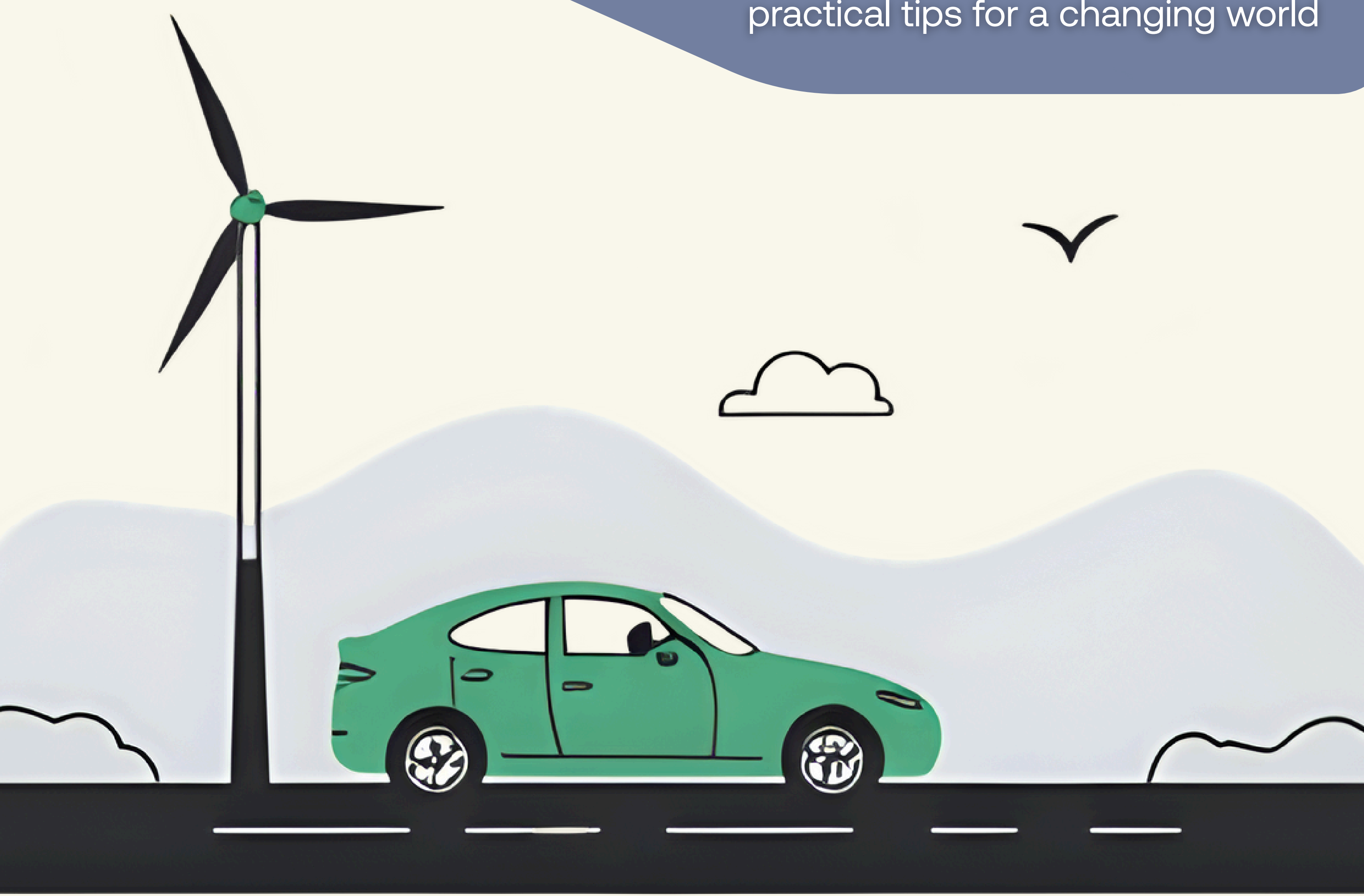
PART I - LEARN

US/SIF

The Sustainable Investing Roadmap

for Financial Advisors and Wealth Managers

The essential guide for your ESG journey with strategies, tools, and practical tips for a changing world



US/SIF

About the Publisher

The US SIF Foundation, a 501(C)(3) organization, undertakes educational and research activities to advance the mission of US SIF: The Forum for Sustainable and Responsible Investment, the leading voice advancing sustainable, responsible and impact investing (SRI) across all asset classes. That mission is to rapidly shift investment practices towards sustainability, focusing on long-term investment and the generation of positive social and environmental impacts. Both US SIF and the US SIF Foundation seek to ensure that environmental, social, and governance impacts are meaningfully assessed in all investment decisions to result in a more sustainable and equitable society.

Among the hundreds of US SIF members are investment management and advisory firms, asset owners, mutual fund companies, research firms, financial planners and advisors, broker-dealers, community investing institutions and non-profit organizations.

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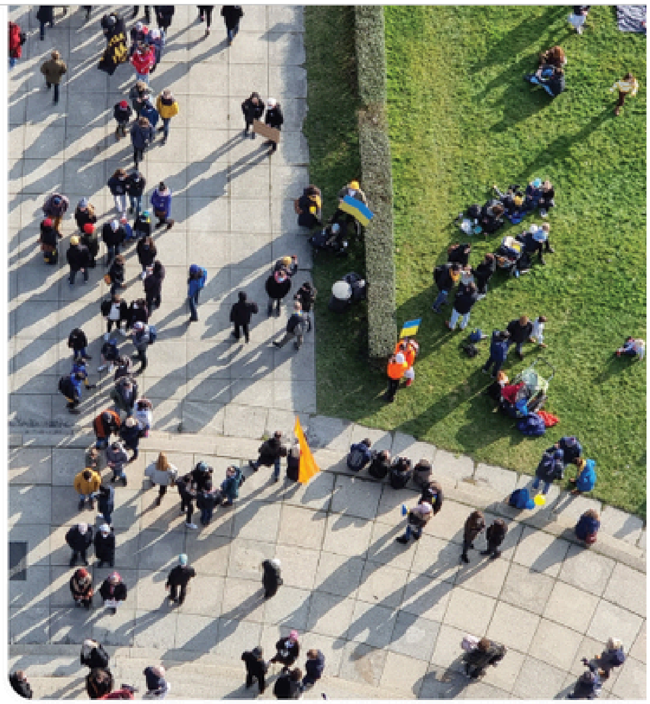

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On behalf of the US SIF team, we would like to extend our most sincere appreciation to our sponsors for their invaluable support of the Sustainable Investing Roadmap Series for Financial Advisors. Their partnership reflects a shared commitment to advancing education, fostering innovation, and equipping financial professionals with the tools needed to integrate sustainable investing into their practices.

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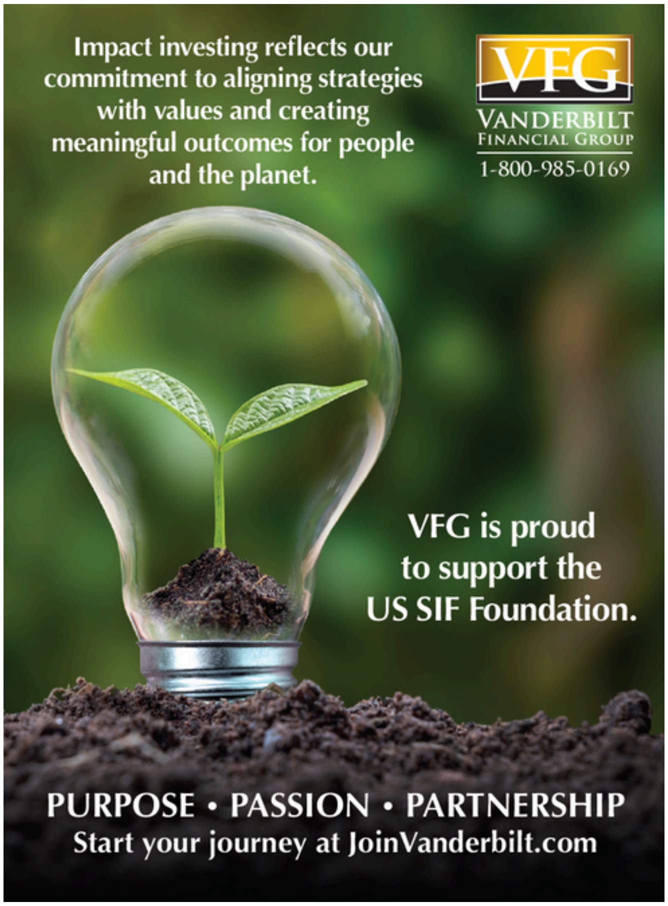


WELCOME

to US SIF's new roadmap series for financial advisors and wealth managers!

