

Report on US Sustainable and Impact Investing Trends

2020

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2020: Reflections on Sustainable and Impact Investing

In the United States, 2020 has been framed by the interwoven health and economic crises of COVID-19, the renewed and urgent calls to address racial injustice after the murder of George Floyd and the 2020 elections.

These events have highlighted the need to confront social, economic and racial inequality. For practitioners of sustainable and impact investment, this has meant assessing how investment products and strategies, such as shareholder engagement, can make an impact on these issues. Investors are assessing how to better incorporate diversity and inclusive practices in their own firms and throughout their business relationships. And investors are speaking out and making commitments through such initiatives as the Investor Statement on Coronavirus Response and the Investor Statement of Solidarity to Address Systemic Racism and Call to Action.

We asked survey recipients this year to share their opinion on how sustainable investing will evolve by 2025, and particularly in the wake of COVID-19. Respondents highlighted the importance of transitioning to a low carbon economy, as well as human capital management, diversity, and health and wellness as priority issues. Further data is available in a sidebar later in the report.

The 2020 Trends Report, which tracked data as of year-end 2019, found that investors are considering environmental, social and governance (ESG) factors across \$17 trillion of professionally managed assets, a 42 percent increase since 2018. This is a continuation of the significant growth in money managers and institutional investors that consider ESG factors to identify responsible, well-managed companies that will be resilient over the long term. They are seeking opportunities to support companies and products that advance environmental and social issues, including investing in community banks and credit unions.

In 2020, while sustainable and impact investing continued on a growth trajectory, and sustainable equity funds and sustainable taxable bond funds outperformed their counterparts during the first two quarters, the Department of Labor and the Securities and Exchange Commission took on an anti-ESG agenda. They issued rulemakings that would limit the rights of shareholders and create confusion about whether fiduciaries for ERISA-governed pension plans may utilize ESG criteria or vote proxies.

Amidst the rapid growth and profile that sustainable investing has garnered in recent years, we continue to see a significant increase in ESG assets for which limited information is disclosed. As an organization that supports accountability, transparency and the use of best practice in our field, we hope that there will be greater disclosure by asset managers of the specific ESG criteria they use.

We were interested to find a healthy increase in retail investor assets subject to one or more strategies of sustainable investment. US SIF is building on this retail interest through initiatives such as a free course to help unaccredited investors learn more about sustainable and impact investing.

I hope you will explore this report and the many other resources available from our Education Center to help advance your organization's work and the practice of sustainable and impact investment.

Sincerely,

Lisa Woll, CEO

US SIF and US SIF Foundation

in N. Woll





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Executive Summary

Sustainable investing in the United States continues to expand at a healthy pace. The total US-domiciled assets under management using sustainable investing strategies grew from \$12.0 trillion at the start of 2018 to \$17.1 trillion at the start of 2020, an increase of 42 percent. This represents 33 percent, or one in three dollars, of the \$51.4 trillion in total US assets under professional management.

Overview

Since 1995, when the US SIF Foundation first measured the size of the US sustainable investment universe at \$639 billion, assets have increased more than 25-fold, a compound annual growth rate of 14 percent. The most rapid growth has occurred since 2012. (See Figure A.)

Through surveying and research undertaken in 2020, the US SIF Foundation identified, as shown in Figure B:

 \$16.6 trillion in US-domiciled assets at the beginning of 2020 held by 530 institutional investors, 384 money managers and 1,204 community investment institutions that practice "ESG incorporation"—applying various environmental, social

FIGURE A Sustainable Investing in the United States 1995–2020 ESG Incorporation Overlapping Strategies Shareholder Advocacy \$18,000 \$16,000 \$112,000 \$112,000 \$10,000 \$10,000 \$2,000 \$2,000 \$2,000

SOURCE: US SIF Foundation.

and governance (ESG) criteria in their investment analysis and portfolio selection. \$2.0 trillion in US-domiciled assets at the beginning of 2020 held by 205 institutional investors or money managers



FIGURE B

Sustainable Investing Assets 2020

ESG Incorporation

- By Money Managers on Behalf of Individual/Retail Investors \$4,550 Billion
- By Money Managers on Behalf of Institutional Investors \$12,014 Billion
- Overlapping Strategies (\$1,462 Billion)

Filing Shareholder Resolutions

- Institutional Investors \$1,658 Billion
- Money Managers \$322 Billion



ESG Incorporation

⊢ Shareholder ⊢ Resolutions

- Total: \$17,081 Billion -

SOURCE: US SIF Foundation.

that filed or co-filed shareholder resolutions on ESG issues at publicly traded companies from 2018 through 2020.

ESG Incorporation by Money Managers

The US SIF Foundation identified 384 money managers and 1,204 community investing institutions incorporating ESG criteria into their investment analysis and decision-making processes. The \$16.6 trillion in ESG incorporation assets they represent is a nearly 43 percent increase over the \$11.6 trillion in such assets identified in 2018.

Of this 2020 total:

 \$4.6 trillion were managed on behalf of individual investors, and \$12.0 trillion were identified as managed on behalf of institutional investors as shown in Figure B.

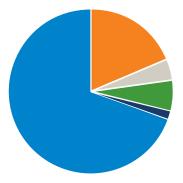
- \$3.1 trillion—19 percent—were managed through registered investment companies such as mutual funds, exchange-traded funds, variable annuities and closed-end funds, as shown in Figure C.
- \$716 billion—4 percent—were managed through alternative investment vehicles, such as private equity and venture capital funds, hedge funds and property funds.
- \$266 billion in assets were managed by community investing institutions.
- \$985 billion in money manager ESG assets were managed through other commingled funds.

FIGURE C

Money Manager Assets, by Type, Incorporating ESG Criteria 2020

Total Net Assets (in Billions)

- Registered Investment Companies \$3,102
- Alternative Funds\$716
- Other Commingled Funds \$985
- Community Investment Institutions \$266
- Undisclosed Investment Vehicles \$11,493



SOURCE: US SIF Foundation.



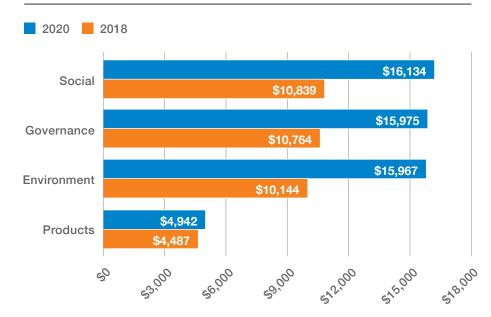
 The majority—\$11.5 trillion, or 69 percent—remains largely opaque as they were managed through undisclosed investment vehicles and the managers for 60 percent of these undisclosed vehicles—\$6.9 trillion—also did not disclose the specific ESG factors that they consider, reporting only that they consider ESG in general.

In terms of assets, money managers incorporate ESG factors fairly evenly across environmental, social and governance categories, as shown in Figure D.

 Overall, in asset-weighted terms, money managers incorporated social factors slightly more than environmental and governance

FIGURE D

ESG Categories Incorporated by Money Managers 2018–2020

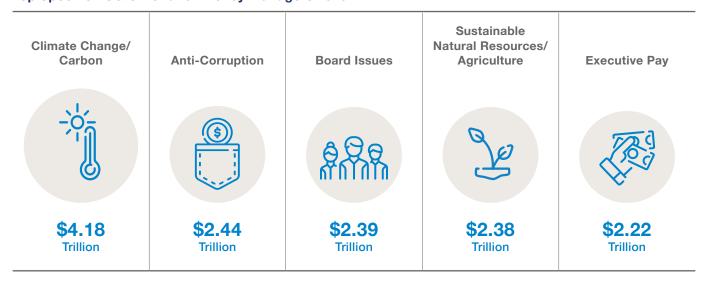


Total Assets (in Billions)

SOURCE: US SIF Foundation.

FIGURE E

Top Specific ESG Criteria for Money Managers 2020



Percent Increase in Assets Affected since 2018

39% 10% 66% 81% 122%

SOURCE: US SIF Foundation.





- criteria. Social criteria incorporation by money managers increased 49 percent from 2018 to \$16.1 trillion.
- Environmental criteria as a whole grew faster than social or governance factors over the past two years, increasing 57 percent, from \$10.1 trillion to nearly \$16.0 trillion.
- Among all specific ESG criteria, governance factors related to executive pay saw the greatest growth, increasing 122 percent since 2018 to \$2.2 trillion, as shown in Figure E.
- However, climate change remains the most important specific ESG issue considered by money managers in assetweighted terms. The assets to which this criterion applies increased 39 percent from 2018 to 2020 to \$4.2 trillion, also shown in Figure E.
- Anti-corruption was the largest governance criterion, with growth of 10 percent from 2018, affecting \$2.4 trillion in money manager assets.
- Board issues also ranked high among the top specific ESG criteria for money managers,

- affecting \$2.4 trillion in assets under management, a 66 percent increase from 2018.
- Sustainable natural resources and agriculture grew by 81 percent to \$2.4 trillion in assets under management.
- Conflict risk was the largest social criterion at \$1.8 trillion assets under management, although this was a decrease from 2018 of 22 percent.

FIGURE F

Institutional Investor ESG Assets, by Investor Type, 2020



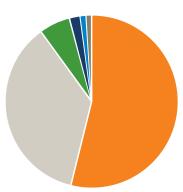
Insurance Companies 36%

Education 6%

Foundations 2%

Labor 1%

Other 1%

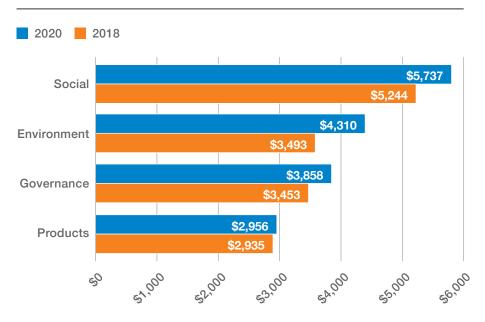


SOURCE: US SIF Foundation.

NOTE: Other consists of family offices, healthcare institutions, faith-based institutions and other nonprofits that collectively represent about 1 percent of ESG assets in 2020.

FIGURE G

ESG Categories Incorporated by Institutional Investors 2018–2020



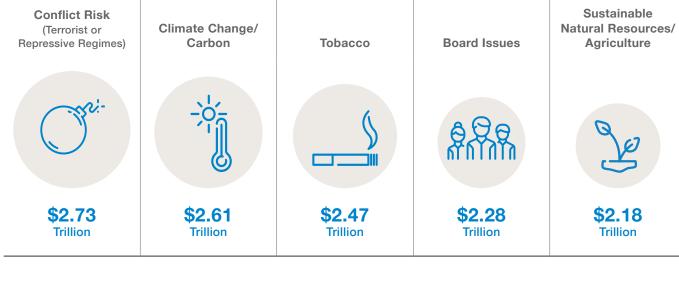
Total Assets (in Billions)

SOURCE: US SIF Foundation.



FIGURE H

Top Specific ESG Criteria for Institutional Investors 2020



Percent Increase in Assets Affected since 2018

-8%	17%	-3%	32%	95%

SOURCE: US SIF Foundation.



The US SIF Foundation also conducted research on 530 institutional asset owners with \$6.2 trillion in ESG assets. equivalent to 51 percent of the \$12.01 trillion that money managers identified as institutional assets. Because money managers do not disclose information about their institutional clients, the data received from our direct research of institutional investors shows how and why they incorporate ESG criteria into their investment analysis and portfolio selection. The institutional ESG incorporation trends revealed through this research should be

understood as representing the most transparent institutional investors in the United States. The group included institutional asset owners and plan sponsors such as public funds, insurance companies, educational institutions, philanthropic foundations, labor funds, hospitals and healthcare plans, faith-based institutions, other nonprofits and family offices.

Of this \$6.2 trillion in institutional ESG assets:

 Public funds represented the largest share – 54 percent (\$3.4 trillion) – as shown in Figure F.

- Social criteria were applied to more than 92 percent.
 The assets managed in accordance with social criteria increased 9 percent since 2018, as shown in Figure G.
- Investment policies related to conflict risk affected \$2.7 trillion, as shown in Figure H, making it the single most prominent ESG criterion among institutional investors, in asset-weighted terms.
- Continuing a trend that began in 2012, criteria related to climate change and carbon emissions remained the most important environmental issue for these institutions, affecting \$2.6 trillion.









- Tobacco remained in the top five specific ESG criteria for institutional investors, although slightly decreasing from 2018 by 3 percent to affect \$2.5 trillion in assets in 2020.
- Board issues were the most prominent governance criterion reported by institutional investors, incorporated into the management of \$2.3 trillion in assets, a 32 percent increase from 2018.
- Sustainable natural resources and agriculture ranked as the second most heavily weighted environmental issue

for institutional investors, affecting almost \$2.2 trillion in assets, a 95 percent increase since 2018.

Investor Advocacy

From 2018 through the first half of 2020, 149 institutional investors and 56 investment managers collectively controlling nearly \$2.0 trillion in assets at the start of 2020 filed or co-filed shareholder resolutions on ESG issues. (See Figures B and I.)

 As shown in Figure J, the leading issue raised in shareholder proposals, based on the number of proposals filed, from 2018 through 2020, was corporate political activity. Investors filed 270 proposals on this subject from 2018 through 2020. These resolutions focused on company contributions aimed at influencing elections or on corporate lobbying to influence laws and regulations. Many of the targets were companies that have supported lobbying organizations that oppose regulations to curb greenhouse gas emissions.

- Fair labor and equal employment opportunity issues also rose to the top, with shareholders filing 228 proposals between 2018 and 2020, which included several resolutions calling for gender pay equity.
- A surge in shareholder proposals on climate change that began in 2014, as investors wrestled with the prospects of "stranded" carbon assets and US and global efforts to curb greenhouse gas emissions, has continued: 217 proposals were filed from 2018 through 2020.
- The proportion of shareholder proposals on social and environmental issues that receive high levels of support has been trending upward as well. During the proxy seasons of 2012-2014, only two shareholder proposals on environmental and social issues that were opposed by management received majority support, while 26

FIGURE I

Types of Investors Filing Shareholder Proposals 2018–2020

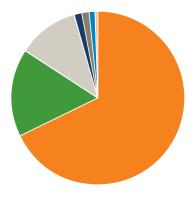
- Public 68.0%
- Money Manager 16.3%
- Labor 11.3%
- Faith-based 1.5%
- Family Office 1.4%
- Healthcare 1.2%
- Foundation 0.3%

- Faith-based 28.8%
- Money Manager 27.3%
- Foundation 17.1%
- Public 10.2%
- Labor 7.8%
- Other/Nonprofit 3.4%
- Healthcare 2.9%
- Family Office 1.4%

2018-2020, by Number

Education 1.0%

ESG Shareholder Proponents 2018–2020, by Assets



SOURCE: US SIF Foundation.

