

The responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries, leading to sustainable benefits for the economy, the environment and society.



7

Active ownership

A form of stewardship whereby shareholder power is used to influence corporate behaviour through direct corporate engagement, filing or co-filing shareholder proposals, and proxy voting guided by comprehensive ESG guidelines.

8

Principles for Responsible Investment

A UN-supported body regarded as the world’s leading proponent of responsible investment. It has issued a set of voluntary and aspirational investment principles that all signatories must commit to.



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