Financial intermediaries, including financial advisors, wealth managers, securities broker dealers, and registered investment advisors (RIAs), are often called the "gateway" to sustainable investing. It is not far-fetched to make this claim, as there is plenty of research to support it.

Over the past decade or so, there has been substantial growth in client interest in sustainable investing, as well as advisor engagement. According to a 2024 study from Morgan Stanley, 88% of investors globally have expressed interest in sustainable investing, which suggests a robust and sustained demand since late 2023 for environmentally and socially conscious investment options[1]. A new study from the Swiss investment firm, Vontobel,[2] also suggests that more financial advisors on a global scale are starting to integrate sustainable investing in anticipation of a bigger book of business coming over the next couple of decades. Many experienced advisors and industry leaders recognize the business benefits of incorporating sustainable investing, including attracting new clients, retaining existing ones, and gaining a competitive advantage. According to Envestnet PMC, 77% of clients whose values are reflected in their investments report having higher overall satisfaction with their financial advisors[3].

Despite this notable demand among clients, there are numerous challenges that remain in the financial advising industry, in particular, a gap in knowledge and expertise. A significant portion of financial advisors (20%) remain completely unfamiliar with sustainable investing, and 40% of registered investment advisors admit they lack sufficient knowledge to make suitable investing recommendations. Globally, there is concern about the performance of these investments, actually supporting positive real-world outcomes, and the reliability of reported data (i.e., greenwashing). The regulatory landscape remains inconsistent across the globe, and as such, the different standards, metrics, and taxonomies have created uncertainty and hindered the broader adoption of sustainable investments.

We recognize the critical need for financial advisors and wealth managers to play a key role in the growth of the sustainable investing sector. By starting with a solid knowledge base and allowing advisors to gain confidence in applying this information to their practice, we hope that more financial advisors and wealth managers will work together to spread best practices in sustainable investing across the United States and the world.

US SIF looks forward to helping you navigate the road ahead!

US SIF's 3-Part Roadmap Series

Whether you're introducing clients to sustainable investing for the first time or have been navigating this space for years, we're confident you'll find valuable insights in this guide. This is the first of three roadmaps developed by US SIF to support financial advisors, wealth managers, RIAs, financial planners, and other professionals helping clients align their investments with their values. That said, you don't need to be an advisor to benefit from this resource — clients are encouraged to explore it too. If they're searching for a new advisor, they can even share this information to ensure their investment approach reflects their goals and priorities.

The three parts of the roadmap are described below (the current one is boxed):

In Part I, you will **learn** useful background information on sustainable investing, ESG, the industry, etc., as well as the three categories of sustainable investing clients and the types of strategies that would be most appropriate for their unique needs.

in Part II, you will now learn how to **apply** your newfound knowledge in a practical setting. Here you will discover the ins and outs of ESG data and ratings, how they can be used to build a portfolio for clients, how this information can be used to avoid 'greenwashed' investments, and ensure your clients understand greenwashing as well.

in Part III, this is where you will discover how to **connect** your ESG knowledge and application skills to client conversation starters, how to address the most common concerns around sustainable investing, and learn how to connect with our growing network of professionals.

Sustainable Investing 101

In this section, we lay the foundation for understanding sustainable, responsible, and impact investing. You'll explore the key terms, history, and core concepts—like ESG (Environmental, Social, and Governance) criteria—and learn how they shape modern investment practices. Whether you're new to the space or looking to refresh your knowledge, this section offers the essential building blocks to help you confidently integrate sustainability into your investment approach.

What is 'SRI'?

The Evolution of SRI and Sustainable Investing

What we now call Socially Responsible Investing (SRI) has roots that stretch back centuries, originating alongside the founding of many of the world's major religions. However, the acronym SRI itself was first associated with "socially responsible investing" during the 1758 annual meeting of the Religious Society of Friends — better known as the Quakers — in Philadelphia[4].

The Quakers were known for their unwavering belief in the inherent worth and dignity of every individual and their commitment to building a more just, peaceful, and compassionate society guided by faith-based principles. Remarkably progressive for the 18th century, they championed the equality of all people regardless of race, gender, sexual orientation, or social status

At a time when slavery was legal and thriving in the American colonies, the Quakers were staunch abolitionists. During this pivotal 1758 meeting, they formally forbade their members from investing in or profiting from any business that supported or perpetuated slavery[5]. This decision laid the groundwork for the earliest definition of Socially Responsible Investing[6]:

> **Socially Responsible Investing:** An investment strategy designed to maximize financial returns while advancing societal "good."

From "Who Decides" to "What Matters"

For more than 200 years, this definition served investors and businesses well. However, as societal issues expanded throughout the 20th century, a major challenge emerged: who decides what counts as "societal good"?

Ask a thousand different people, and you'll likely get a thousand different answers. SRI, in its original form, blurred the line between investing and philanthropy, effectively asking investors to make values-based judgments that were deeply personal and subjective. While investing and philanthropy can certainly be driven by common missions, they are fundamentally different actions with distinct objectives. Rather than asking who defines "societal good," a more pragmatic approach emerged: what factors actually drive positive, sustainable outcomes for society, the environment, and the economy?

This shift became formalized in the early 21st century with the introduction of Environmental, Social, and Governance (ESG) criteria, first popularized by the 2004 United Nations Global Compact - World Bank report "Who Cares Wins"[7]. ESG provided a structured, measurable framework to evaluate how companies manage material risks and opportunities across environmental, social, and governance dimensions.

SRI Becomes Sustainable Investing

With the integration of ESG, the meaning of SRI evolved beyond "socially responsible investing" to represent Sustainable, Responsible, and Impact Investing:

> **Sustainable, Responsible, and Impact Investing:** An investment strategy that integrates ESG criteria to maximize financial returns while minimizing material risks.

In short, SRI evolved into what we now broadly call "Sustainable Investing" — a data-driven, forward-looking approach that combines financial performance with long-term environmental, social, and governance considerations[8].

Notes on Taxonomy

The taxonomy of sustainable investing is not standardized and continues to evolve as the industry grows, with terms like SRI, ESG, impact investing, and values-based investing often used interchangeably. While these approaches share the common goal of integrating environmental, social, and governance considerations, they differ in purpose, strategy, and measurement, making clarity and context essential when discussing them.

- **SRI / Ethical / Values-Based** → Driven by **personal beliefs** and exclusions.
- **ESG / Responsible / Sustainable** → Driven by **data and risk management**.
- **Impact / Mission-Related / PRI** → Driven by **measurable change** and **alignment with mission or purpose**.
- **Green / Thematic** → Driven by specific **sustainability goals** or sectors.

Sustainable investing goes by many different names, depending on who you ask and where you are in the world. You may also hear it referred to as ethical investing, green investing, impact investing, mission-related investing, responsible investing, socially responsible investing (SRI), values-based investing, and more[8].

Organizations like US SIF and other industry leaders often use the term "sustainable investing" interchangeably with several of these, but it's important to recognize that terminology varies widely. In the United States, there is no single official taxonomy, which is why so many terms are used to describe similar — and sometimes overlapping — approaches[9].

Despite the differences in terminology, all of these approaches share a common focus: they incorporate quantitative and qualitative ESG factors — environmental, social, and governance considerations — into the investment process alongside financial analysis[10].