ESG Shareholder Proponents

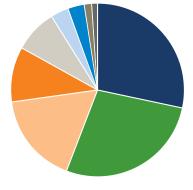
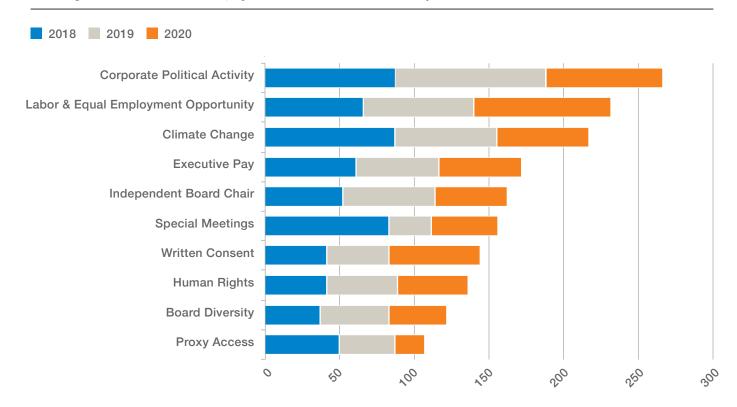








FIGURE J
Leading ESG Issues 2018-2020, by Number of Shareholder Proposals Filed



SOURCE: US SIF Foundation, ISS ESG, Sustainable Investments Institute.

such proposals received majority support in 2018 through 2020.

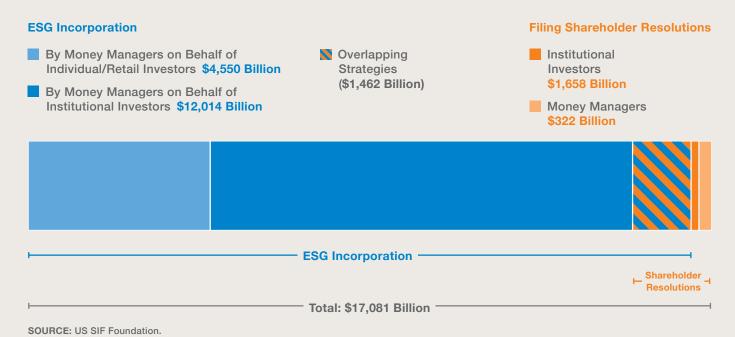
 Investors are engaging in other ways than filing shareholder resolutions. A subset of survey respondents, including 44 institutional asset owners with more than \$1 trillion in total assets and 77 money managers with \$7.8 trillion in assets under management, reported that they engaged in dialogue with companies on ESG issues.



I. Introduction

FIGURE 1.0

Sustainable Investing in the United States 2020





Sustainable investing continues to grow rapidly in the United States. The institutions and individuals practicing one or more strategies of sustainable investment share a desire to achieve long-term competitive financial returns. As a result, they consider environmental, social or corporate governance (ESG) issues as they make decisions about their portfolios or engage with the companies they own. They embrace sustainable investing strategies to manage risk, fulfill fiduciary duties or generate social and environmental benefits.

One-third of all investment assets under professional management in the United States—\$17.1 trillion out of \$51.4 trillion—are held by institutions, investment companies or money managers that either consider ESG issues in selecting investments across a range of asset classes or file shareholder resolutions on ESG issues at publicly traded companies.

These findings are based on a survey and additional research that the US SIF Foundation commissioned in 2020. Through this research process, the Foundation identified:

 \$16.6 trillion in US-domiciled assets at the outset of 2020 held by 530 institutional investors, 384 money managers and 1,204 community investing institutions that practice "ESG incorporation"—applying various ESG criteria in investment analysis and portfolio selection, and

 \$2.0 trillion in US-domiciled assets at the start of 2020 held by 205 institutional investors or money managers that filed or co-filed shareholder resolutions on ESG issues from 2018 through 2020.

These two segments of assets, after eliminating double counting for assets involved in both strategies, yield the overall total of \$17.1 trillion (see Figure 1.0), a 42 percent increase over the \$12.0 trillion that the US SIF Foundation identified in sustainable investing strategies at the outset of 2018.

Over the last 25 years, particularly since 2012, the assets engaged in sustainable investing strategies have grown significantly. (See Figures 1.1 and 1.2.)

- In 1995, when the US SIF
 Foundation published its
 first report on sustainable
 investing trends, \$639 billion
 were identified as using
 sustainable strategies.
- In 2010, the Foundation found \$3.1 trillion in sustainable investing assets under management, up more than 13 percent over the start of 2007, despite the decline in several broad market indices such as the S&P 500 over the same period.
- The 2014 tally of \$6.6 trillion, more than double the comparable sum from 2010,





FIGURE 1.1
Sustainable Investing in the United States 2005–2020

(In Billions)	2005	2007	2010	2012	2014	2016	2018	2020
ESG Incorporation	\$1,704	\$2,123	\$2,554	\$3,314	\$6,200	\$8,098	\$11,632	\$16,563
Shareholder Advocacy	\$703	\$739	\$1,497	\$1,536	\$1,716	\$2,558	\$1,763	\$1,980
Overlapping Strategies	(\$117)	(\$151)	(\$981)	(\$1,106)	(\$1,344)	(\$1,933)	(\$1,401)	(\$1,462)
Total	\$2,290	\$2,711	\$3,069	\$3,744	\$6,572	\$8,723	\$11,995	\$17,081

NOTE: Overlapping assets involved in some combination of ESG incorporation (including community investing) and shareholder advocacy are subtracted to avoid potential effects of double counting. Prior to 2010, assets subject to ESG incorporation were limited to socially and environmentally screened assets and did not include assets that considered only governance criteria.

reflected not only the overall recovery of the financial markets over that period, but also the dramatic growth in the assets and numbers of investment funds considering ESG criteria and reporting on these processes.

 The 42 percent rise in US sustainable investing assets since 2018 has outpaced the growth in professionally managed assets in the United States over that period, which rose 10 percent.

Motivations and Terminology

There is no single motivation for practicing sustainable investing. Some investors are driven by their personal values and goals, their institutional mission, or the demands of their clients, constituents or plan participants. They aim for strong financial

performance, but also believe that these investments should be used to help contribute to advancements in social, environmental and governance practices. They may actively seek investments—in areas such as community development or conservation—that are likely to provide important societal or environmental benefits.

Some investors embrace sustainable investing strategies to manage risk and fulfill fiduciary duties; they may review ESG criteria as part of their due diligence process to assess the quality of management and the likely resilience of their portfolio companies in dealing with future challenges. Some are seeking hidden sources of alpha (financial outperformance) over the long term. Indeed, a growing body of academic research shows a positive link between corporations' ESG and financial performance.

Just as there is no single motivation for sustainable investing, there is no single term to describe it. Investors use sustainable investing, ESG investing, impact investing, responsible investing, green investing, mission-related investing, socially responsible investing and values-based investing, among others. For consistency and simplicity, this report generally uses the term "sustainable investing" or "sustainable and impact investing."

What unites these investment approaches—and what ultimately distinguishes them from the broader universe of assets under management in the United States—is the explicit incorporation of ESG issues into investment decision making, fund management or shareholder engagement activities. This report seeks to quantify these various forms of



Investors Consider the Future of Sustainable Investing after COVID-19

"We believe that the pandemic has highlighted human fragility and will bring about a permanent, heightened focus on well-being and a related commitment to clean cities and sustainable living."

"It's critical to remain mindful that this is a crisis that has shattered lives and wrecked economies all around the world. ESG is not a solution to a crisis, but an opportunity for relief and recovery."

"We think that post COVID-19, ESG issues will become even more important and mainstream for investors, especially those concerning social aspects."

These are three of the responses to an optional question on our 2020 Trends Report survey asking for their opinions on "how US sustainable/ESG investing will evolve by 2025, and particularly in the wake of the COVID-19 pandemic."

Thirty-one recipients responded, including 20 money managers ranging from specialist private equity firms to large and diversified investment management firms with more than \$1 trillion in total assets under management. In addition, two faith-based institutions, one hospital system, five foundations and three family offices replied.

The majority expected continued growth of sustainable investing over the next five years. (The

other respondents did not specifically comment on whether the field would expand, but offered other thoughts on how the field would evolve.) Some thought that the COVID epidemic, by exposing the weaknesses in the social fabric and the vulnerabilities of many businesses, would reinforce interest in ESG factors.

Nearly half of the respondents expect social factors to gain more prominence as an ESG criteria. As the hospital system respondent put it, "Given the racial and social climate, particularly in the United States, the 'S' portion of ESG will continue to gain focus." Respondents predicted that diversity and racial and gender equity will gain more attention, as will strategies that promote wellbeing and preventive health and see employees as assets.

Another driver leading to continued expansion of sustainable investing is its proven financial results and the materiality of ESG factors. One investment firm commented, "given the relative outperformance of ESG funds, the fiduciary case for it is stronger than ever, as is the case for corporations to uphold their social contract." Another respondent noted that most ESG funds outperformed in the first quarter of 2020, when financial markets first reacted to the global spread of the

virus. Similarly, a large asset management firm said, "We... believe companies managing ESG risks and opportunities are built on firmer foundations to brace and survive downturns."

Seven respondents specifically mentioned that climate risk and the transition from fossil fuels will continue as a driver for the growth of sustainable investing. A foundation representative commented, "The shift of more capital from fossil fuels to clean energy will grow stronger as the oil rout continues." He noted, too, that low-carbon investments have outperformed investments that hold fossil fuel companies. Similarly, a private equity manager said he and his colleagues are beginning to hear from traditional energy managers who are pivoting away from fossil fuel oriented opportunities to focus on new energy themes around better efficiency and renewables.

A few respondents thought that the next five years would witness improved levels of reporting by companies on ESG factors and either predicted or expressed hope that ESG rating systems would improve or become more standardized. And two private equity managers predicted increased demand for technology-enabled products and services to enable remote work, assure cybersecurity under these conditions and reduce costs.





strategic investment activity and to identify the motivations for using them.

The Evolution of Sustainable Investing

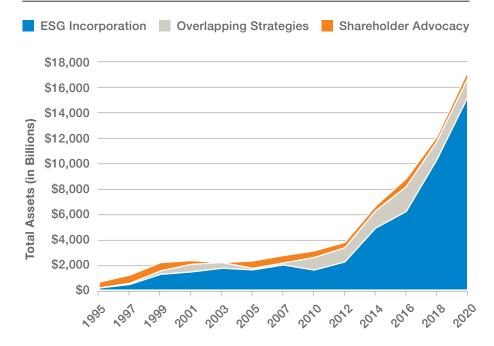
The history of investing for impact stretches over centuries. Religious investors from Jewish, Christian and Islamic faiths and many indigenous cultures have long considered the broad impacts of their financial decisions, giving careful consideration to the way economic actions affect others around them and shunning investments that violate their traditions' core beliefs.

Sustainable investing in its present form arose in the aftermath of the social and cultural transformations of the 1960s and 1970s as the civil rights, feminist, consumer, antiwar and environmental movements raised awareness about a host of social, environmental and economic problems and made the connection to corporate and investor responsibility. Aided by regulatory changes by the US Securities and **Exchange Commission** (SEC), a growing number of individual and institutional investors filed the first dozens of shareholder resolutions to raise environmental and social responsibility concerns at the annual meetings of US publicly traded firms.

The early 1970s also saw the launch of the first modern

FIGURE 1.2

Sustainable Investing in the United States 1995–2020



SOURCE: US SIF Foundation.

socially responsible mutual funds combining investment exclusions, proactive investment in companies with strong labor and employment policies, as well as shareholder advocacy. In the 1980s the anti-apartheid campaign motivated endowments and other institutions to protest South Africa's system of racial apartheid by divesting their portfolios of companies doing business in the country or by engaging with companies there to use their economic leverage to work for meaningful change. **Environmental catastrophes** at Chernobyl, Ukraine, and Bhopal, India, and the Exxon Valdez oil spill in Alaska were flashpoints for investor concerns over pollution, energy use and environmental management.

These events inspired investment research firms to collect more extensive data in order to assess the environmental systems and performance of publicly traded companies. The 1980s also witnessed a new interest in corporate governance, as public and labor pension funds joined together to defend their interests after a growing number of companies adopted antitakeover defenses that infringed on shareholder rights.

The issues that sustainable investing practitioners consider continue to evolve. Following the success of the anti-apartheid campaign, many institutional investors developed similar strategies to divest or engage with regimes that pose "conflict



US Individual Investors Are Enthusiastic About Sustainable Investing

A number of recent surveys have confirmed that US individual investors, including retirement plan participants, continue to be very interested in sustainable investing.

According to a 2019 survey by Natixis Investment Managers of 1,000 US employees, including 700 participants in 401(k) and other defined contribution plans:

- 61 percent said they would be more likely to contribute, or increase contributions, to their workplace retirement savings plan if they knew their investments were doing social good, and
- 74 percent believed that companies that provide

clean water and clean energy present significant growth opportunities.¹

Similarly, a 2019 study by the Morgan Stanley Institute for Sustainable Investing of 800 US individual investors with assets of \$100,000 or more concluded that investor familiarity with and enthusiasm for sustainable investing "is at an all-time high." It reported that 85 percent of all respondents—and 95 percent of millennials—were interested in sustainable investing, up 75 and 86 percent, respectively, from the levels in a survey the Institute conducted two years earlier.2

Large majorities in the Morgan Stanley survey believed their investment decisions could help improve the world.

- Seventy-one percent of all survey respondents—and 85 percent of millennials agreed that "[i]t is possible for my investment decisions to influence the amount of climate change caused by human activities."
- More than 80 percent of the survey respondents agreed with the statement "It is possible for my investment decisions to create economic growth that lifts people out of poverty."

risk" due to their poor records on human rights or because they foment violence or terrorism.

As globalization extended supply-chain operations into emerging markets across the world, sustainable investors have questioned multinational corporations about their impact on the countries in which they and their contractors do business, whether related to the environment or to their use of sweatshop or child labor.

Concerns over the risks associated with climate change and stranded fossil fuel assets have broadened the scope of environmental investing in recent years.

Sustainable investment analysts now routinely ask whether companies meet reporting and performance standards in areas such as climate risk, executive pay, human rights, supply-chain management and use of toxic chemicals.

Sustainable investing has not been limited to publicly traded securities. A number of other investment vehicles—including private equity and venture capital funds, responsible property funds and hedge funds—now routinely incorporate ESG impact criteria into their business strategies. Some of these funds have explicit missions to support such goals as sustainable agriculture, clean energy, transitoriented development, education, fair trade or healthcare.

Religious investors and those involved in the social transformations of the 1960s and 1970s also sought to use their investments to aid in community development efforts throughout the United States and abroad. Community development banks, credit unions, loan funds and affordable housing groups started forming in the 1970s.



The Community Reinvestment Act of 1977 further encouraged investment in low-income communities. Additionally, with the Tax Reform Act of 1969, US foundations gained the ability to meet their annual charitable distribution requirements in part through program-related investments that complement and extend their grantmaking.

The community investing industry developed further in the mid-1990s with revisions to the Community Reinvestment Act and the formation of the US Treasury's Community Development Financial Institution (CDFI) Fund. Along with the creation of the New Markets Tax Credit and other tax incentives, these developments helped usher new forms of placed-based investment into low-income communities.

US impact investors have supported the development of responsible financial services in low- and middle-income countries, too. Many international microfinance institutions have grown from nonprofits dependent on foreign investment to regulated microfinance banks that can accept local deposits from the customers to whom they have historically lent.

Sustainable Investing Strategies

Sustainable investors generally focus on at least one of two broad strategies, discussed further below. One is incorporating ESG criteria into investment research, analysis, decision-making and portfolio construction across a range of asset classes. A second is filing shareholder resolutions at publicly traded companies and practicing other forms of investor engagement across asset classes.

ESG INCORPORATION

In ESG incorporation, asset managers complement traditional, quantitative techniques of analyzing financial risk and return with qualitative and quantitative analyses of ESG policies, performance, practices and impacts. ESG incorporation can be accomplished in numerous ways:

- ESG Integration: The systematic and explicit inclusion of ESG risks and opportunities into the process of financial analysis, which can include adjusting estimated future cash flows or modeled discount rates based upon evaluation of ESG-related risks and opportunities and identifying and measuring the impact of off-balance-sheet ESG-related assets and liabilities.
- Positive/Best-in-Class:

 Investment in sectors,
 companies or projects
 selected for positive ESG
 performance relative to

industry peers. This strategy also includes avoiding companies that do not meet certain ESG performance thresholds.

- Negative/Exclusionary
 Screening: The exclusion
 from a fund or plan of certain
 sectors or companies
 involved in activities
 deemed unsustainable or
 controversial.
- Impact Investing: Investment in companies, organizations and funds with the explicit intention to generate positive social and environmental impact alongside a financial return, which can range from below market to market rate.
- Sustainability Themed
 Investing: Thematic portfolio construction around specific ESG areas, such as gender-lens investing, clean technology, sustainable food and agriculture, renewable energy, or place-based investing.

ESG incorporation strategies are not mutually exclusive, and money managers may employ more than one within their investment products. As discussed in later chapters, the two ESG incorporation strategies that are most broadly employed today, based on the assets affected, are ESG integration and exclusionary screening.

SHAREHOLDER RESOLUTIONS AND INVESTOR ENGAGEMENT

Engagement involves the actions sustainable investors









take to communicate with companies and capital markets on ESG issues of concern.

For owners of shares in publicly traded companies, shareholder advocacy can take the form of filing and co-filing shareholder resolutions on ESG issues and actively voting their proxies at company annual general meetings in support of such resolutions.

Many engaged shareholders also dialogue with corporate management over issues of concern, whether directly or through investor networks. Shareholder resolutions on ESG issues generally aim to improve company policies and practices and to promote the long-term concerns of shareholders and other stakeholders.

Some sustainable investors also speak out for legislative and regulatory changes that will lead to greater corporate accountability and disclosure on ESG issues.

Asset owners and asset managers are becoming more engaged with management on ESG issues not only in public equities, but across other asset classes.

Structure of This Report

The next three chapters of this report detail the various strategies and practitioners represented in the total \$17.1 trillion of sustainable investing assets cited in this introduction.

Chapter II: "ESG Incorporation by Money Managers," examines the incorporation of ESG issues by money managers across a wide range of investment vehicles - mutual funds, including those underlying annuity products; exchange-traded funds; alternative investment vehicles such as venture capital, private equity, hedge and property funds; and other commingled products and separate accounts. It also looks at the asset growth of community investing institutions, such as banks, credit unions and loan funds. It quantifies the scope and scale of investment vehicles incorporating ESG factors, the leading ESG criteria incorporated by money managers and other key trends that are shaping the field and driving growth.

Chapter III: "ESG Incorporation by Institutional **Investors,**" analyzes leading ESG incorporation trends among institutional asset owners, such as public funds, insurance companies, educational institutions, philanthropic foundations, labor funds, hospitals and healthcare plans, faith-based institutions, other nonprofits and family offices.

Chapter IV: "Investor Advocacy," analyzes trends in active ownership strategies, such as filing shareholder resolutions and engaging with companies in order to hold them accountable for their environmental, social and governance performance and impact. It also examines the highlights and successes of the shareholder proposals filed on ESG issues from 2018 to 2020.

The final sections provide additional details and context for the findings.

Chapter V: "Methodology," presents the methods and sources used to compile this report.

Chapter VI: "About the Publisher," provides information about the US SIF Foundation and US SIF.

Appendices: The first appendix is a glossary of ESG incorporation criteria. Appendices 2-6 list: mutual funds and exchange-traded funds incorporating ESG criteria, community investing institutions, money managers engaged in ESG incorporation, institutional investors engaged in ESG incorporation, and institutions and managers that have recently filed or co-filed shareholder resolutions on ESG issues.





II. ESG Incorporation by Money Managers

FIGURE 2.0

Sustainable Investing Assets 2020

ESG Incorporation

- By Money Managers on Behalf of Individual/Retail Investors \$4,550 Billion
- By Money Managers on Behalf of Institutional Investors \$12,014 Billion

Overlapping Strategies (\$1,462 Billion)

Filing Shareholder Resolutions

- Institutional
 Investors
 \$1,658 Billion
 - Money Managers \$322 Billion



Total: \$17,081 Billion

SOURCE: US SIF Foundation.

NOTE: ESG incorporation assets in this figure include those in community investing institutions.



Money managers and financial institutions now incorporate environmental, social and governance (ESG) issues into their investment research, analysis and decision making, across portfolios that totaled \$16.6 trillion at the start of 2020, as shown in Figure 2.0. This is a 43 percent increase from the \$11.6 trillion in ESG incorporation assets money managers reported in 2018. Of the current sum, \$12.0 trillion was managed on behalf of institutional clients, a 40 percent increase from 2018, and \$4.6 trillion for individual retail or high-networth clients, a 50 percent increase from 2018. These ESG assets are managed by 384 asset management firms and 1,204 community investing institutions.

The rate of growth in ESG incorporation among money managers remains robust, reflecting increased client demand and the continued "mainstreaming" of sustainable investing.

This chapter is divided into four sections:

- The first examines the leading themes, strategies and motivations that money managers disclose for incorporating ESG criteria into asset management.
- The second section provides more detailed analysis of ESG trends by various kinds of investment vehicles.
- The third section analyzes trends among money

- managers that do not disclose their investment vehicles incorporating ESG issues.
- The final section examines
 community investing, including
 an analysis of the growth
 of community development
 financial institutions (CDFIs).
 It looks at community
 development banks, credit
 unions, loan funds and
 venture capital funds, as well
 as the leading community
 development criteria that
 money managers incorporate
 in other kinds of investment
 vehicles.

Key Trends

 The assets managed by money managers incorporating ESG criteria rose

- 43 percent over the past two years, to reach \$16.6 trillion at the beginning of 2020.
- However, nearly 70 percent of these assets—\$11.5 trillion remain largely opaque, as the firms where they are managed provided little detail on the specific investment vehicles through which they incorporated ESG criteria.
- Moreover, the managers for 60 percent of these uncategorized assets—\$6.9 trillion—also did not disclose any specific ESG factors that they consider, reporting only that they consider ESG in general.
- The number of registered investment companies that incorporate ESG analysis





increased by over 14 percent and their assets by 19 percent since 2018; mutual funds, ETFs and closed-end funds all shared in this growth.

- Alternative investment funds' ESG assets increased 22 percent from \$588 billion to \$715 billion, and the number of funds increased 16 percent from 780 to 905; this growth has been particularly apparent among venture capital and private equity funds.
- The assets of community investing institutions have also grown, increasing 44 percent to \$266 billion. Credit unions are driving this growth, with a 49 percent increase in assets and a 23 percent increase in the number of community development credit unions.
- · Climate change is the most important specific ESG issue considered by money managers in asset-weighted terms; the assets to which this criterion applies have increased by 39 percent since 2018 to \$4.2 trillion. Growth in climate-related investing has increased against a backdrop of growing investor concern about accelerating climate risks, including stranded fossil-fuel assets, extreme weather events and wildfires, and with major money managers such as BlackRock modifying their stance on climate change's impact on investment returns.

 The other specific ESG criteria that affect more than \$2 trillion in assets relate to anti-corruption, board issues, sustainable natural resources and agriculture, executive pay and tobacco.

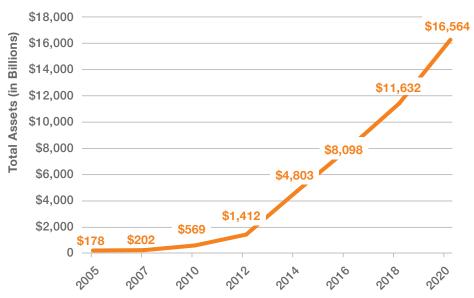
Background

The assets that money managers report as incorporating ESG factors have increased substantially over the last decade from \$569 billion to \$16.6 trillion, as shown in Figure 2.1. Growth spiked between 2012 and 2014, when these assets increased 240 percent; ESG assets then rose 69 percent from 2014 to 2016, 44 percent from 2016 to 2018, and 42 percent from 2018 to 2020.

Of the \$16.6 trillion in ESG assets, the majority—nearly 70 percent-are managed through undisclosed investment vehicles, as shown in Figure 2.2. The US SIF Foundation was able to classify the remaining \$5.1 trillion in ESG assets by the type of investment vehicle through which they are managed, from registered investment companies such as mutual funds, variable annuities, ETFs and closed-end funds, to alternative investment funds such as private equity and venture capital funds, hedge funds or property funds, to other commingled funds and community investing institutions.

Registered investment companies comprise 19 percent of money manager ESG assets, and mutual funds are the largest of these in terms of number of funds

FIGURE 2.1 Growth of ESG Incorporation by Money Managers 2005–2020

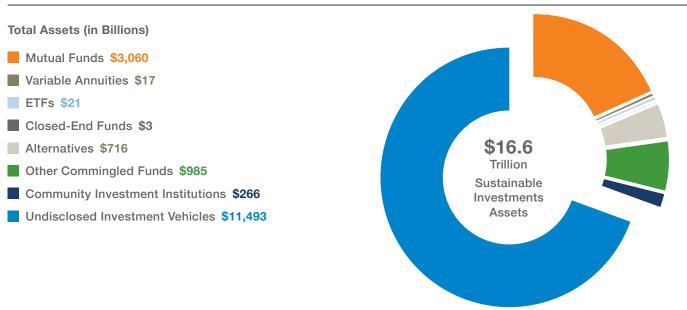


SOURCE: US SIF Foundation.



FIGURE 2.2

Money Manager Assets, by Type, Incorporating ESG Criteria 2020



and assets: 718 mutual funds with \$3.1 trillion in assets under management were identified. The number of alternative funds is still larger, at 905 total funds, but they are spread across various vehicles such as private equity, hedge funds, and property and real estate funds and manage fewer assets on the whole—only \$716 billion.

A Closer Look at Themes, Strategies and Motivations

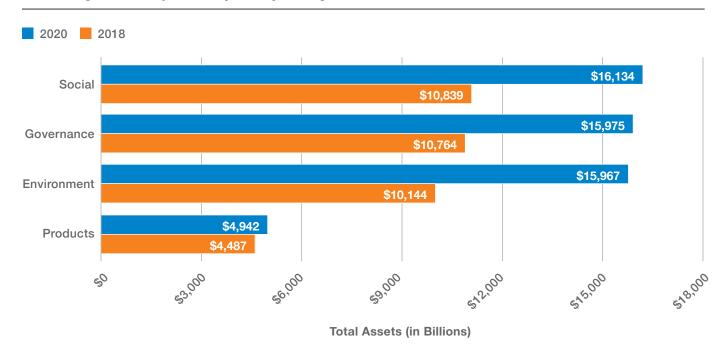
Through the US SIF Foundation survey process, money managers could select up to 32 criteria considered by each of their products, broken into communityrelated, environmental, social, governance and product-related categories. (See Appendix 1 for this list of ESG criteria.)
They also had the option to write in additional specific ESG criteria which are referred to in this report as "other" criteria.
Respondents could also write in if they used general integration of ESG issues, which is referred to as "general" in this analysis.

Money managers incorporate ESG criteria into their investment decisions for a variety of reasons and for different kinds of clients. This section highlights leading ESG criteria for all types of money managers and provides insight into their motivations and strategies for sustainable investing.

Across the ESG assets reported by money managers, the greatest share -\$16.13 trillion-incorporated social or community criteria, as shown in Figure 2.3. This is an increase of 49 percent from 2018, when social and community criteria were also the predominantly ranked criteria in asset-weighted terms. This year, money managers with \$15.98 trillion in assets took governance criteria into consideration, followed by managers with \$15.97 trillion in assets that focused on environmental criteria. Growth in assets subject to environmental criteria was the most substantial compared with 2018, increasing 57 percent. Finally, product-related criteria, such as restrictions on tobacco

•

FIGURE 2.3 ESG Categories Incorporated by Money Managers 2018–2020



NOTE: Social category includes community-related criteria. See Appendix 1.

or firearms, affected the smallest pool of assets—\$4.94 trillion.

As in 2018, money managers collectively continue to report that they apply general environmental, social or governance factors across a majority of their ESG incorporation assets, as shown in Figure 2.4. While some of these managers also provide detail on the specific ESG criteria they consider (e.g., climate change, board issues), as also shown in Figure 2.4, the majority of ESG incorporation assets identified in this report were described by their money managers simply as incorporating general ESG factors without further specifics. Approaches to ESG incorporation can vary widely. As the data here reveal, there is a need for greater disclosure by managers into their investment vehicles, how they integrate specific ESG factors into their investment process and what those criteria are. The trends presented here around specific investment vehicles and specific ESG criteria reflect only the most transparent money managers.

In terms of the number of ESG factors incorporated by asset managers, the vast majority of investment vehicles—95 percent—have explicit policies related to incorporating two or more specific or general ESG factors. As shown in Figure 2.5, only 5 percent of ESG

investment vehicles incorporate a single issue or criterion. This relative percentage of single-issue investment vehicles has declined with each successive Trends report, as more money managers embrace broader ESG incorporation criteria. Just over half of investment vehicles incorporate two to four general or specific factors, while 37 percent incorporate at least five.

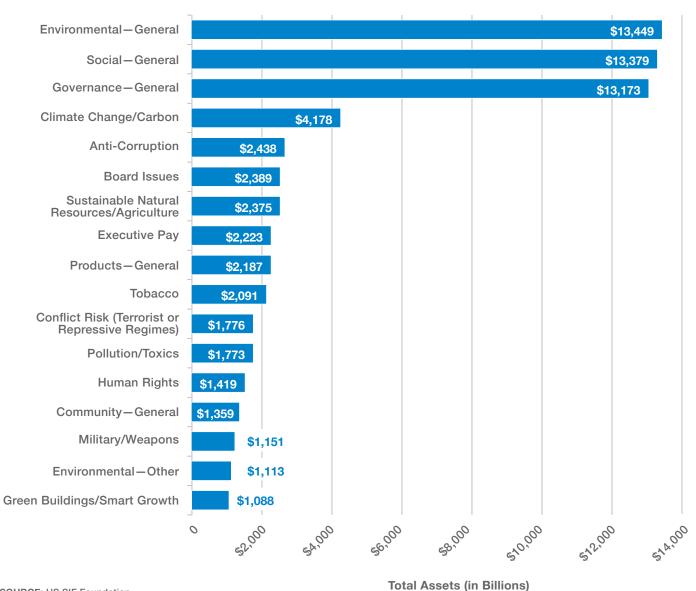
ENVIRONMENTAL ISSUES

At the beginning of 2020, money managers reported that they incorporated environmental factors into \$16.0 trillion in assets under management. Managers disclosed that \$13.4 trillion of those assets were managed according to general, unspecified environmental criteria.