Which term is used often depends on:
- **Geography** – Different regions and markets adopt different preferred labels[9]
- **Purpose** – Some terms emphasize values, others highlight measurable impact[11]
- **Strategy** – Approaches vary depending on an investor's objectives and priorities[12]

At their core, any investment strategy that considers ESG factors alongside financial returns can be described as a form of sustainable investing.

A Helpful Analogy: Think of a sustainable investing strategy as a cake, and ESG factors as the key ingredients used to make it. The terms listed above — impact investing, green investing, values-based investing, and so on — represent different kinds of cakes, each using the same basic ESG ingredients but following different recipes.

In other words, the ingredients (ESG factors) remain the same, but the technique, purpose, and outcome can vary based on the strategy an investor chooses to follow.

A Brief Timeline of Sustainable Investing

~ 10th Century BCE

Religious traditions serve as the root of sustainable investing as we know it today. All of the major world religions - Judaism, Christianity, Islam – all specifically reference the importance of ethical investing practices

1758

At the annual meeting of the Religious Society of Friends (a.k.a. Quakers) in Philadelphia, PA, the members first coined the term 'socially responsible investing' through their quest as abolitionists by forbidding members to invest in or do business with any entity promoting slavery.

1759

In Oxford, England, Methodist Church founder John Wesley gives his sermon called "The Use of Money," where the first pseudo-SRI strategy is outlined and emphasizing an obligation not to harm others with your investments.

20th Century

The 20th Century brought about a shift in how investments were used socially, less for religious purposes and more to address socioeconomic challenges (civil rights movement, anti-apartheid), and environmental considerations became important following major catastrophes (Exxon-Valdez oil spill, ozone depletion).

1971

The first socially responsible investing mutual fund, the Pax World Balanced Fund (now Impax), was introduced in 1971.

1984

The US Forum for Sustainable and Responsible Investment was founded in Washington, DC, in 1984.

2004

UN Secretary-General, Kofi Annan, releases a joint report with The World Bank at the UN Global Compact called "Who Cares Wins," first coining the acronym "ESG" as issues for the financial industry to consider in analysis and management of money.

2006

The United Nations, supported by an international network of financial institutions, develops the Principles for Responsible Investment, or PRI – a set of six aspirational investment principles to consider ESG factors. Organizations that promote "The Principles" are known as "signatories".

Foundational Pillars of Modern Responsible Business & Sustainable Investing Practices

Corporate Social Responsibility (CSR)

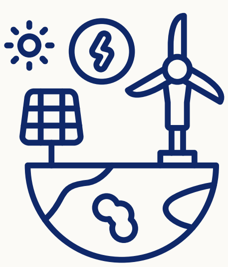
originated in the mid-20th century as businesses began recognizing their broader social and environmental impacts, moving beyond purely profit-driven objectives. Sparked by rising consumer activism, civil rights movements, and environmental awareness, early CSR focused on philanthropy and ethical obligations before evolving into a more strategic approach to stakeholder and societal responsibility.

Environmental, Social Governance (ESG)

originated in the early 2000s as investors sought a more structured framework to evaluate corporate performance beyond financial metrics. Its roots trace back to socially responsible investing and were formalized by initiatives like the 2004 UN Global Compact's "Who Cares Wins" report, which linked ESG factors to long-term financial performance and risk management.

Sustainability

The concept of sustainability originated in the 1970s as growing environmental concerns and resource scarcity highlighted the need for balancing economic development with ecological protection. It was formally defined by the 1987 Brundtland Commission's report, Our Common Future, which framed sustainability as meeting present needs without compromising the ability of future generations to meet their own.



Purpose Driven Organization

The idea of purpose-driven organizations emerged in the 1990s and early 2000s as companies began shifting from a purely profit-focused model toward aligning business strategies with broader social and environmental values. Influenced by stakeholder theory and rising consumer demand for corporate responsibility, purpose-driven organizations position their mission and impact at the core of decision-making to create long-term value for both business and society.

What is 'ESG'?

Environmental, Social, and Governance (ESG) criteria are a set of standards and metrics used in investment analysis to evaluate a company's long-term risks and opportunities beyond traditional financial performance[13]. ESG helps investors screen investments and build sustainable strategies, portfolios, or funds — but it is important to note that ESG is a tool for analysis, not the goal itself[9].

Before ESG emerged, businesses practiced **Corporate Social Responsibility (CSR)** for more than two centuries, focusing on voluntary efforts like philanthropy, ethical labor practices, environmental stewardship, and community engagement[14,15]. While CSR is about a company's values and intentions, ESG takes it further by providing measurable benchmarks that investors can use to assess performance and manage risk[16].

The term "ESG" was officially coined in the 2004 United Nations report "Who Cares Wins", which highlighted that incorporating environmental, social, and governance factors into investment decisions can lead to more sustainable, stable, and profitable markets[10]. While ESG metrics vary across regions, industries, and sectors, their purpose is consistent: to identify material risks and opportunities that traditional financial analysis might overlook — ultimately connecting responsible business practices with long-term financial value[12].

Think about it this way...

If sustainable investing is the finished cake, then ESG criteria are some of the key ingredients — like the eggs, flour, and sugar — used to make it. However, ESG metrics are not the whole recipe; just as a bowl of ingredients isn't a cake, ESG criteria alone don't constitute a complete sustainable investing strategy.

Environmental

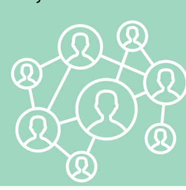
Directly or indirectly affects the physical world in which we live

Example factors: Climate, energy efficiency, pollution, sustainable agriculture, and water.

Example Questions to Ask: How does this company manage environmental liability, does it find ways to address environmental problems?

Social

People interacting with people; relationships with employees, customers, and stakeholders



Example factors: Workplace safety, labor, workplace benefits, diversity, community relations, and human rights.

Example Questions to Ask: How does this company treat all of its stakeholders?

Governance

How organizations are managed and by whom

Example factors: Political contributions, executive compensation, board diversity, board independence, and transparency and disclosure.

Example Questions to Ask: How is corporate power checked and shared?

For those new to ESG, the figure below highlights a sample breakdown of the various environmental, social, and governance (ESG) categories. Criteria related to specific products — such as tobacco, alcohol, or weapons — typically fall under the "social" (S) category, since products are ultimately a way in which people and businesses impact other people.

The significance of each ESG factor depends on a concept called **materiality**, which varies by industry and sector. Because materiality determines which ESG issues are most relevant for a particular company, no single category or subcategory is inherently more important than another.

Why is ESG important?

While ESG is often viewed primarily as a tool for assessing material risks, its influence extends far beyond risk management. ESG criteria provide valuable insights and practices that shape decision-making and create impact across a wide range of groups:

For Investors – ESG factors help identify companies with lower financial and reputational risks, avoid businesses with poor sustainability practices, and make more informed investment decisions. ESG data also enables investors to hold companies accountable for their environmental and social impacts, fostering greater transparency and long-term value creation.

For Businesses & Institutions – Integrating ESG into business strategy allows companies to manage risks more effectively, attract capital and customers, and enhance brand reputation. Strong ESG performance drives innovation, supports resilience and adaptation efforts, and strengthens long-term competitiveness in a rapidly evolving global economy.

For Customers & Consumers – Consumers are demanding greater transparency and sustainable products, rewarding businesses that align with their values. Strong ESG practices build brand trust and loyalty, creating a competitive edge in a values-driven marketplace.

For Regulators & Policymakers – Governments and regulatory bodies are rapidly developing ESG disclosure standards and climate-related reporting requirements. ESG data helps inform policy decisions, guide sustainable development goals, and promote more resilient markets.

For Communities & Stakeholders – Corporate ESG decisions directly affect local communities through environmental impact, job creation, and economic development. Actively engaging stakeholders fosters trust, strengthens a company's social license to operate, and promotes shared value.

For Society at Large – By promoting responsible business practices, ESG helps protect the environment, advance social equity, and support economic stability. Strong ESG integration drives progress toward a more sustainable, inclusive, and resilient future.

ESG vs. SRI vs. Impact

How can you easily tell the difference between these three terms? Don't worry — this one-page handout breaks down the distinctions and will also serve as a helpful reference later when categorizing different types of sustainable investors.