FIGURE 2.4

Leading ESG Criteria, by Assets, for Money Managers 2020



NOTE: Data are aggregated across all investment vehicle types, including separate account vehicles and undisclosed investment vehicles.

For those managers who disclosed more specific environmental criteria, climate change continued to rank highest, affecting \$4.2 trillion in assets under management, a 39 percent increase from 2018. In his most recent annual letter to CEOs, Larry Fink, chairman and chief executive officer of BlackRock, highlighted that the

world's largest asset managers are incorporating climate change and other sustainability issues as material investment risk factors. He writes, "Our investment conviction is that sustainability-and climate-integrated portfolios can provide better risk-adjusted returns to investors. And with the impact of sustainability on investment returns increasing, we

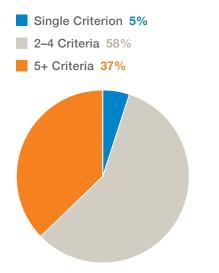
believe that sustainable investing is the strongest foundation for client portfolios going forward."¹

The movement for fossil fuel divestment also continued to grow, and US money manager assets explicitly managed according to fossil-free mandates increased 65 percent since 2018 to \$374 billion. As Figure 2.6



FIGURE 2.5

Frequency of ESG Criteria Incorporation in Investment Vehicles 2020



SOURCE: US SIF Foundation.

NOTE: The frequency of ESG incorporation is as a percentage of total number of ESG investment vehicles. This figure excludes separate accounts and undisclosed investment vehicles.

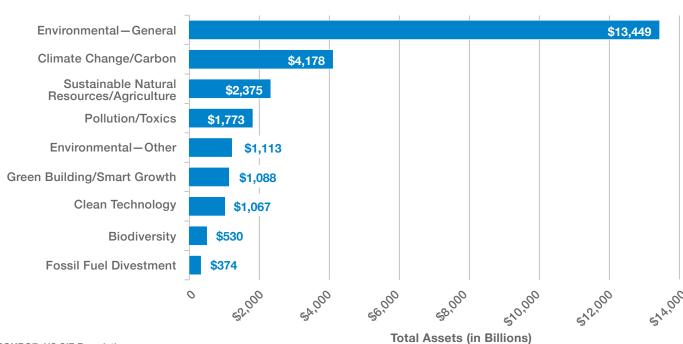
highlights, however, the pool of assets under fossil-free policies is far smaller than the assets relating to several other environmental themes, from clean technology to green building and smart growth, that many investors view as solutions to curb or mitigate climate change. Issues related to sustainable natural resources and agriculture grew to \$2.4 trillion, an 81 percent increase from 2018, as money managers increasingly embrace "regenerative" and organic agriculture and sustainable forestry investment. Furthermore, 80 percent of money managers who cited sustainable natural resources also factored in climate change, implying a growing concern about rising CO₂ levels and investment risk at the landenergy-water nexus.

Assets under management reported as factoring in pollution and toxics decreased by 13 percent to \$1.8 trillion. This includes waste management, recycling and water purification. Finally, money managers with \$530 billion in assets under management highlighted a growing interest in biodiversity, a criterion that was specified by managers under "other environmental" in both 2018 and 2020. It moved up to eighth place in asset-weighted terms as investors grow more aware of de-forestation risks and conservation opportunities.

SOCIAL ISSUES

At the beginning of 2020, social factors were incorporated into \$16.1 trillion in assets under management, making them the largest category of ESG





SOURCE: US SIF Foundation.



Sustainable Finance Plans Advance Globally

Around the globe, countries are stepping up to craft and implement plans to embed greater sustainability, particularly on climate change, into their financial industries.

Of the emerging sustainable finance plans, the **European Union's** "Action Plan on Sustainable Finance" covers by far the largest segment of the global financial industry. The Plan mandates:

- 1. a unified EU classification system (the "taxonomy"),
- a clarification of asset managers' and institutional investors' fiduciary duties and disclosure requirements on sustainability considerations in investments,
- 3. low-carbon benchmarks, and
- that investment advisers provide better advice to clients on sustainability risks.

The taxonomy identifies economic activities that can make a substantial contribution to climate change mitigation or adaptation while avoiding significant harm to four other environmental objectives: sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention, and protection of biodiversity and ecosystems. These classifications will then be used by financial professionals to "score" securities and various financial products in their portfolios.

The Plan's corporate disclosure rules broaden the definition of materiality to include non-financial metrics such as a company's impact on the climate. In addition,

The EU's Shareholder Rights Directive² requires asset managers and owners to publish their company engagement policies, as well as annual reports detailing how successful the engagements have been. The Plan's ESG disclosure framework will also include low-carbon investment benchmarks related to greenhouse gas emission reductions and the transition to a low-carbon economy to provide investors with better information on the carbon footprint of their investments and improve comparability of information.

Canada has released a similarly robust plan along with a final report from the Expert Panel on Sustainable Finance. The final report addresses three groups of interrelated issues.

- 1. The first is shifting Canada's climate change conversation from burden to opportunity. The aim is to entice the Canadian financial sector to participate in the transition to a competitive low-emissions economy and ensure that government and industry join forces to pursue opportunity and manage risk.
- The second group focuses on building out disclosure, legal clarity and supportive professional services for sustainable finance.
- 3. The third group looks at developing and scaling transformative market structures and financial products around such sectors as clean technology, oil and natural gas, infrastructure, buildings, and electricity generation and transmission.

The **United Kingdom's** Green Finance Strategy focuses on three elements:

- Mainstreaming climate and environmental factors as a financial and strategic imperative,
- 2. Mobilizing private finance for clean and resilient growth, and
- 3. Cementing UK leadership in green finance.

The United Kingdom has a strong focus on the financially material risks associated with climate change. The government plans to give all financial regulators a formal mission to help ensure an orderly, market-led transition to a net zero emissions economy.3 Parliament is working on legislation to require pension trustees to publish detailed reports in line with the Taskforce on Climate-related Financial Disclosures (TCFD)4 on how they manage the financial risks of climate change.5 Additionally, like the European Union, the United Kingdom mandates that asset owners and asset managers publicly disclose stewardship policies.

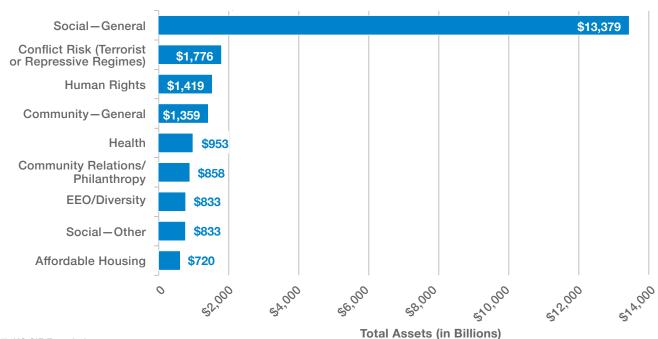
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In Australia, the Australian Sustainable Finance Initiative was launched in late 2017 to develop a Sustainable Finance Roadmap, which is due to be released in late 2020. Though the process is not government led, government representatives are involved. In its December 2019 progress report, the Initiative set out several recommendations for listed companies regarding consideration and disclosure of climate risk.





FIGURE 2.7 **Leading Social Criteria for Money Managers 2020**



criteria money managers review. Managers disclosed that \$13.4 trillion of those assets were managed according to general, unspecified social criteria, as shown in Figure 2.7.

For money managers who provide more detailed explanations of the social criteria they consider, conflict risk remains the highest ranked specific criterion in assetweighted terms, applied across \$1.8 trillion in assets under management. This category includes policies that restrict investment in companies doing business with terrorist or repressive regimes, such as Sudan and Iran. The third largest category of social criteria was human rights, but the assets reported as affected by human rights considerations decreased

by 36 percent from 2018 to \$1.4 trillion in 2020. Unspecified, general community criteria represented \$1.4 trillion in assets under management, a more than six-fold increase from 2018.

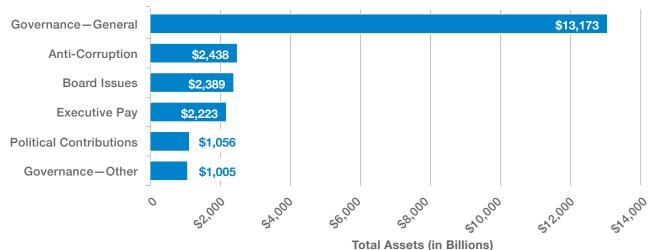
Climate change remains the highest ranked specific criterion in asset-weighted terms for money managers.

Health-related criteria also emerged as statistically significant this year as a criterion written in by managers, who said they applied it across \$953 billion assets under management. Assets affected by community relations/ philanthropy increased by 40 percent to \$858 billion in 2020. **EEO/diversity** remained relatively stable at \$833 billion in assets under management. Other social criteria and affordable housing both increased by over 30 percent in 2020 to \$833 billion and \$720 billion assets under management, respectively. (For a detailed breakdown, by investment vehicle, of the money managers considering community relations, affordable housing and other communityrelated criteria, see Figure 2.27.)



FIGURE 2.8

Leading Governance Criteria for Money Managers 2020



CORPORATE GOVERNANCE

At the beginning of 2020, money managers reported that they incorporated governance factors into \$16.0 trillion in assets under management.

Of this total, \$13.2 trillion of assets under management, or 82 percent, were applied to general, unspecified governance factors.

Assets under management factoring in anti-corruption continued to be a leading factor and increased to \$2.4 trillion. Board issues, such as consideration of directors' independence, diversity and responsiveness to shareholders, affected \$2.4 trillion in assets under management as well, an increase of 66 percent since 2018. A number of recent reports have supported the importance of gender, racial, ethnic and demographic diversity on boards to help companies gain diverse perspectives to innovate and respond to challenges and disruptions.6

Reflecting perhaps the growing public discussion of income inequality, assets managed with regard to executive compensation grew by 122 percent since 2018, to \$2.2 trillion. After many years of shareholder advocacy and engagement, money managers also increasingly considered criteria related to corporate political contributions and lobbying activities; assets subject to these criteria grew by 80 percent to \$1.1 trillion.

PRODUCT-RELATED CRITERIA

The incorporation of productrelated criteria increased by 10 percent from 2018 to 2020 to affect \$4.9 trillion in assets under management.

Within this category, general, unspecified product-related criteria ranked the highest with \$2.2 trillion in assets under management, as shown in Figure 2.9. Many of these

managers applied an ESG integration policy across assets. Restricting tobacco investment was the most popular specific product-related issue, affecting \$2.1 trillion in assets under management; however, this was a 28 percent decrease from 2018. The consideration of military and weapons issues also decreased—by 40 percent—to \$1.2 trillion. By contrast, restrictions on nuclear power continued to expand to affect \$812 billion in assets under management. Other product criteria that did not fit the established product categories affected another \$935 billion in assets; many of these included asbestos exposure and restrictions relating to genetically modified organisms.

ESG INCORPORATION STRATEGIES

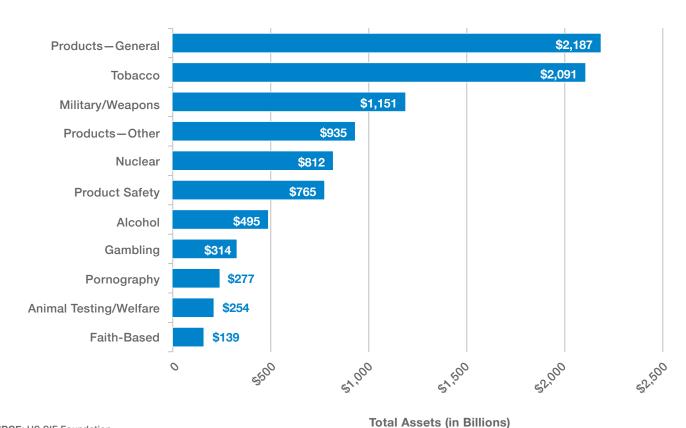
Of the 384 money managers included in this report, a subset of more than 100 money managers with more than \$3.6





FIGURE 2.9

Leading Product-Related Criteria for Money Managers 2020



under management responded to additional survey questions about their ESG incorporation strategies and asset allocation. Managers were first asked to specify what percentage of their ESG assets were affected by one or more of the following strategies: ESG integration, negative or exclusionary strategies, positive or bestin-class strategies, impact investing or sustainability themed strategies. In 2020, the US SIF Foundation also asked money managers about the allocation of their overall assets under management across three broad categories of asset classes: public equity, fixed

trillion in combined ESG assets

ESG integration was the most commonly reported strategy in terms of both the assets involved and percentage of money managers employing it.

income, or other asset classes such as cash or alternatives.

Managers were also asked what percentage of their assets were managed in passive investment strategies that track indices.

As shown in Figure 2.10, ESG integration was the most commonly reported strategy in terms of both the assets involved and percentage of money managers employing it, at \$3.5 trillion and 74 percent respectively. The second most reported strategy was negative or exclusionary screening, reported by 69 percent of this group of money managers and affecting \$740 billion of their assets under management.



FIGURE 2.10
ESG Incorporation Strategies by Money Managers 2020

	Number of Money Managers	% of Managers Reporting	Assets Affected (in Billions)
ESG integration: the systematic and explicit inclusion by investment managers of ESG risks and opportunities into traditional financial analysis	83	74%	\$3,491
Negative/exclusionary: the exclusion from a fund or plan of certain sectors or companies based on specific ESG criteria	77	69%	\$740
Positive/best-in-class: investment in sectors, companies or projects selected for positive ESG performance relative to industry peers	67	60%	\$143
Impact investing: targeted investments, often made in private markets, aimed at solving social or environmental problems	66	59%	\$46
Sustainability themed investing: the selection of assets specifically related to sustainability in single- or multi-themed funds	54	48%	\$367
Total Responding	112		\$3,601

NOTE: Some managers disclosed using multiple strategies within funds, so affected assets may overlap and percentages do not sum. Managers of Community Development Loan Funds who responded voluntarily to these questions are also included.

Although nearly equal numbers of this subset of managers reported using positive screening and impact investing strategies, impact investing affected a significantly lower level of assets, only \$46 billion compared with \$143 billion in positive or best-in-class screening. Sustainability-themed investing, although cited by fewer than half the money managers in this group, was applied across \$367 billion in assets, making it the third-place ESG incorporation strategy in asset-weighted terms.

As shown in Figure 2.11, a subset of 113 managers with more than \$3.5 trillion in combined ESG

assets provided a breakdown of their ESG assets by asset class. Fifty-eight said they invested in publicly traded fixed income across \$1.8 trillion—or 50 percent of the combined ESG assets of all respondents to this question. Although even more managers, 87, reported investing in publicly traded equity, these reported holdings made up only 38 percent of the ESG assets managed by all the question respondents. Fifty-eight managers also reported investing in other asset classes, such as cash or alternatives, affecting 12 percent of the combined assets represented. The aggregate asset class breakdown of the 113 respondents to this question

may not be representative of the broader universe of ESG incorporation covered in this report, but it does indicate that sustainable investing is not confined to publicly traded equity.

A subset of 106 money managers with over \$3.6 trillion in combined ESG assets responded to questions regarding their use of passive and active investment strategies. As shown in Figure 2.12, the vast majority of this self-selected group of managers reported using actively managed strategies across \$3.4 trillion in assets. Only 28 managers reported using passive



FIGURE 2.11 ESG Incorporation by Asset Class by Money Managers 2020

	Number of Money Managers	Affected Assets (in Billions)	Percent of ESG Assets
Publicly Traded Bonds or Fixed Income	58	\$1,776	50%
Publicly Traded Equity	87	\$1,346	38%
Other (e.g. Cash, Private Assets, Real Assets)	58	\$440	12%
Total Responding	113	\$3,562	100%

NOTE: Some money managers reported investing in more than one asset class across their ESG assets, so totals do not sum.

strategies across \$239 billion in their ESG assets. Although most ESG strategies are actively managed, during four of the past five years, net flows into passively managed sustainable investing funds have exceeded net flows into actively managed funds, highlighting the widening availability of index funds incorporating ESG criteria.7

MOTIVATIONS FOR ESG INCORPORATION

A slightly larger subset of 113 money managers with combined ESG assets of \$3.6 trillion

responded to an additional set of questions on their motivations for incorporating ESG criteria into their investment process. As shown in Figure 2.13, the largest percentage of them, managing \$2.1 trillion in ESG assets, cited risk mitigation as a motivation. A slightly smaller group of managers, but with nearly \$3.6 trillion in combined ESG assets under management, cited client demand as a motivation, making it the largest reported reason for incorporating ESG factors, in asset-weighted terms.

A similar number of managers,

80 percent of this subset, cited social or environmental impact as a motivation for incorporating ESG factors across \$3.5 trillion in assets under management. The desire to improve returns was cited by 73 percent of this group of managers with \$2.4 trillion in assets. Nearly as many managers, but with slightly more assets, cited mission as a motivation for their consideration of ESG factors. A slightly lower percentage of managers-64 percent-with nearly \$3.6 trillion in ESG assets. cited fiduciary duty, making this

FIGURE 2.12

Passive vs. Active ESG Asset Management by Money Managers 2020

	Number of Money Managers	Affected Assets (in Billions)	Percent of ESG Assets
Actively Managed	99	\$3,379	93%
Passively Managed	28	\$239	7%
Total Responding	106	\$3,618	100%

SOURCE: US SIF Foundation.

NOTE: Some money managers reported using both active and passive management across their ESG assets, so totals do not sum.







FIGURE 2.13

Reasons Money Managers Report Considering ESG Factors 2020

Reason	Number of Money Managers	% of Managers Responding	ESG Assets (in Billions)
Risk	95	84%	\$2,062
Client Demand	92	81%	\$3,569
Social or Environmental Impact	90	80%	\$3,476
Returns	82	73%	\$2,355
Mission	79	70%	\$2,445
Fiduciary Duty	72	64%	\$3,557
UN Sustainable Development Goals	52	46%	\$406
Regulatory Compliance	24	21%	\$3,345
Total Responding	113		\$3,621

NOTE: Managers of community development loan funds who responded to these questions are also included. Respondents could choose multiple reasons, so counts and percentages do not sum.

the second highest motivation for incorporating ESG factors, in asset-weighted terms. Fortysix percent of respondents with \$406 billion in ESG assets cited the UN Sustainable Development Goals as a motivation—an option that was added as a response for the first time in 2018. As in 2018, fewer than a quarter of the managers responding to this question cited regulatory compliance as a motivation, but in 2020 they represented a more substantial portion of ESG assets-\$3.3 trillion-than the \$1.9 trillion associated with this response in 2018.

Registered Investment Companies

As highlighted in Figure 2.14, the assets of registered investment companies such as mutual funds, variable annuity funds, exchange-traded funds and closed-end funds that incorporate ESG investing criteria have grown from just \$645 billion in 2012 to \$3.1 trillion at the start of 2020, a nearly five-fold increase.

Within this group, MUTUAL FUNDS predominate, both in the number of funds and the assets they represent. Since 2018, the total number of sustainable mutual funds has increased 13 percent, to

718, and their total assets have increased 19 percent to \$3.1 trillion. According to the Investment Company Institute's 2020 Investment Company Fact Book, all US-based mutual funds held \$21.3 trillion in assets under management at the beginning of 2020.8 Thus, the sustainable mutual funds described in this report constitute 15 percent of the total assets of US-domiciled mutual funds.

EXCHANGE-TRADED FUNDS

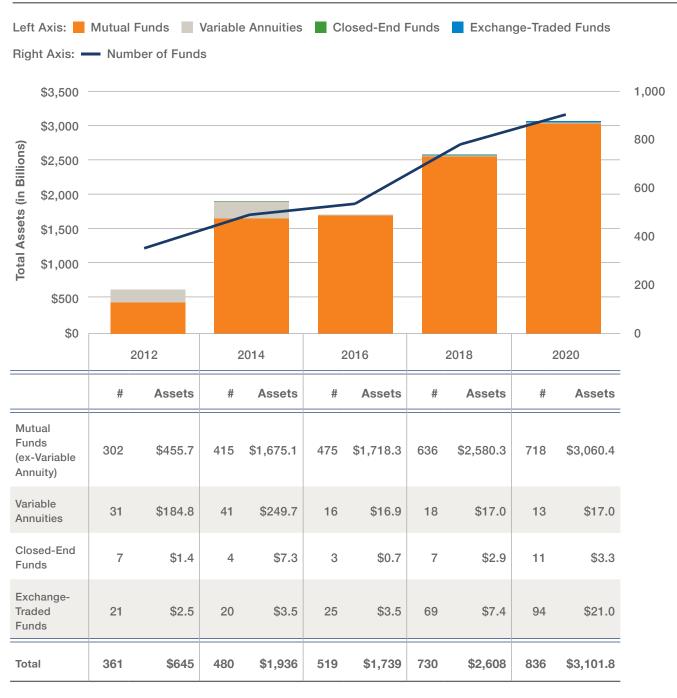
(ETFs) incorporating ESG factors continued to grow from 2018 to 2020. Total ETF ESG assets more than doubled to \$21 billion, and the number of funds increased 36 percent to 94.







FIGURE 2.14 **ESG Incorporation by Registered Investment Companies 2012–2020**



SOURCE: US SIF Foundation.

NOTE: Asset values are in billions.

Although still a small category within the sustainable investing universe, **CLOSED-END FUNDS** also saw growth in line with that of mutual funds that incorporate ESG factors. At the start of 2020, the number of closed-end

funds incorporating ESG criteria increased to 11 with \$3.3 billion in assets under management, a 14 percent increase in assets from 2018.

Finally, both the number of **VARIABLE ANNUITIES** incorporating ESG criteria and the associated assets under management held relatively steady, with 13 funds and \$17 billion in total net assets.

Number of Funds



FIGURE 2.15

ESG Categories Incorporated by Registered Investment Companies 2020

	Number of Funds	Assets (in Billions)
Social	728	\$3,076
Environment	737	\$3,070
Governance	707	\$3,034
Products	412	\$775
Total Across All Categories	836	\$3,102

SOURCE: US SIF Foundation.

NOTE: Analysis based on assets of mutual funds, including those underlying variable annuity products, exchange-traded funds and closed-end funds.

FIGURE 2.16

Leading ESG Criteria for Registered Investment Companies 2020

	Number of Funds	Assets (in Billions)
Environmental – General	473	\$2,504
Governance-General	454	\$2,499
Social-General	447	\$2,498
Climate Change/Carbon	287	\$1,327
Social-Other	155	\$1,202
Governance-Other	86	\$1,107
Conflict Risk (Terrorist or Repressive Regimes)	163	\$812
Board Issues	313	\$626
Executive Pay	203	\$617
Anti-Corruption	211	\$617
Pollution/Toxics	208	\$541
Human Rights	321	\$537
Total Across All Criteria	836	\$3,102

SOURCE: US SIF Foundation.

NOTE: Analysis based on assets of mutual funds, including those underlying variable annuity products, exchange-traded funds and closed-end funds. Some managers incorporate multiple ESG criteria, so totals do not sum.

As shown in Figure 2.15, social criteria constituted the largest ESG category incorporated into the management of registered investment companies in assetweighted terms, affecting \$3.08 trillion in assets under management across 728 funds. This was closely followed by environmental criteria at \$3.07 trillion in assets under management; however, more funds (737) incorporated environmental criteria than social factors. Corporate governance criteria were a close third, with \$3.03 trillion in assets under management across 707 funds. Product-specific criteria were considered to a far lesser degree, affecting 412 funds with \$775 billion in net assets.

Figure 2.16 disaggregates the use of ESG criteria by registered investment companies at a more granular level. More than \$2.5 trillion in registered investment company assets reported incorporating general ESG issues without specifying precisely which ESG criteria or themes. However, 287 funds with \$1.3 trillion in assets explicitly reported incorporating climate change or carbon-related criteria into their investment process, an increase of 63 percent since 2018 in the assets affected. Thus, it is again the leading specific ESG issue for registered investment companies in assetweighted terms. The number of registered investments companies reporting that they assess climate change issues has increased substantially, from 180 in 2018 to 287 in 2020. The "other social" and "other





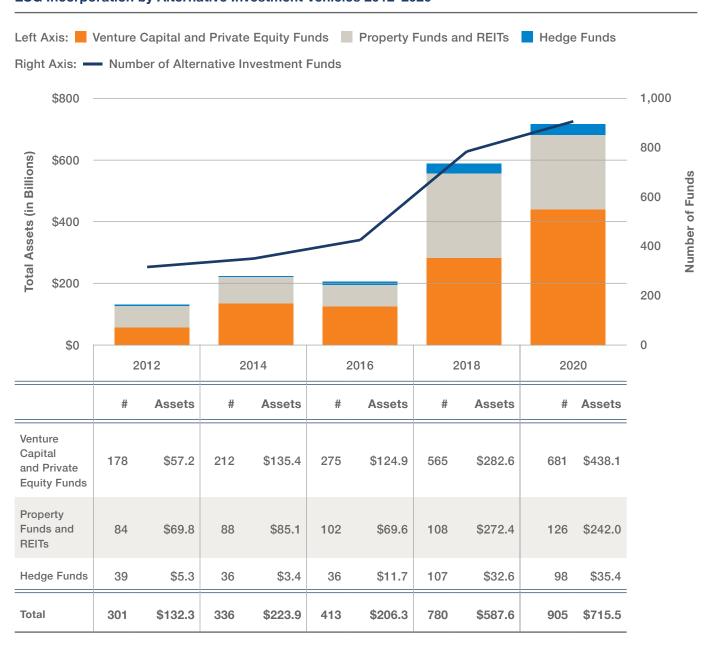
governance" criteria affect a similar range of assets under management, \$1.2 trillion and \$1.1 trillion respectively, although "other governance" criteria were incorporated by fewer funds than other social factors.

Social criteria related to **conflict risk**, such as doing business in terrorist states or repressive regimes, affected 163 funds with \$812 billion in assets, making it the second largest specific ESG criterion incorporated by registered investment vehicles, in asset-weighted terms.

Next, board issues were incorporated into the management of 313 registered investment companies with \$626 billion in combined assets under management, and two other governance criteria—executive pay and anti-corruption—followed closely behind, each

FIGURE 2.17

ESG Incorporation by Alternative Investment Vehicles 2012–2020



SOURCE: US SIF Foundation.

NOTE: Asset values are in billions.

32 II. ESG Incorporation by Money Managers





affecting the management of more than 200 registered investment companies with \$617 billion in combined assets.

Pollution and toxics were considered by 208 funds with \$541 billion in assets, while 321 funds with \$537 billion in assets incorporated social factors related to business and human rights.

Alternative Investment Vehicles

ESG alternative investment vehicles, which are generally organized as unregistered partnerships and available only to accredited investors, include hedge funds, venture capital and private equity funds, as well as real estate investment trusts (REITs) or other property funds focused on investments in farmland, timberland, and real estate. At the start of 2020, \$716 billion in capital was identified under the management of 905 alternative investment vehicles, a 22 percent increase in assets identified since 2018 and a more than fivefold increase since 2012.

Environmental criteria are the top consideration for alternative fund managers, with 863 funds and \$698 billion in assets under management affected, as shown in Figure 2.18. This is a 15 percent increase in the number of alternative investment funds that took environmental factors into account and a 20 percent increase in assets since 2018. Social and governance criteria were also considered by funds representing more than

FIGURE 2.18

ESG Categories Incorporated by Alternative Investment Vehicles 2020

	Number of Funds	Assets (in Billions)
Environment	863	\$698
Social	820	\$685
Governance	770	\$667
Products	72	\$38
Total Across All Categories	905	\$716

SOURCE: US SIF Foundation.

NOTE: Some managers incorporate criteria from more than one ESG category, so totals do not sum.

FIGURE 2.19

Leading ESG Criteria for Private Equity and Venture Capital Funds 2020

	Number of Funds	Assets (in Billions)
Environmental – General	369	\$416
Social-General	365	\$416
Governance - General	364	\$415
Affordable Housing	8	\$8
Clean Technology	77	\$8
Product Safety	27	\$6
Sustainable Natural Resources/Agriculture	67	\$6
Climate Change/Carbon	46	\$5
Small & Medium Businesses	56	\$4
Pollution/Toxics	44	\$3
Board Issues	30	\$3
Total Across All Criteria	681	\$438

SOURCE: US SIF Foundation.

NOTE: Some managers incorporate multiple ESG criteria, so totals do not sum.





FIGURE 2.20
Leading ESG Criteria for Property Funds and REITs 2020

	Number of Funds	Assets (in Billions)
Green Building/Smart Growth	71	\$212
Community Relations/ Philanthropy	47	\$174
Social – General	23	\$169
Climate Change/Carbon	13	\$154
Clean Technology	6	\$153
Sustainable Natural Resources/Agriculture	26	\$140
Community Services	11	\$135
Community-Other	4	\$133
Pollution/Toxics	2	\$133
Fossil Fuel Divestment	1	\$133
Environmental - Other	1	\$133
Governance-Other	67	\$78
Total Across All Criteria	126	\$242

NOTE: Some managers incorporate multiple ESG criteria, so totals do not sum.

\$667 billion in assets. However, product-related criteria dropped significantly among reporting alternative asset managers, affecting only \$38 billion in assets across 72 funds, down from \$133 billion across 139 funds in 2018.