ESG - Environmental, Social and Governance

Approach: Risk and opportunity analysis

- **Goal:** Improve long-term financial performance by evaluating material ESG risks and opportunities.
- **How:** Integrates ESG factors into traditional financial analysis (not necessarily based on personal values).
- **Example:** Choosing a company with strong climate policies and diverse board leadership over peers with poor ESG practices.
- **Think:** "How do ESG risks and strengths affect my investment returns?"

SRI - Sustainable, Responsible, and Impact Investing (or Values-based Investing)

Approach: Values-driven exclusion OR inclusion

- **Goal:** Avoid investments that conflict with personal or institutional values.
- **How:** Often uses negative and/or positive screens to exclude or include certain industries or companies (e.g., tobacco, weapons, fossil fuels, gambling).
- **Example:** A mutual fund that avoids any companies involved in alcohol or firearms, and/or includes solar and wind farms.
- **Think:** "What do I (want or not want) to support with my money?"

Impact Investing

Approach: Intentional positive impact

- **Goal:** Generate measurable social and/or environmental outcomes alongside a financial return.
- **How:** Invests directly in projects, companies, or funds that address issues like clean energy, education, healthcare, and affordable housing.
- **Example:** Investing in a green bond that finances solar energy for low-income communities.
- **Think:** "How can my investment create real-world change?"

Aspect	ESG	SRI (a.k.a. Values Investing)	Impact Investing
Main Driver	Financial performance through ESG insights	Personal/ethical values	Social/environmental impact + financial return
Method	ESG integration into investment process	Negative/exclusionary and or positive/inclusionary screening	Direct investment in solutions / shareholder advocacy
Typical Question	"What ESG risks/opportunities exist?"	"What do I want to avoid or include?"	"What impact will my money have?"
Examples	Choosing companies with strong ESG ratings or scores	Avoiding oil, while including renewable energy	Investing in funds that directly support affordable housing

Step 1: Client Discovery Guide

This section equips you with tools to help understand your clients' motivations, values, and expectations around sustainable investing. You'll explore the three main types of sustainable investors—integration, values, and impact—and use a practical questionnaire to identify where your client fits. By clarifying their preferences upfront, you can tailor investment strategies that align with both their financial goals and their personal values.

The Fiduciary Duty

“Fiduciary” is derived from the Latin word “fiducia,” which means “trust” or “confidence” – a notion of critical importance in all aspects of financial stewardship. The concept of fiduciary duty has deep roots in English common law and became formalized in the United States through regulations like the Investment Advisers Act of 1940, which requires SEC-registered advisors to act in their clients’ best interests[17]. This duty was further reinforced by the Employee Retirement Income Security Act (ERISA) of 1974, which mandates that fiduciaries of retirement plans act “solely in the interest” of participants[18]. Over time, however, the Department of Labor clarified that considering non-financial factors, such as environmental or social issues, is permissible so long as financial returns remain the primary objective[19]. The CFP Board also expanded its fiduciary standards in 2019 with its new Code of Ethics and Standards of Conduct, requiring certified planners to uphold their duty of loyalty and care whenever they provide financial advice[20].

The rise of sustainable investing—encompassing all related taxonomies such as ESG (environmental, social, and governance) integration, socially responsible investing (SRI), and impact investing—has significantly reshaped how fiduciary duty is interpreted. As discussed in an earlier section, values-based investing emerged from religious traditions, and by the late 20th century, movements like South African divestment and the Community Reinvestment Act of 1977 (CRA) expanded the focus on social responsibility[21]. In the modern era, frameworks such as the UN Principles for Responsible Investment (PRI), launched in 2006, and the Sustainability Accounting Standards Board (SASB), established in 2011, provided structure for integrating ESG considerations into investment decisions[22]. Today, sustainable investing is widely viewed as financially material when ESG factors directly influence long-term risk and returns.

The Freshfields reports were pivotal in redefining the relationship between fiduciary duty and sustainable investing. The 2005 report, commissioned by the United Nations Environment Programme Finance Initiative (UNEP FI), concluded that considering ESG factors in investment decisions is not only permissible but may be required when those factors are financially material[23].

A decade later, the 2015 follow-up report, Fiduciary Duty in the 21st Century, expanded on these findings, stating that **failing to consider ESG factors could represent a breach of fiduciary duty** given their growing impact on long-term risk and value creation[24]. Together, these reports shifted the global understanding of fiduciary duty from a narrow, returns-only focus to one that recognizes ESG integration as an essential element of prudent investment practice.

Despite this important conclusion, the intersection of fiduciary duty and ESG is both mainstream and contested. Supporters argue that considering ESG factors aligns with fiduciary obligations when these issues materially impact financial performance and can help to minimize material risks. At the same time, political and regulatory tensions have intensified: some states and policymakers encourage ESG integration, while others seek to restrict or ban ESG-focused strategies, especially within public pension plans[25]. Globally, disclosure standards are evolving through initiatives like the International Sustainability Standards Board (ISSB), aimed at improving transparency and combating greenwashing[26] – a concept we will discuss in much greater detail in Part II.

In short, it is important to remember that the fiduciary duty remains the cornerstone of financial advising, but the role of ESG within that duty continues to evolve. Advisors are expected to balance client goals, financial performance, regulatory expectations, and sustainable investing considerations—navigating a landscape where investor demand, political ideology, and global standards increasingly intersect.

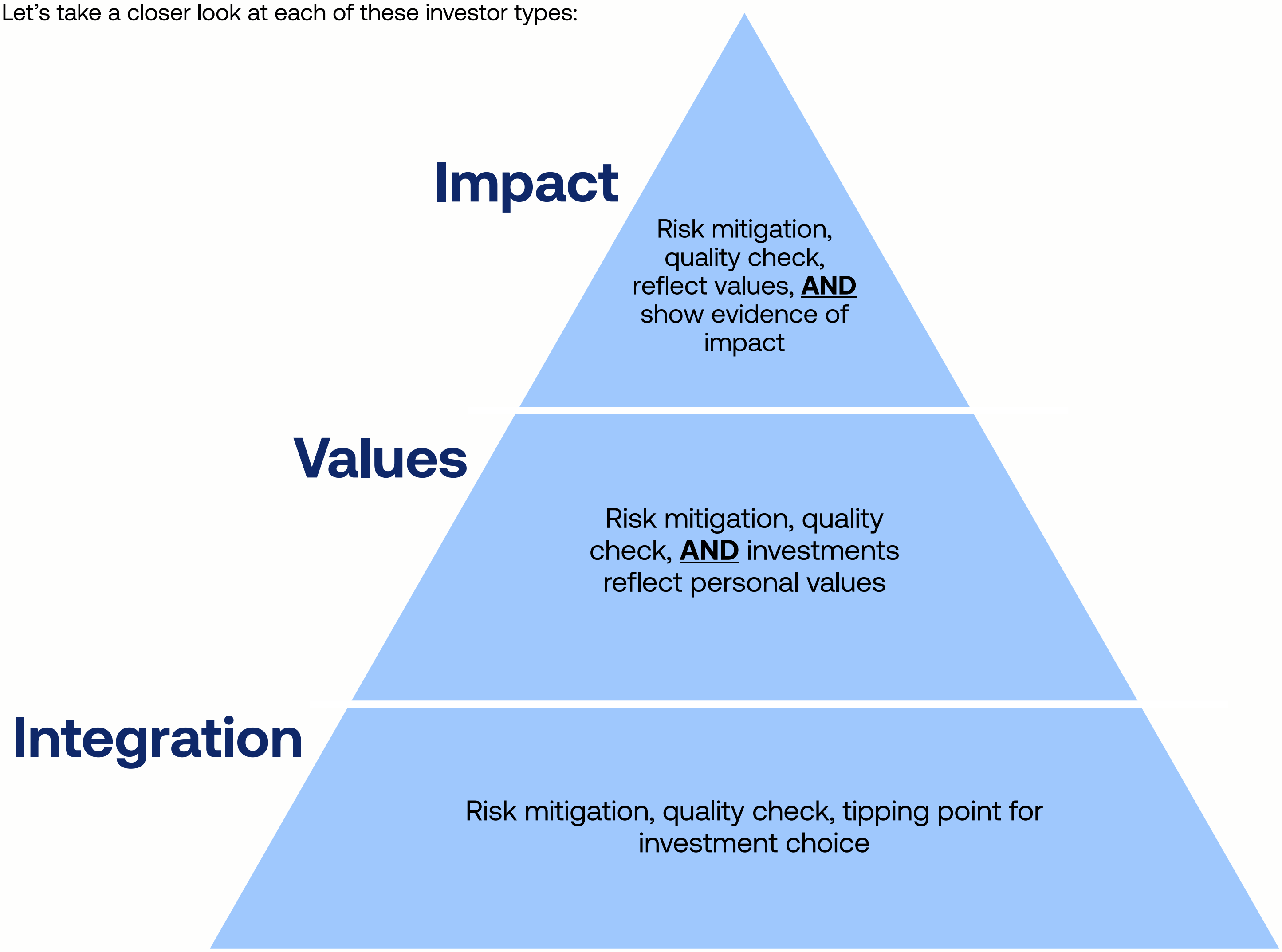
Working with Sustainable Investing Clients