The number of **PRIVATE EQUITY AND VENTURE CAPITAL FUNDS** considering ESG criteria grew to 681 with \$438 billion in assets under management,

an increase of 55 percent in assets from 2018. More than half of the venture capital and private equity funds identified here, representing more than \$415 billion in assets, reported incorporating general ESG criteria, as shown in Figure 2.19.

Far fewer private equity and venture capital funds reported incorporating specific ESG factors, and these were often part of more explicit impact

investment strategies. Although managing a relatively smaller segment of the capital in this asset class, the ranks of General Partners (GPs) managing social and environmental impactfocused private equity funds are growing rapidly. To cite one manifestation of this growth, membership in Impact Capital Managers, a new network for North American GPs, has more than doubled since its launch in 2018, to more than 50 GPs managing over \$11 billion in combined capital.9

Affordable housing and clean technology were the two top specific factors for private equity and venture capital managers, in asset-weighted terms, each applied across \$8 billion in assets. However, only eight funds reported targeting affordable housing, whereas clean technology was cited by 77 funds. Product safety and sustainable natural resources and agriculture each affected \$6 billion in assets, but there was a similarly wide dispersion among the number of funds incorporating those issues, at 27 and 67, respectively.

The number of **PROPERTY FUNDS** considering ESG
criteria grew to 126 in 2020
from 108 in 2018; however,
assets decreased from \$272
billion to \$242 billion. Property
funds and REITs nevertheless
remain the second largest
set of alternative investment
vehicles tracked in this report.
This category includes direct
investments in real assets





such as residential property, commercial development, farmland or timberland, as well as equity portfolios managed through REITs.

In 2020, a majority of these funds-71, with \$212 billion in assets-incorporated green building and smart growth criteria. Community relations and philanthropy was the next most widely considered factor, reported by 47 funds with \$174 billion in assets. Climate change and carbon criteria affected the management of a far smaller number of funds (13) with \$154 billion in assets. While just six funds reported that they consider clean technology, they represent \$153 billion in assets, a 40 percent increase from 2018. One of the fastest growing concerns for property funds is sustainable natural resources and agriculture, which grew 164 percent in asset-weighted terms since 2018 to affect \$140 billion across 26 funds. Whether motivated by concerns about climate change or sustainable food systems, investor interest in regenerative agriculture through specialized farmland funds has grown noticeably in recent years.10

Finally, the number of **HEDGE FUNDS** decreased slightly from
107 in 2018 to 98 funds, with \$35
billion in net assets, in 2020: they
remain the smallest category of
alternative investment vehicles
within the ESG investment
universe.

FIGURE 2.21

Leading ESG Criteria for Hedge Funds 2020

	Number of Funds	Assets (in Billions)
Governance - General	44	\$22
Environmental – General	39	\$17
Social-General	37	\$15
Anti-Corruption	39	\$13
Climate Change/Carbon	39	\$11
Board Issues	39	\$11
Governance - General	36	\$11
Clean Technology	39	\$11
Executive Pay	37	\$10
Product Safety	37	\$10
Total Across All Criteria	98	\$35

SOURCE: US SIF Foundation.

NOTE: Some managers incorporate multiple ESG criteria, so totals do not sum.

As shown in Figure 2.21, specific criteria incorporated by hedge funds included anticorruption, climate change and carbon, board issues and clean technology. Although these criteria represented 39 funds, their assets ranged from \$11 billion to \$13 billion. Executive pay and product safety affected \$10 billion each in asset weighted terms, representing 37 funds. Sixty-three percent of hedge fund assets incorporated general governance criteria and 49 percent incorporated general environmental criteria; general social criteria were incorporated into 43 percent of assets.

Other Commingled Funds

OTHER COMMINGLED FUNDS

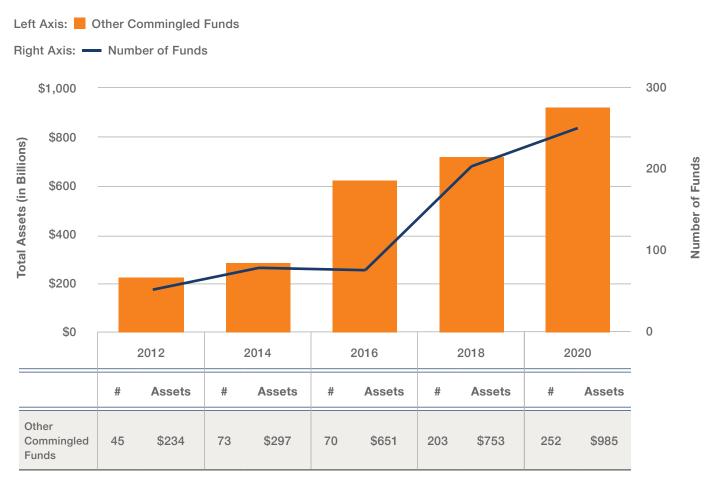
include investment pools that have been commingled for multiple investors but do not readily fit into any other vehicle category used in this report. This miscellaneous category includes:

- privately managed nonprofit trusts,
- loan funds and private debt funds that are not community development financial institutions,
- collective investment trusts, and



FIGURE 2.22

ESG Incorporation by Other Commingled Funds 2012–2020



SOURCE: US SIF Foundation.

NOTE: Since 2018, we included various loan funds and private debt funds that are not captured in the Community Investing section.

 other pooled investment vehicles, generally managed for specific types of institutional investors, such as religious organizations, Taft-Hartley pension plans or other labor union funds.

The category of other commingled funds has become increasingly significant in recent years, as shown in Figure 2.22. In 2020, money managers reported 252 funds with \$985 billion in assets under management, an increase in assets of 31 percent since 2018 and over 320 percent

since 2012. Other commingled funds account for 6 percent of total money manager assets.

Conflict risk emerged as the leading ESG criterion for other commingled funds, in asset-weighted terms, representing \$388 billion in assets under management, but only three funds reported incorporating this criterion. The majority of other commingled funds—more than 160 funds with more than \$100 billion in assets—incorporated general, unspecified ESG criteria. Unspecified product-

related and community criteria were reported by two funds with \$69 billion in assets. Criteria related to human rights affected 18 funds with \$65 billion in assets under management.

Undisclosed Investment Vehicle Assets

ESG incorporation into asset management is growing rapidly, but transparency is not keeping pace with the field's rapid evolution. Indeed, 173 money managers included in this study



FIGURE 2.23

Leading ESG Criteria for Other Commingled Funds 2020

	Number of Funds	Assets (in Billions)
Conflict Risk (Terrorist or Repressive Regimes)	3	\$388
Governance-General	163	\$102
Environmental – General	163	\$102
Social-General	162	\$101
Products-General	2	\$69
Community-General	2	\$69
Human Rights	18	\$65
Social-Other	7	\$59
Climate Change/Carbon	26	\$34
Labor	16	\$34
Board Issues	13	\$33
Total Across All Criteria	252	\$985

NOTE: Some managers incorporate multiple ESG criteria, so totals do not sum.

did not fully disclose information about the types of investment vehicles for pools of assets that they reported managing according to ESG criteria. These undisclosed investment vehicle assets therefore constitute an opaque pool of \$11.5 trillion—69 percent of all ESG assets reported by money managers.

As shown in Figure 2.24, the assets in these undisclosed investment vehicles have increased 53 percent since 2018, extending a growth pattern that started in 2014, at the same time that the the Principles for

Responsible Investment (PRI), a global network, began requiring its signatories to disclose data in publicly available Transparency Reports. Although the PRI reporting framework provided a new source of information on ESG asset management, PRI signatories have not been required to disclose publicly the specific ESG criteria they consider or to enumerate the specific funds and vehicles affected by their ESG incorporation practices. PRI signatories that do not clearly disclose their investment products and vehicles

consequently constitute the bulk of these uncategorized money manager assets that reportedly incorporate ESG criteria in some way. Over the last two years, nearly 120 new US-based investment managers joined the PRI, further magnifying this phenomenon.

Managers of these assets in undisclosed investment vehicles generally fall into two, sometimes overlapping groups:

- The first group consists of money managers that responded to the US SIF Foundation survey and chose the "other/not listed" miscellaneous category of investment fund type rather than one of the investment vehicle categories described earlier in this chapter. Here, managers may have decided to lump groups of assets together by ESG criteria rather than listing every single product. This group represents \$2.0 trillion in assets. A small subset of this group, representing \$500 billion in assets under management, did not disclose specific ESG criteria associated with these uncategorized pools of assets, reporting only that these assets were subject to general ESG criteria.
- A second group consists of money managers that did not respond to the US SIF Foundation's information request. These managers may have filed PRI Transparency Reports or released other forms of public disclosures







about their ESG investing policies and practices but did not provide assets disaggregated by vehicle type. This group of managers did not disclose investment vehicles across \$9.5 trillion in ESG assets under management. Of this pool of assets without an identified investment vehicle type, \$6.4 trillion in assets also did not have specific ESG factors

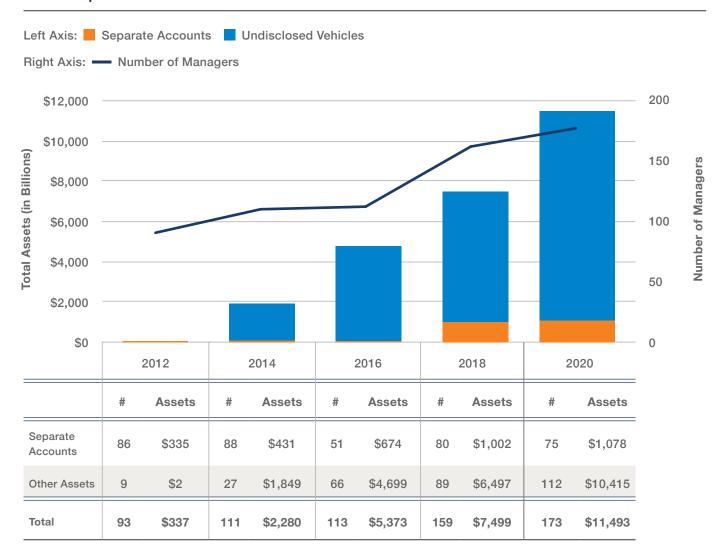
associated with them; instead, the reporting managers only referred to ESG factors in general.

Additionally, it should be noted that these undisclosed investment vehicle assets do include "separate accounts," reported by 75 firms and constituting approximately 9 percent of the total \$11.5 trillion in uncategorized assets. However,

reporting by money managers on separate account assets remains too heterogeneous to track specific vehicles in precise, quantifiable ways. Although some respondents provide detailed information about composite pools of individual separately managed account strategies, other responding managers combine multiple strategies into one entry, which results in uneven comparisons across this

FIGURE 2.24

ESG Incorporation in Undisclosed Investment Vehicle Assets 2012–2020



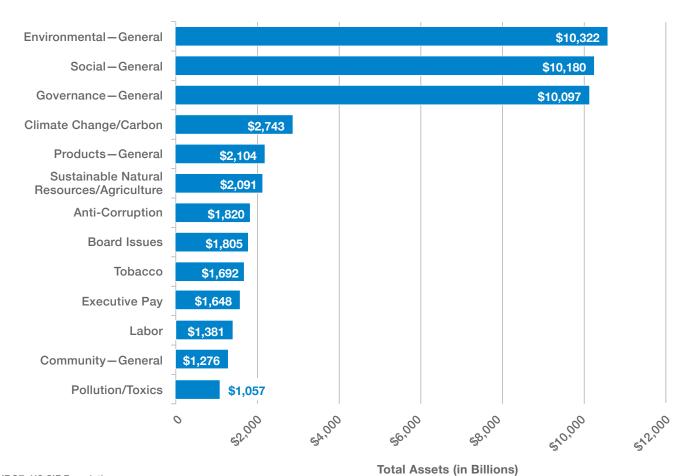
SOURCE: US SIF Foundation.

NOTE: This figure counts the number of firms reporting these assets rather than the number of funds or vehicles involved.

(

FIGURE 2.25

Leading ESG Criteria for Undisclosed Investment Vehicle Assets 2020



category. Without commensurable responses about ESG incorporation through separate account vehicles, these assets are considered undisclosed investment vehicle assets.

Despite the limitations in transparency and disclosure of the funds through which these assets are managed, some ESG incorporation trends can be quantified among these undisclosed investment vehicle assets. Figure 2.25 highlights that 87 to 90 percent of these

assets are subject to general ESG criteria. In addition, general, unspecified product-related criteria are incorporated into the management of \$2.1 trillion of these uncategorized assets.

Among more specific ESG factors, environmental factors predominate. Climate change and carbon is the leading criterion associated with these pools, affecting \$2.7 trillion in assets under management, followed by sustainable natural resources and agriculture with

\$2.1 trillion. Governance criteria related to anti-corruption and board issues follow closely behind in asset-weighted terms, incorporated into the management of \$1.8 trillion.

In 2018 as in 2020, climate change, anti-corruption measures and tobacco restrictions were in the top five specific ESG criteria for these undisclosed investment vehicles. However, sustainable agriculture/natural resources and board issues moved into the top five in 2020 from eighth and ninth



place, respectively, in 2018 when these criteria were applied to just \$1 trillion in assets.

Community Investing

Community investing is a vital form of sustainable and impact investing that the US SIF Foundation has tracked for more than two decades.

COMMUNITY INVESTING INSTITUTIONS

In the United States, community investing institutions direct capital to communities and individuals underserved by conventional financial services. They typically provide capital for small businesses, affordable housing units, charter schools, grocery stores and other community amenities. They also provide responsible lending products and related programs to help consumers avoid the predatory lenders that are often found in low-income areas.

Their numbers include banks, credit unions, loan funds and venture capital funds that are certified and overseen as community development financial institutions (CDFIs) by the CDFI Fund, a division of the US Department of the Treasury. In addition, the community investing institutions tracked by the US SIF Foundation include numerous credit unions not certified as CDFIs but with a longstanding mission of serving

lower income communities in the United States.

The US SIF Foundation has also tracked US-based loan funds that provide microfinance lending and other forms of capital to entrepreneurs and small businesses outside the United States.

The community investing sector has experienced rapid growth over the last decade. Community investing assets nearly doubled between 2014 and 2016, then increased by just over 50 percent between 2016 and 2018, and most recently grew by 44 percent between 2018 and 2020. The number of community investing institutions stood at 1,204 in 2020, up from 1,145 in 2018.

Community development credit unions constitute the largest group of community investing institutions, in assetweighted terms. Assets among credit unions grew 49 percent since 2018 to more than \$180 billion, and their numbers increased substantially as well from 370 to more than 450. Although smaller in assets and declining in number, community development loan funds nevertheless remain the most numerous kind of community investing institution. There were nearly 600 community loan funds with \$27 billion in combined assets in 2020. Community development venture capital

fund assets increased by 57 percent since 2018, to more than \$370 million, although their numbers and assets remain the smallest segment of community investing institutions analyzed here.

COMMUNITY DEVELOPMENT

BANKS are regulated banking institutions that operate much like their conventional counterparts but focus their lending and banking services in lower-income communities. They typically offer services available at conventional banks to both individual and business customers, including federally insured savings, checking, money market and individual retirement accounts and certificates of deposit.