One of the biggest misconceptions about sustainable investing is that it must be an all-or-nothing approach to be effective. While some may stereotype sustainable investors—whether labeling them as “socially conscious,” “politically motivated,” or even “woke”—the reality is more nuanced. There are generally three types of sustainable investors: **integration-focused**, **values-focused**, and **impact-focused**.

These approaches don’t exist in isolation; rather, they build upon one another like layers of a pyramid. At the base is integration, where investors incorporate environmental, social, and governance (ESG) factors into traditional financial analysis to manage risk and enhance returns. Values-focused investors go a step further, aligning portfolios with their personal or institutional ethics by including or excluding certain companies or sectors. At the top are impact-focused investors, who aim to generate measurable positive change alongside financial returns.

This layered approach matters because impact investing without considering all the strategic components of the other layers isn’t truly an investment strategy—it becomes closer to philanthropy. Understanding this hierarchy helps investors choose the strategy that best aligns with their goals, values, and desired outcomes.

Let’s take a closer look at each of these investor types:



INTEGRATION

Integration-focused investors represent the largest group of sustainable investors in the U.S. and globally, largely because this approach is the easiest to adopt. These investors prioritize financial performance while incorporating environmental, social, and governance (ESG) factors into their decision-making to better understand potential risks and opportunities. Their goal is to enhance returns and manage material risks—which can vary significantly by industry, sector, and region—without fundamentally changing the core investment process. To help identify these risks, many investors rely on frameworks like those developed by the Sustainability Accounting Standards Board (SASB), which standardizes ESG considerations across 11 sectors and 77 industries. However, because there's no single, universal definition of ESG criteria, integration-focused investors face challenges when comparing data and approaches—sometimes leading to greenwashing. For many new to sustainable investing, starting as an integration-focused investor offers a practical entry point while maintaining a traditional, returns-driven investment mindset.

VALUES

Values-based investors build upon ESG integration by adding personal, moral, religious, or ethical considerations into the investment selection process. Starting with a universe of ESG-vetted investments, they choose to include or exclude specific holdings based on alignment with their values—such as avoiding fossil fuels or prioritizing companies with strong labor practices. Establishing a solid integration foundation is critical here to ensure all portfolio options meet robust financial and ESG standards before applying values-driven preferences. Designing a portfolio solely around personal beliefs, without considering material ESG risks or potential returns, can compromise performance. In these cases, philanthropy or direct giving may be a better way to achieve values-driven goals, while investments remain focused on generating competitive financial outcomes.

IMPACT

At the top of the sustainable investing pyramid are impact investors—those who intentionally seek measurable evidence of positive environmental and social outcomes alongside financial returns. Impact investors build upon both ESG integration and values-based approaches, but they also require impact reporting, transparency, and often engage in shareholder advocacy to drive meaningful change. While many advocates of sustainable investing aim to guide more investors toward this stage, reaching it requires a solid foundation built on financial discipline and values alignment.

It's important to help your client distinguish between sustainable **investing** and philanthropy: if their primary goal is social or environmental benefit without regard to returns, the activity is more accurately classified as philanthropy. Both approaches are valuable and often mission-driven, but they serve distinct purposes within an overall financial planning strategy.

Your Sustainable Investing Profile

The purpose of this questionnaire is to help advisors understand clients' investment motivations, values, and expectations to determine if their client is an integration, values, or impact investor. Scoring information is available on the following page.

Section 1: Values and Beliefs

1. Are there any industries or companies you would prefer to avoid entirely in your investments?

- ☐ a) No, I'm more focused on long-term performance.
- ☐ b) Yes, due to personal, ethical, or religious values.
- ☐ c) Yes, but only if doing so creates a broader positive impact.

2. How important is it that your interests reflect your personal or religious values?

- ☐ a) Not important.
- ☐ b) Extremely important.
- ☐ c) Important, especially if values can drive positive impact.

Section 2: Performance and Priorities

3. What is your top investing objective?

- ☐ a) Long-term risk-adjusted financial performance.
- ☐ b) Aligning my investments with my beliefs.
- ☐ c) Creating measurable positive change in the world.

4. Would you accept a potentially lower return if your investments aligned with your values or made a difference?

- ☐ a) No, I prioritize competitive returns.
- ☐ b) Yes, to reflect my values.
- ☐ c) Yes, especially if the impact is clearly measurable.

Section 3: Awareness and Engagement

5. Do you want to understand how environmental or social issues may affect your portfolio?

- ☐ a) Yes, I want to manage ESG risks.
- ☐ b) Not really—I'd rather just avoid the bad stuff.
- ☐ c) Yes, and I want to use my investments to help solve those issues.

6. Are you interested in impact reports that show the outcomes of your investments (e.g., emissions reduced, lives improved)?

- ☐ a) No, that's not a priority for me.
- ☐ b) Not especially, I just want to screen for values.
- ☐ c) Yes, I want to see measurable results.

Section 4: Advocacy and Influence

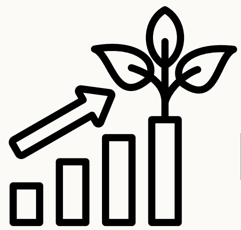
7. Do you want your investments to actively push companies to change through shareholder engagement or advocacy?

- ☐ a) Only if it improves performance.
- ☐ b) No, I prefer avoiding bad actors altogether.
- ☐ c) Yes, I want to invest in change.

For every **A** response, give yourself **1 point**; for every **B** response, give yourself **2 points**; and for every **C** response, give yourself **3 points**. Mark the points in the table below, add up the points, and divide by 7 to get the average score. The table at the bottom denotes the investor's type: **Integration, Values,** or **Impact**.

NOTE: If your client happens to fall on the cusp of two categories, it might be worth a deeper discussion to learn more about their interests. If they still are not sure, there is nothing wrong with having the default option be "integration," since it can be built upon later.

Question	Score (1 - 3)
Q1	
Q2	
Q3	
Q4	
Q5	
Q6	
Q7	
Total	
Average Score (Total ÷ 7)	



Integration

Values

Impact

Average Score	Suggested Style
1.0 – 1.6	**Integration** — Financial-first approach that considers ESG risks and opportunities.
1.7 – 2.3	**Values** — Values-driven approach that avoids certain industries.
2.4 – 3.0	**Impact** — Seeks measurable social or environmental outcomes with financial returns.

Step 2: Selecting a Sustainable Strategy

In this section, you'll learn how to match sustainable investing strategies with your clients' goals, values, and risk preferences. Explore the most common approaches—like ESG integration, negative/exclusionary screening, best-in-class, thematic, impact, and values-based investing—and discover advisor tips for applying each strategy effectively. Whether your client prioritizes financial performance, ethical alignment, or measurable impact, this section helps you chart the right course.