COMMUNITY DEVELOPMENT CREDIT UNIONS (CDCUs) are

regulated depository institutions that are member-owned and cooperatively controlled. CDCUs offer federally insured accounts and other financial services offered by conventional credit unions but are mission-driven to responsibly serve lowincome and other underserved communities.

According to Inclusiv, formerly known as the National Federation of Community Development Credit Unions, there were 454 CDCUs with \$184 billion in combined assets at the outset of 2020.





FIGURE 2.26

Community Investing Institution Assets 2012–2020



SOURCE: CDFI Fund, Inclusiv, Calvert Impact Capital.

NOTE: Credit unions include all members of the National Federation of Community Development Credit Unions as well as credit unions certified as CDFIs. Loan funds include US-based international microfinance vehicles. Only the assets of banks and venture capital funds that are certified CDFIs are included in this table.

Number of Funds



COMMUNITY DEVELOPMENT LOAN FUNDS (CDLFs) pool

investments from individuals and institutions to further community development, often in specific geographic regions. Unlike depository institutions like banks and credit unions, CDLFs do not have federally insured deposits, but they take many other steps to safeguard investor money, including using collateralized loans, setting aside loan-loss reserves, and pledging the institution's or fund's net worth to protect

against investor losses.
International loan funds, which represent a subset of CDLFs for the purposes of this report, focus their lending and equity investments overseas, typically providing or guaranteeing small or microfinance loans to entrepreneurs and small businesses.

At the outset of 2020, \$26.9 billion was invested in 596 community development loan funds. Of this sum, \$20.9 billion was invested in domestic loan

funds certified as CDFIs. The balance of \$6.0 billion, according to data provided by Calvert Impact Capital, represents the assets of loan funds managed by US-based international microfinance organizations.

COMMUNITY DEVELOPMENT VENTURE CAPITAL (CDVC)

is a form of private equity investment targeted at financially underserved low- and moderate-income communities that seeks to generate good jobs, wealth and entrepreneurial

FIGURE 2.27

Other Community-Related Investment by Money Managers 2020

	In	egistered vestment ompanies	Alt	ternatives	Co	Other mmingled Funds	Undisclosed Investment Vehicle Assets	Total
Community-related Criteria	#	Assets (in Billions)	#	Assets (in Billions)	#	Assets (in Billions)	Assets (in Billions)	Assets (in Billions)
Affordable Housing	50	\$45.0	13	\$8.8	8	\$0.53	\$664.7	\$716.8
Community Relations/ Philanthropy	71	\$443.6	58	\$177.2	4	\$0.0	\$234.3	\$855.2
Community Services	52	\$75.4	49	\$145.3	10	\$0.1	\$56.6	\$277.4
Fair Consumer Lending	55	\$52.0	19	\$1.8	8	\$0.3	\$149.1	\$203.2
Microenterprise	30	\$29.7	13	\$0.9	4	\$0.0	\$37.1	\$67.7
Place-Based Investing	10	\$4.3	39	\$3.1	3	\$0.0	\$4.9	\$12.3
Small & Medium Businesses	31	\$17.0	58	\$3.9	5	\$0.5	\$31.9	\$53.2
Community-Other	11	\$18.7	15	\$0.5	6	\$0.1	\$1,277.4	\$1,296.7
Total Across Community Criteria	114	\$502.1	146	\$200.0	22	\$0.9	\$2,206.4	\$2,907.2

SOURCE: US SIF Foundation.

NOTE: Some managers incorporate multiple community-related criteria, so totals do not sum.





capacity. As a form of private equity, community development venture capital funds are also analyzed as part of the alternative investment vehicles discussed previously (but before aggregation, the assets of these funds are controlled for any potential effects of double counting). Within this category, 15 CDVC funds with \$373 million in assets under management were certified as CDFIs by the start of 2020.

MONEY MANAGERS CONSIDERING COMMUNITY CRITERIA

In addition to the four types of community investing institutions described above, money managers consider community-related criteria and themes across numerous other investment vehicles and asset classes. As Figure 2.27 shows, investment vehicles with \$2.9 trillion in total assets reported that they incorporated some form of communityrelated criteria. Most of these assets-\$2.2 trillion-were managed through undisclosed

investment vehicles. The most significant communityrelated criterion for these unspecified vehicles was affordable housing, affecting \$665 billion in assets. Registered investment companies accounted for the second largest pool of assets - \$502 billion-considering communityrelated criteria, and alternative investment managers applied community criteria across \$200 billion in assets. Other commingled funds accounted for the smallest pool of assets only \$900 million—considering community criteria.







III. ESG Incorporation by Institutional Investors

FIGURE 3.0

Sustainable Investing Assets 2020

ESG Incorporation

- By Money Managers on Behalf of Individual/Retail Investors \$4,550 Billion
- By Money Managers on Behalf of Institutional Investors \$12,014 Billion

Filing Shareholder Resolutions

- Institutional Investors \$1,658 Billion
- Money Managers \$322 Billion



Overlapping

(\$1,462 Billion)

Strategies

Total: \$17,081 Billion

SOURCE: US SIF Foundation.



To understand how and why institutional asset owners incorporate environmental, social and governance (ESG) criteria into their investment analysis and portfolio selection, the US SIF Foundation gathered more detailed data on or from 530 institutional investors in nine categories. These were public funds, insurance companies, educational institutions, philanthropic foundations, labor funds, hospitals and healthcare plans, faith-based institutions, other nonprofits and family offices.

The assets subject to ESG criteria among this group of institutions totaled \$6.18 trillion, equivalent to 51 percent of the \$12.01 trillion that money managers identified as institutional assets, as shown in Figure 3.0. Because money managers do not disclose information about their institutional clients, the data collected on these 530 institutional investors provides the basis for the analysis of institutional ESG investing trends in this chapter. The institutional ESG incorporation trends described in this chapter should be understood as representing the most transparent institutional investors in the United States.

This chapter, which draws from institutional investors' direct survey responses or from their public information, is divided into two main sections. The first

examines the leading themes, strategies and motivations institutional investors report for incorporating ESG criteria into asset management. The second section provides more detailed analysis of how ESG incorporation is practiced within the nine segments of institutional asset owners in descending order of their collective ESG assets.

Key Trends

- Among the institutional investors included here, public funds represent both the largest value of ESG assets under management and the largest number of institutions reporting the incorporation of some form of ESG criteria in their investments.
- In asset-weighted terms, the restriction of investments in

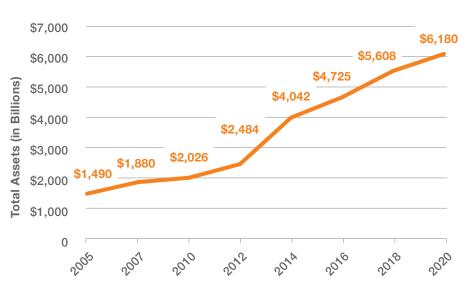
- companies doing business with **conflict risk** countries, primarily Sudan and Iran, remains the top ESG factor institutional asset owners incorporate into their investments.
- Climate change and carbon emissions is the leading environmental issue reported by institutions, which take this issue into account in portfolios totaling \$2.61 trillion, compared with \$2.24 trillion in 2018.
- Another leading environmental issue considered by investors is sustainable natural resources and agriculture, reflected in \$2.18 trillion and up 95 percent since 2018.
- The top governance criterion for institutional investors is board-related issues, addressed across \$2.28 trillion in assets and up 32





FIGURE 3.1

Growth of ESG Incorporation Reported by Institutional Investors
2005–2020



percent since 2018, followed by **executive pay**, affecting \$2.18 trillion and up 29 percent. Assets incorporating **anticorruption** issues increased 40 percent to \$1.61 trillion.

- Other prominent social issues for institutional investors are labor issues, assessed in \$1.58 trillion of assets and up 2 percent, while equal employment opportunity and diversity was reflected in \$1.51 trillion, down 6 percent.
- Tobacco, a sustainable investment issue for decades, affects \$2.47 trillion in institutional investor capital.

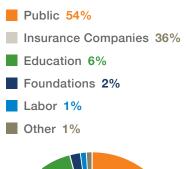
Background

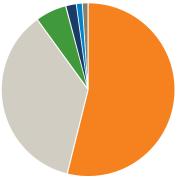
Through the US SIF Foundation survey process, institutions could select up to 32 criteria broken into communityrelated, environmental, social, governance and product-related categories. They also had the option to specify any other ESG criteria they considered.

The manner in which investors incorporate each of these criteria varies. For example, "tobacco," "military/ weapons" and "fossil fuel" signify industries or sectors that investors may seek to avoid. Criteria such as "clean technology" and "place-based investing" may be selected by investors actively pursuing investment in these fields. Other criteria such as "labor," "EEO/ diversity" and "sustainable natural resources" may represent metrics upon which investors evaluate companies. Appendix 1, the Glossary of Environmental, Social and

FIGURE 3.2

Institutional Investor ESG Assets, by Investor Type, 2020





SOURCE: US SIF Foundation.

NOTE: Other consists of family offices, healthcare institutions, faith-based institutions and other nonprofits that collectively represent about 1 percent of ESG assets in 2020.

Governance Criteria, provides a more thorough explanation of each of the ESG issues discussed in this report.

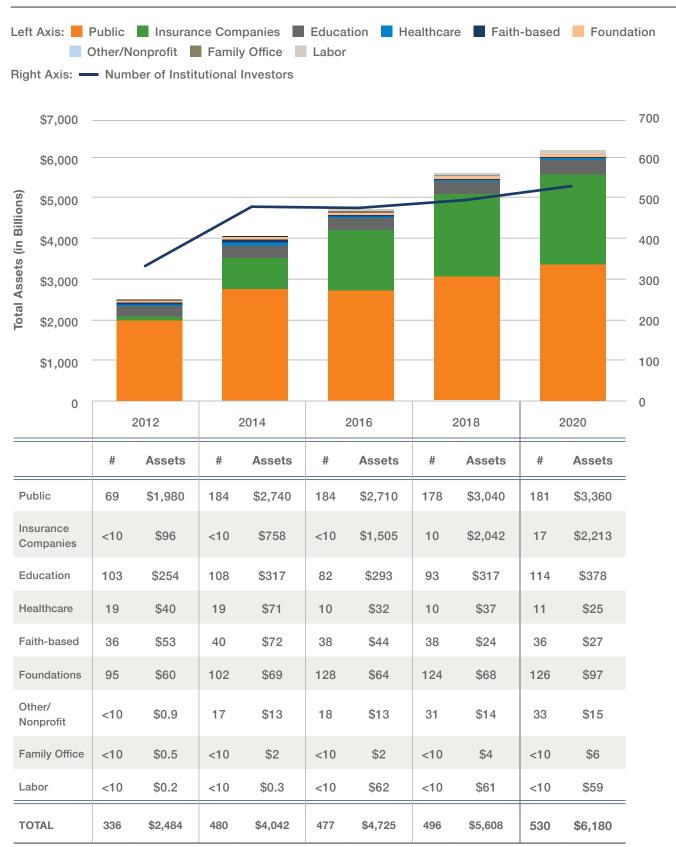
The assets to which institutional investors report they apply ESG criteria are slightly greater—10 percent—than the ESG incorporation criteria reported by 496 US institutional investors in 2018. Institutional ESG incorporation assets identified by the US SIF Foundation have grown 315 percent since 2005. (See Figure 3.1.)

Among the institutional investors included here, public funds represent both the

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FIGURE 3.3

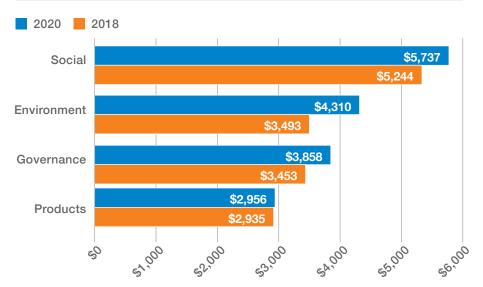
Types of Institutional Investors Incorporating ESG Criteria 2012–2020



Number of Funds



FIGURE 3.4 **ESG Categories Incorporated by Institutional Investors 2018–2020**



Total Assets (in Billions)

NOTE: Social category includes community-related criteria. See Appendix 1.

largest value of ESG assets under management and the largest number of institutions reporting the incorporation of some form of ESG criteria in their investments. Insurance companies rank second in the value of ESG assets under management, although data from fewer than 20 institutions are analyzed. These two segments each represent over \$2 trillion in ESG assets. Foundations represent the second largest number of institutions reporting involvement in sustainable and impact investing, although their affected assets are far less. (See Figures 3.2 and 3.3.)

A Closer Look at Themes, Strategies and Motivations

As shown in Figure 3.4, the 530 institutional investors reflected

in this chapter collectively apply various social criteria to \$5.74 trillion in assets. Governance and environmental considerations affect a smaller sum of the institutional investor assets reported, at \$4.31 trillion and \$3.86 trillion, respectively. Policies related to products, such as restrictions on tobacco or weapons investments, affect \$2.96 trillion. Of these four broad categories, the institutional assets subject to environmental criteria have grown the most since 2018 in absolute and relative terms.

Figure 3.5 shows the leading ESG issues reported by institutional investors, in asset-weighted terms. Continuing a trend first observed in 2014, several institutional investors in 2020 reported that they incorporate environmental, social or governance issues

generally, but without specifying which particular ESG issues they consider. Institutions also had the option to check "other" or to report factors considered that were not listed in the survey.

ENVIRONMENTAL ISSUES

Environmental issues continue to gain attention among institutional investors. In 2020, the US SIF Foundation identified \$4.31 trillion in institutional assets associated with environmental criteria, a 23 percent increase from 2018. Investment portfolios with one or more environment-related criteria are now managed by 285 institutional investors, compared with 253 identified in 2018. Figure 3.6 shows the most important environmental criteria, in asset-weighted terms, for institutional investors in 2020.

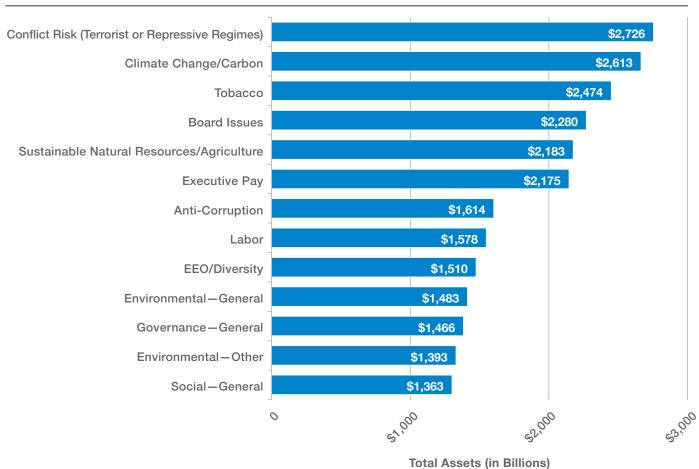
Climate change and carbon emissions remain the most important specific environmental issue, a trend that began in 2012. The assets affected increased 17 percent from 2018 to \$2.61 trillion in 2020.