Assessing Risk Tolerance

When discussing sustainable investing with a potential investor, risk tolerance is a critical part of the conversation, not only because fiduciary duty requires advisors to ensure recommendations align with a client's financial objectives, but also because understanding an investor's comfort with volatility, sector concentration, and time horizon is essential to selecting the right strategy, whether they are integration-focused, values-driven, or impact-oriented. Below are the key considerations you should cover, structured to help frame a comprehensive discussion:

1. Understand the Investor's Goals and Values

Start by clarifying why the client is interested in sustainable investing, as their motivations will shape the most appropriate approach. Some investors are driven by values, such as avoiding fossil fuels or supporting social justice, while others view ESG primarily as a financial strategy for managing long-term risks and opportunities. Others may prioritize creating a measurable impact, such as funding renewable energy projects. These differing objectives can lead to different portfolio constructions and directly influence risk tolerance—for example, an investor choosing to exclude entire sectors like oil and gas may need to accept greater volatility due to reduced diversification.

2. Types of Sustainable Investing Strategies and Their Risk Profiles

When discussing sustainable investing, it's important to consider an investor's preferred approach and risk tolerance, as strategies like ESG integration, screening, thematic investing, and impact investing can influence portfolio construction, diversification, and return potential in different ways.

3. Time Horizon and Liquidity Needs

Sustainable investments, particularly impact funds or private ESG vehicles, often require a longer time horizon for returns to fully materialize and may involve limited liquidity or extended lock-up periods. For investors with shorter time horizons or a greater need for flexible, liquid investment options, some sustainable strategies—especially those with private or impact-focused structures—may be more challenging to implement effectively.

4. Performance Expectations and Trade-Offs

It's important to set realistic return expectations when discussing sustainable investing. While many ESG funds perform competitively with traditional benchmarks, thematic or niche strategies may overperform or underperform depending on market cycles. Investors should also be aware of potential volatility, as sectors like renewable energy can experience sharp swings driven by policy changes, technology costs, or regulatory shifts. At the same time, integrating ESG factors can help enhance long-term portfolio resilience by mitigating risks—such as avoiding stranded assets in fossil fuels—even if this approach occasionally leads to short-term underperformance relative to traditional benchmarks.

5. Regulatory and Political Landscape

Sustainable investing has become increasingly politically polarized, particularly in the U.S. While some states have placed restrictions on incorporating ESG factors in public pension funds, others actively encourage ESG integration as part of their investment policies. At the same time, evolving regulations and disclosure frameworks—such as the ISSB and the EU's Sustainable Finance Disclosure Regulation (SFDR)—are reshaping reporting requirements, fund availability, and potentially even future investment returns.

6. Greenwashing and Data Quality Risks

ESG ratings and metrics can vary significantly across providers, which may influence portfolio construction and risk assessment. To navigate these differences, it's important to select credible managers and funds that use transparent methodologies and provide robust, consistent reporting. Additionally, it is important to ensure that the investor understands the definition and approach to the strategy since ESG is such a broad term. (Greenwashing and data quality will be the primary focus of Part II of this Roadmap Series).

7. Scenario-Based Risk Discovery

Use hypothetical scenarios to illustrate how different ESG strategies might perform under varying conditions—for example, how excluding fossil fuels could affect returns if oil prices spike, how a clean energy thematic fund might react to reduced subsidies, or how regulatory shifts could change ESG reporting standards. These scenarios help clients visualize the trade-offs between aligning with their values and maintaining desired portfolio performance.

Advisor Tip: Framing the Conversation

When discussing sustainable investing and risk tolerance, focus on balancing a client's values with their financial objectives:

- Begin by clarifying why the client is interested in sustainable investing and what they hope to achieve.
- Use hypothetical scenarios to help them understand how different ESG strategies could impact portfolio construction, diversification, performance, and volatility.
- Emphasize the importance of selecting credible managers and funds with transparent methodologies and robust reporting, as ESG data and ratings can vary widely.
- Finally, highlight the value of flexibility—sustainable strategies can be blended with traditional investments to align client goals with sound risk management.

Sustainable Investing Strategies

Just like baking, where different ingredients and proportions produce different types of cakes — yet all still fall under the category of "dessert" — sustainable investing strategies operate similarly. Different applications of ESG factors lead to varying approaches, but they all belong under the broader umbrella of sustainable investing.

Broadly, there are four primary sustainable investing strategies: **ESG integration**, **inclusionary (best-in-class) screening**, **exclusionary (negative) screening**, and **sustainability-themed investing**. In addition, **impact investing** and **values-based investing** are sometimes treated as standalone approaches. However, we view these two as hybrid strategies, since they often combine both positive and negative screening to achieve specific objectives. Due to their distinct role within the sustainable investing landscape, we will explore them in detail as well.

ESG Integration

This is the systematic inclusion of ESG factors in financial analysis to identify material risks and opportunities. In this strategy, nothing is eliminated or screened out – all investments are considered using ESG analysis, and only the material, or potentially financially detrimental factors, are considered as a basis for making an investment decision. All investor types – integration, values, and impact – can benefit from the ESG integration strategy; however, for many strategies, there may not be additional sustainability considerations.

Example Fund or Portfolio: **Parnassus Core Equity Fund (PRBLX)**

Overview
Fund Type: U.S. Large-Cap
Fund Manager: Parnassus Investments

How it fits the strategy:
The Parnassus Core Equity Fund (PRBLX) applies ESG integration as a component of its deep research process. The investment team carefully selects approximately 40 high-quality U.S. large-cap stocks for its portfolio with the goal of delivering strong long-term returns. The Fund's philosophy is rooted in the firm's socially responsible origin. All Parnassus Funds pursue Principles and Performance, which is the belief that good companies, that take care of the human and natural resources upon which they rely, make good investments. Each company in the portfolio must meet Parnassus standards for quality, considering increasingly relevant products and services, durable competitive advantages, strong management teams, and sustainable business practices.

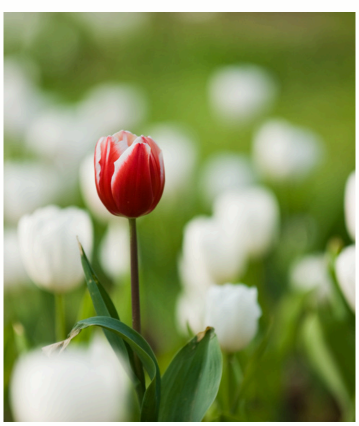
Exclusionary (Negative Screening)

This strategy focuses on excluding or removing specific industries, sectors, companies, or practices from a portfolio based on ethical considerations, ESG-related concerns (e.g., tobacco, weapons, fossil fuels), or even in response to current events. It is particularly well-suited for values-driven investors and some impact-focused investors, as it allows them to align their portfolios with personal or organizational principles while avoiding exposure to activities they deem harmful.

Example Fund or Portfolio: TIAA-CREF Social Choice Equity Fund - Institutional Class (TISCX)

Overview:
Fund Type: U.S. Large-Cap
Fund Manager: Nuveen, a subsidiary of TIAA
Benchmark: Custom index based on the Russell 3000, modified for ESG criteria

How it fits the strategy:
This fund employs negative screening as a core strategy, intentionally avoiding investments in companies whose products or business practices conflict with defined environmental and social criteria. Before any ESG evaluation or financial analysis begins, the fund automatically excludes companies involved in fossil fuel extraction or ownership, tobacco production, controversial weapons (including nuclear, chemical, and biological), civilian firearms manufacturing, adult entertainment, and gambling operations. These exclusions are explicit, rules-based, and consistently enforced across the portfolio. By doing so, the fund aims to provide broad market exposure while avoiding industries that pose significant systemic social or environmental risks. Importantly, these exclusions are aligned with widely recognized sustainability standards such as the UN Global Compact and are not rooted in faith-based or moral doctrines.



Inclusionary/Positive Screening (Best-in-Class)

In contrast to negative screening, positive screening involves the intentional inclusion of companies, industries, or investments that demonstrate strong ESG performance relative to their peers. Companies that rank highest on ESG metrics within their sectors are often referred to as “best-in-class.” This strategy appeals to values-driven and impact-focused investors who seek to actively support leaders in sustainability. However, it can also be valuable for ESG integration investors, as every sector has companies that represent the “best” from an ESG standpoint and can enhance portfolio quality without limiting diversification.

Example Fund or Portfolio: Calvert Equity Fund (CSIEX)

Overview:

- **Fund Type:** Large-Cap
- **Fund Manager:** Calvert Research and Management (a leader in responsible investing)

How it fits the strategy:

The Calvert Equity Fund focuses on selecting companies that lead their peers on material ESG issues based on proprietary Calvert ESG research. These companies demonstrate strong performance in areas such as governance, environmental management, employee relations, and human rights, while also operating with high ethical standards and showing potential for positive long-term, risk-adjusted returns. Unlike funds that exclude entire industries, the Calvert Equity Fund takes a best-in-class approach, seeking out top ESG performers within each sector. This strategy maintains portfolio diversification while upholding rigorous ESG standards across all holdings.

Sustainability-Themed Investing

Focuses on directing capital toward companies, sectors, or projects that are closely aligned with specific sustainability-related themes such as clean energy, sustainable agriculture, water conservation, circular economy solutions, or gender equity initiatives. This approach allows investors to actively support long-term environmental and social goals while seeking competitive financial returns. It is particularly well-suited for values-driven and impact-focused investors, as it enables them to target investments that reflect their priorities and contribute to measurable positive outcomes within chosen themes.

Example Fund or Portfolio: Green Century Equity Fund (GCEQX/GCEUX)

Overview:

- **Fund Type:** U.S. Equities; sustainability-themed impacts
- **Fund Manager:** Green Century Capital Management

How it fits the strategy:

The Green Century Equity Fund (GCEQX/GCEUX) invests in U.S. stocks and employs exclusionary screens, ESG ratings and shareholder advocacy, and unique non-profit ownership to delivers on its sustainability commitment. Green Century keeps client's investments out of the most environmentally dangerous industries and secures new environmental policies (88 in the last five years) with global corporations to source clean energy, reduce plastic pollution, and protect the world's forests. The Fund's tracks one of the longest running sustainability indexes and invests exclusively in companies that meet rigorous environmental and social standards while screening out fossil fuel companies, tobacco, nuclear energy, and weapons. An unique aspect is the firms ownership: One hundred percent (100%) of the firm's profits belong to the environmental and public health organizations that founded Green Century. This approach enables investors to pursue competitive returns while delivering measurable sustainability impacts.

Impact Investing

This strategy involves making investments with the explicit intention of generating positive, measurable social and environmental outcomes alongside financial returns. Unlike traditional investing, which focuses primarily on risk and performance, impact investing seeks to direct capital toward companies, projects, or funds that address pressing challenges such as climate change, affordable housing, access to education, healthcare equity, and economic development. This strategy is especially valuable for impact-focused investors, as it prioritizes transparency and accountability through the use of metrics and reporting frameworks to track progress and measure results, ensuring that investments deliver both financial performance and tangible societal benefits.

Example Fund or Portfolio: Domini Impact Equity Fund (DSEFX)

Overview:

- **Fund Type:** U.S. Large-Cap
- **Fund Manager:** Domini Impact Investments

How it fits the strategy:

The Domini Impact Equity Fund is designed to deliver competitive long-term financial return while generating measurably positive environmental and social impact. The fund invests in a broadly diversified portfolio of U.S. companies, leveraging Domini's proprietary impact research and evaluation framework to identify and invest in peer-relative environmental and social leaders. It also allocates capital toward supporting key sustainability themes, including solutions for the low-carbon transition, clean water, societal health and well-being, and financial inclusion. As active owners, Domini seeks to amplify the fund's impact by engaging with portfolio companies through direct dialogue, proxy voting, and shareholder proposals to address environmental and social risks, share best practices, and encourage adoption of more responsible and sustainable business models.

Values-Based Investing

Values-based investing strategies involve aligning with an investor's personal values, ethical beliefs, or convictions. Rather than focusing solely on financial performance, this approach prioritizes supporting companies, sectors, or projects that reflect the investor's principles while avoiding those that conflict with them. This strategy is particularly well-suited for values-driven investors, as it enables them to pursue financial returns while staying true to their personal or organizational mission.

Example of a Values-Based Fund: **Praxis Value Index Fund (MVIAX / MVIIX)**

Overview:

- **Fund Type:** U.S. Large-Cap
- **Fund Manager:** Praxis Mutual Funds (Everence Financial)
- **Benchmark:** CRSP US Large Cap Value Index

How it fits the strategy:

The Praxis Value Index Fund employs a faith-based exclusionary screening approach to align its investments with Mennonite and broader Christian stewardship values. The fund seeks to mirror the performance of the CRSP US Large Cap Value Index while excluding companies that do not meet its values-based or ESG-related criteria. Designed for investors who want broad U.S. equity exposure while ensuring their portfolios reflect their faith and ethical convictions, the fund integrates financial objectives with a values-driven investment philosophy.

Advisor Strategy Tips

Now that your client understands their sustainable investing profile and has identified the strategy or strategies they wish to pursue, the next step is facilitating meaningful conversations and planning around those choices. The following tips are designed to help advisors align client goals, values, and financial objectives with their selected approaches. **Note:** These recommendations are general guidelines and may not be suitable for every client, so apply your professional judgment when incorporating them into your advisory process.

ESG Integration

Remember: Incorporates environmental, social, and governance (ESG) factors into traditional financial analysis to assess risk and opportunity.

Advisor Tips:

- **Frame ESG as a financial tool, not just a values choice**. Emphasize how ESG data can identify long-term risks and opportunities (e.g., climate transition risk, governance failures).
- **Use ESG ratings as one input, not the whole picture**. Ratings vary, so be sure to explain the methodology behind each data provider.
- **Show sector-neutral options**. Many ESG-integrated funds match traditional benchmarks that are well diversified, easing performance concerns.

Negative/Exclusionary Screening

Remember: Avoid investing in companies or industries that conflict with specific ethical or social values.

Advisor Tips:

- **Start with a values conversation**. Ask clients what they don't want to support, since this often comes more easily than defining what they do want.
- **Clarify what is excluded**. Not all screens are the same; ensure clients understand which industries or practices are removed.
- **Be transparent about trade-offs**. Some exclusions may reduce diversification or slightly alter performance benchmarks.
- **Match with clients of faith or strong moral convictions**. Religious investors or mission-driven clients often appreciate this clarity.

Best-in-Class / Inclusionary

Remember: Invests in companies that are leaders in ESG performance within their industry.

Advisor Tips:

- **Position as a "leadership strategy."** These portfolios reward ESG frontrunners rather than avoiding poor performers.
- **Great for clients who want to influence markets by supporting the best players.**
- **Explain industry neutrality.** Clients remain invested across sectors, which can ease concerns about missing out on entire industries.
- **Use ESG scores comparatively**. Show how one company stacks up against its peers on material issues.

Sustainability-Themed Investing

Remember: Focuses on companies whose core business models address sustainability challenges (e.g., clean energy, water, circular economy).

Advisor Tips:

- **Align with specific client passions.** Great for clients passionate about climate, gender equity, water, food systems, etc.
- **Discuss thematic exposure and concentration**. These funds may be more volatile or concentrated in certain sectors (e.g., tech or industrials).
- **Use as a satellite position.** Thematic funds can complement core holdings, adding values-alignment without replacing diversification.
- **Frame around long-term impact and innovation.**

Impact Investing

Remember: Seeks measurable, positive social or environmental outcomes alongside financial return.

Advisor Tips:

- **Emphasize measurability.** Impact investing should involve clear metrics and reporting (e.g., tons of carbon avoided, lives improved).
- **Great for philanthropic or mission-driven clients** who want to go beyond "doing less harm."
- **Explore private markets.** Some of the most robust impact investments are in private equity, debt, or community investing.
- **Set realistic return expectations.** Not all impact investments aim for market-rate returns; discuss this early.

Values-Based Investing

Remember: Aligns portfolios with personal or cultural values; regardless of ESG performance.

Advisor Tips:

- **Lead with empathy and understanding.** Values are deeply personal—ask open-ended questions about what matters most.
- **Clarify intent vs. impact.** This strategy is about moral alignment, not necessarily measurable ESG outcomes.
- **Avoid judgment language.** Keep conversations client-centered, respectful, and open-minded.

CONCLUSION

As we wrap up Part I of the Sustainable Investing Roadmap, we hope this guide has not only answered your questions but also sparked new ones about what's possible when ESG factors are thoughtfully integrated into financial decision-making.

You've explored the core definitions and historical context of sustainable investing, differentiated between ESG, SRI, and impact investing, and discovered how to identify client types and align them with appropriate strategies. You now have a foundational toolkit for beginning meaningful conversations with clients and shaping portfolios that reflect both financial goals and deeper convictions.

But this is just the beginning.

Sustainable investing is not a trend: it's a transformation in how we understand value, manage risk, and align capital with purpose. As a trusted advisor, you play a pivotal role in accelerating that transformation.

Continue the Journey with US SIF

If you're ready to deepen your commitment to sustainable investing, we invite you to join US SIF's growing community of professionals who are driving this shift in the investment industry. Membership offers access to timely research, cutting-edge trainings, a network of like-minded peers, and practical tools that help you better serve your clients and grow your business.

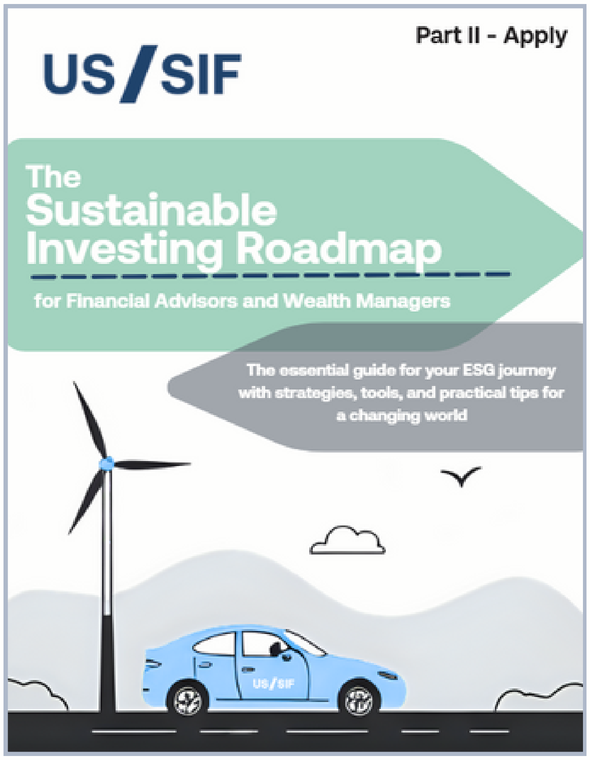
We're here to help! Whether you're just getting started or looking to expand your sustainable investing practice. By becoming a US SIF member, you gain a partner dedicated to your success and to the broader goal of building a more just and sustainable economy.

The journey toward sustainable investing is a continuous one, and US SIF is honored to be your partner every step of the way.

NEXT: Part II - Apply

What you will find in the next roadmap:

- What is an ESG Score or Rating?
- 10 Things ESG data CAN do
- 10 Things ESG data CANNOT do
- One-Pager: How to read ESG ratings
- One-Pager: Questions for ESG data providers
- Greenwashing Red Flags: important new terms and what to watch out for
- Side-by-side: authentic versus marketing spin
- Advisor tips: How to discuss greenwashing with clients
- **And more!**



GLOSSARY

Throughout this Roadmap Series, we will refer to many terms that may not come naturally to all financial advisors. We've even broken out the terms by category to help locate them faster:

Foundational Terms

Sustainable Investing	Any investment strategy that considers a combination of environmental, social, and governance (ESG) criteria alongside traditional financial analysis to generate long-term competitive financial returns and minimize material risk. The strategy may additionally include the expectation of creating a positive societal impact.
Socially Responsible Investing	An investment approach that aims to maximize financial returns while also aiming to enhance societal "good."
ESG	An acronym for Environmental (E), Social (S), and Governance (G), used to describe the criteria, often overlooked in typical financial analysis but deemed financially material, on which a set of standards is created to allow for sustainable investors to develop their investing strategy.
Impact Investing	Investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return.
Responsible Investing	An umbrella term encompassing various strategies that integrate ethical, ESG, and sustainability factors into investment decisions.
Values-Based Investing	Investing in a way that aligns with the personal values, beliefs, or religious convictions of the investor.

ESG Pillars & Factors

Environmental Factors	Metrics and practices related to climate change, resource use, pollution, and biodiversity (e.g., carbon emissions, water usage): anything that directly or indirectly affects the physical world in which we live.
Social Factors	Considerations like labor practices, human rights, community impact, diversity, equity & inclusion (DEI), and human rights, as well as the products created by companies and marketed to customers: in other words, humans interacting with humans in any way.
Governance Factors	Corporate policies and structures, such as board diversity, executive compensation, shareholder rights, and transparency; how organizations are managed and by whom.

Strategies & Analytical Terms

ESG Integration	The systematic inclusion of ESG factors in financial analysis to identify material risks and opportunities.
Negative Screening (Exclusionary)	The exclusion or elimination of certain industries, companies, or practices from a portfolio based on ethical guidelines or ESG concerns (e.g., tobacco, weapons, fossil fuels).
Positive Screening (Best-In-Class)	Selecting companies or investments with strong ESG performance or momentum relative to peers.
Thematic Investing	Investing in companies or sectors aligned with specific sustainability themes (e.g., clean energy, sustainable agriculture, gender equity).
Shareholder Engagement	Active ownership practices, including proxy voting, dialogue with companies, and introducing and corresponsing to shareholder resolutions to influence corporate behavior on ESG issues.

Strategies & Analytical Terms (Cont.)

Materiality	The concept that certain ESG issues are more relevant or impactful to a company's financial performance than others. These issues differ greatly among industries and sectors.
Double Materiality	A perspective that considers both how ESG factors affect a company and how the company impacts society and the environment.

Standards & Frameworks

ESG Integration	The systematic inclusion of ESG factors in financial analysis to identify material risks and opportunities.
SASB (Sustainability Accounting Standards Board)	Modeled after the Financial Accounting Standards Board (FASB) and the Governmental Accounting Standards Board (GASB) that govern accounting and auditing practices in the United States, SASB provides industry-specific standards for disclosing and measuring ESG risks and programs, for the purpose of reducing greenwashing. SASB's work has now been incorporated into the International Sustainability Standards Board (ISSB).
TCFD (Task Force on Climate-related Financial Disclosures)	Originally convened by the Group of 20 (G20) nations, this task force recommends disclosures on climate-related risks and opportunities across governance, strategy, risk management, and metrics.
GRI (Global Reporting Initiative)	A US-based non-profit that offers guidelines for sustainability reporting that reflect a company's environmental and social impacts.
SFDR (Sustainable Finance Disclosure Regulation)	European Union regulation requiring asset managers and financial advisors to disclose how sustainability risks are integrated into investment decisions.
PRI (Principles for Responsible Investment)	A United Nations-supported network of investors advocating for the incorporation of ESG factors into investment and ownership decisions.

Measurements & Labels

ESG Score/Rating	A metric provided by third-party data providers to assess a company's exposure to ESG risks and how well they manage them.
Greenwashing	The act of exaggerating or misleading stakeholders about a company's environmental or sustainability practices.
Greenhushing	The act of under-reporting or hiding a company's sustainability credentials instead of publicizing them, for fear of backlash or accusations of greenwashing from investors or the general public.
Net-Zero	A commitment to reduce greenhouse gas emissions to as close to zero as possible, with remaining emissions offset.
Carbon Footprint	The total greenhouse gas emissions caused directly or indirectly by an individual, organization, product, or investment.
Green Bond	A fixed-income instrument specifically earmarked to raise money for climate and environmental projects.
Social Bond	Bonds used to finance projects with positive social outcomes (e.g., affordable housing, education access).

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