The US government announced in June 2017 that it would withdraw from the 21st Conference of the Parties (COP21) of the United **Nations Framework Convention** on Climate Change agreement (the "Paris Agreement"). However, a range of other entities, including state and city governments as well as businesses and investors, created new initiatives to demonstrate their commitment to reducing carbon emissions. These include America's Pledge, the US Climate Alliance and the We Are Still In

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FIGURE 3.5

Leading ESG Criteria Reported by Institutional Investors, by Assets 2020



NOTE: Some institutional investors reporting that they have adopted strategies of ESG incorporation, but without specifying which specific ESG issues they consider, account for the assets in the "General" environmental, social and governance categories.

Declaration. Investor scrutiny of climate risk is likely to continue. The Investor Agenda, formed in 2018, is a global coalition of investors representing more than \$35 trillion in assets that have agreed to pursue investments, corporate engagement and policy advocacy to achieve the goals of the Paris Climate Accord.

The Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TFCD) has also supported investors seeking to incorporate climate change criteria into their

investment decisions. In June 2017, the TFCD released its final recommendations on how investors and companies can more effectively provide climate-related disclosures in their annual financial filings. The US Commodity Futures Trading Commission released a report in 2020 on the financial costs and consequences of climate change.

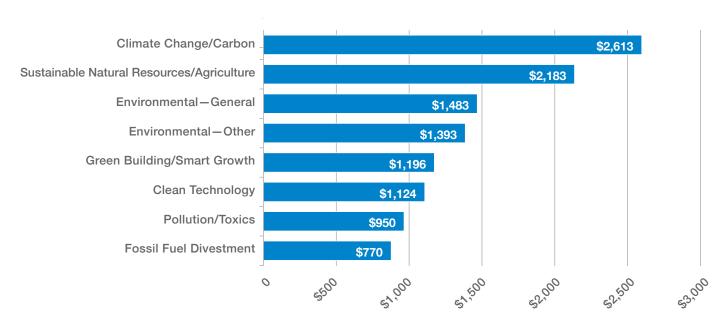
Sustainable natural resources and agriculture, reflected in \$2.18 trillion in assets and up 95 percent since 2018, is the second most common specific Climate change remains the most important specific environmental issue reported by institutional investors.



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FIGURE 3.6

Leading Environmental Criteria for Institutional Investors 2020



Total Assets (in Billions)

SOURCE: US SIF Foundation.



Fossil fuel divestment policies grew by 13 percent in asset-weighted terms among this group of investors compared with the slightly smaller group tracked in 2018. The US SIF Foundation's 2020 survey was the fourth to track institutional investors that divested in some way from fossil fuels. This included divesting from the largest oil, gas and coal corporations in terms of proven carbon reserves or from companies developing coal or

tar sands projects. The assets under management affected by such policies have expanded significantly: just \$14 billion was identified in 2014. A range of campaigns led by 350.org, Divest-Invest Philanthropy, university student groups, state lawmakers and city level grassroots organizations have moved scores of institutional investors to address this issue.

Institutional investors, primarily insurance companies, identified other environmental issues that were not specifically listed as response options in the survey, including water, biodiversity impacts, and issues related to energy, chemicals, mining and utility companies.

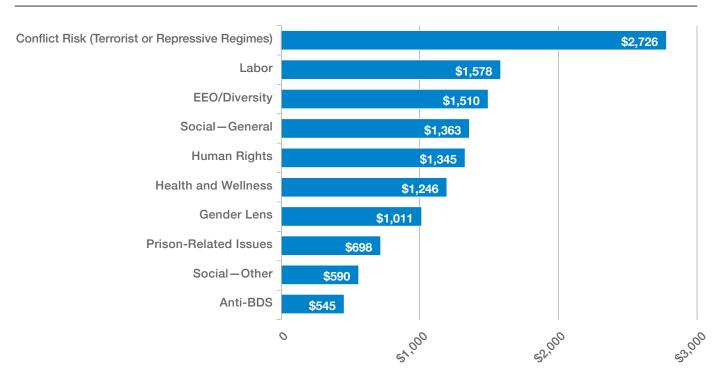
SOCIAL ISSUES

As was the case in 2018, concerns over social issues affected the largest share of ESG assets—\$5.74 trillion at the beginning of 2020, a 9 percent increase over the assets institutions reported as subject to social criteria in 2018.

As shown in Figure 3.7, investment policies related to conflict risk (terrorist or repressive regimes) affect \$2.73 trillion, making it the single most prominent ESG criterion in asset-weighted terms, as it has been since 2010. In 2020, the US SIF Foundation identified 203 institutions that applied this criterion, primarily toward Sudan and Iran. The majority of these institutions are public



FIGURE 3.7 **Leading Social Criteria for Institutional Investors 2020**



Total Assets (in Billions)

SOURCE: US SIF Foundation.

funds complying with legislation to restrict investments in companies doing business in these countries.

Sudan has been the site of conflict for many years. In 2017, the United States relaxed sanctions first imposed two decades ago. Though it is now legal for US companies to sell goods and services to Sudan, government-sponsored attacks on civilians in Darfur and other regions have continued, and Sudan's transition government has struggled to stop violence across the country.1 In addition, Sudan remains on the US State Department's list of state sponsors of terrorism, which, despite easing of sanctions, effectively precludes US

investment in the country. The Investors Against Genocide initiative provides investors with information and resources to avoid companies in targeted sectors in Sudan.

Iran concerns many institutional investors because of its nuclear program activities. It also remains on the US State Department's list of state sponsors of terrorism. In 2018, the Trump administration ended the 2015 nuclear deal with Iran signed by the Obama administration and several other Western countries and reinstated all the sanctions that had previously been revoked. Even while the United States was still a part of the 2015 Iran nuclear deal, most state-level economic sanctions remained in place.

Policies related to laborincluding consideration of companies' workplace health and safety protections, employee retention programs and union relations - affected \$1.58 trillion, about the same as in 2018. Criteria related to equal employment opportunity and diversity affected \$1.51 trillion in assets, a 6 percent decrease over the same period. Reported assets related to human rights concerns—beyond repressive regimes-also fell slightly over the past two years from \$1.45 trillion in affected assets to \$1.35 trillion.

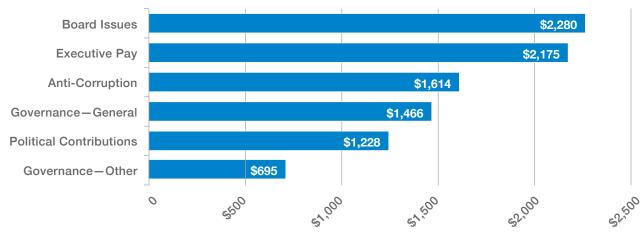
Although health and wellness was not one of the 32 ESG criteria options in the survey, institutional investors wrote in



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FIGURE 3.8

Leading Governance Criteria for Institutional Investors 2020



Total Assets (in Billions)

this issue as affecting aggregate assets of \$1.25 trillion. This development is largely due to two large insurance companies who reported that they consider this criterion as part of their sustainable investments.

Another prominent social issue among institutions is gender lens investing, with affected assets increasing 16 percent to \$1.01 trillion. In the last several years, institutional investors have increasingly sought investment products across asset classes that focus on companies that help women advance and on organizations that assist women and their families living in poverty or in under-served communities. To meet this demand, money managers are increasingly offering fund products expressly tied to addressing gender issues or that use gender-lens criteria as a significant factor in their investment decisions. A growing

body of research demonstrates that greater gender diversity boosts company profitability and performance.²

Prison-related issues saw major growth in affected assets, a 284 percent increase from 2018 to \$698 billion in institutional assets. Prison-related criteria can involve the consideration of risks associated with for-profit prison companies and with companies providing services to prisoners at predatory pricing, or the social costs of companies refusing to hire ex-prisoners. A number of institutions along with various advocacy groups have expressed concern about private prison companies because of their profit incentive to incarcerate people, particularly those from communities of color and immigrant communities.

In addition, several public funds wrote in that they apply

an anti-Boycott, Divestment and Sanctions (BDS) criterion, which was not on the survey's original list of 32 ESG criteria. The anti-BDS movement opposes the Palestinian effort to boycott, divest from and/or sanction Israeli companies to protest the Israeli government's stand toward Palestine and Palestinians.

The anti-BDS movement, which prohibits investments in funds or companies that boycott or divest from Israeli companies, has gained traction in recent years throughout the United States. A number of states have instituted legislation that public funds must comply with anti-BDS criteria, and Congressional legislation was introduced on the topic in 2019.³ This criterion was reported across \$545 billion in institutional assets under management in 2020.

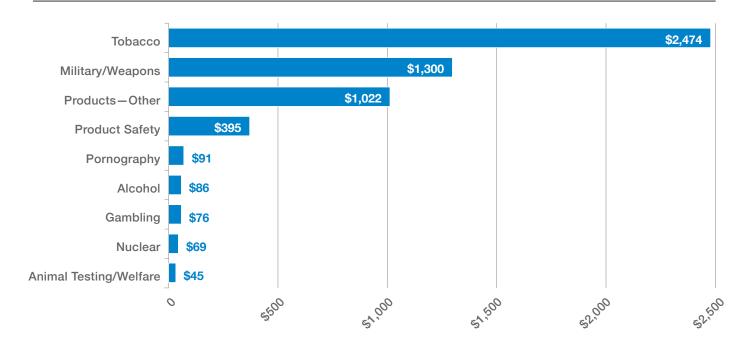




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FIGURE 3.9

Leading Product-Related Criteria for Institutional Investors 2020



Total Assets (in Billions)

SOURCE: US SIF Foundation.

Gender-lens investing is another prominent issue for institutional investors.

CORPORATE GOVERNANCE

Institutional asset owners reported applying governance criteria to \$3.86 trillion of investments at the beginning of 2020, compared with \$3.45 trillion at the start of 2018.

As shown in Figure 3.8, the top governance criterion identified for institutional investors was **board-related issues**, the consideration of the directors'

independence, diversity, pay and responsiveness to shareholders, which affected \$2.28 trillion and increased 32 percent since 2018. Consideration of executive pay affected \$2.18 trillion, a 29 percent increase.

Anti-corruption, involving the consideration of companies' policies to prevent bribery, racketeering and other corrupt practices, was reported across \$1.16 trillion in institutional assets, up 40 percent from 2018.

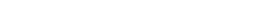
Political contributions and lobbying were reported across \$1.23 trillion, a 26 percent decline from two years prior. (However, investors have also signaled concern about corporate political contributions and lobbying by filing or supporting shareholder

resolutions addressing this issue, as discussed in Chapter 4.) As noted in the glossary in Appendix 1, this criterion involves the consideration of companies' management and disclosure of corporate political spending or lobbying activities, and of risks associated with corporate political activities.

PRODUCT-RELATED CRITERIA

The avoidance of investments in certain products that are seen as detrimental or controversial is one of the oldest strategies of sustainable investing. As of the beginning of 2020, institutional asset owners reported that they considered product-related criteria across \$2.96 trillion in assets. Figure 3.9 shows the leading product-related criteria







for institutional investors. In line with past years, tobacco remains the most prominent product issue in asset-weighted terms, affecting \$2.47 trillion in institutional investor assets.

A major trend since 2012 has been the dramatic growth in institutional assets incorporating military and weapons criteria, but this trend reversed slightly in 2020, even though mass shootings continue to be a major issue in the United States, with 340 occurring in 20184 and 417 in 2019, according to the Gun Violence Archive.5 The assets affected by military

and weapons criteria declined 14 percent to \$1.30 trillion in 2020, after increasing more than 17-fold from 2012 to 2018. The US SIF Foundation identified 88 institutional investors that applied this criterion in 2020, compared with 92 in 2018.

In terms of other specific criteria, product safety issues were addressed across \$395 billion, a 224 percent increase over what was reported by institutions in 2018. Avoidance of companies involved in pornography affected \$91 billion in assets. Policies for restricting investments in alcohol

companies affected \$86 billion in assets, while investment criteria related to gambling, nuclear power and to animal welfare and testing each affected less than \$80 billion.

STRATEGIES FOR ESG **INCORPORATION**

A subset of 60 institutions out of the 530 captured in this report disclosed additional information about the ESG incorporation strategies they use. As shown in Figure 3.10, ESG integration, practiced by 68 percent of the respondents to this question, affects the largest portion of assets under

FIGURE 3.10 **ESG Incorporation Strategies by Institutional Investors 2020**

	Number of Institutional Investors	% of Institutional Investors Responding	Affected Assets (in Billions)
ESG integration: the systematic and explicit inclusion by investment managers of ESG risks and opportunities into traditional financial analysis	41	68%	\$495
Negative/exclusionary: the exclusion from a fund or plan of certain sectors or companies based on specific ESG criteria	39	65%	\$414
Sustainability themed investing: the selection of assets specifically related to sustainability in single- or multi-themed funds	32	53%	\$11
Positive/best-in-class: investment in sectors, companies or projects selected for positive ESG performance relative to industry peers	38	63%	\$70
Impact investing: targeted investments aimed at solving social or environmental problems	48	80%	\$13
Total Responding	60		\$913

SOURCE: US SIF Foundation.

NOTE: Some institutions disclosed using multiple strategies within funds, so affected assets may overlap and percentages do not sum.



FIGURE 3.11

ESG Incorporation by Asset Class by Institutional Investors 2020

	Number of Institutional Investors	Affected Assets (in Billions)	Percent of ESG Assets
Other (e.g. Cash, Private Assets, Real Assets)	50	\$552	64%
Publicly Traded Equity	48	\$201	23%
Publicly Traded Bonds or Fixed Income	47	\$115	13%
Total Responding	57	\$868	100%

SOURCE: US SIF Foundation.

NOTE: Some institutions reported investing in more than one asset class, so totals do not sum.

FIGURE 3.12

Passive vs. Active ESG Asset Management by Institutional Investors 2020

	Number of Institutional Investors	Affected Assets (in Billions)	Percent of ESG Assets
Actively Managed	54	\$582	81%
Passively Managed	31	\$139	19%
Total Responding	56	\$721	100%

SOURCE: US SIF Foundation.

NOTE: Some institutional investors reported using both active and passive management across their ESG assets, so totals do not sum.

management—at \$495 billion. Negative/exclusionary screening strategies affect the second largest portion of assets under management, at \$414 billion.

Eighty percent of these institutional investors reported using impact investing. However, the assets they reported in this strategy were much lower: just \$13 The public funds responding to this question primarily use negative screening only, whereas philanthropic foundations, faithbased institutions and family offices use the full range of strategies.

This year's survey for the second time included questions regarding the asset class breakdown of institutional investors' ESG assets, and whether these assets are

actively or passively managed.

Fifty-seven institutional investors responded to the survey question about the asset class breakdown of their ESG assets, as shown in Figure 3.11. Among this group, 48 institutions reported \$201 billion of their aggregate ESG assets in publicly traded equities, and 47 institutions reported \$115 billion in fixed income. Fifty institutions reported investing





FIGURE 3.13

Reasons Institutional Investors Report Considering ESG Factors 2020

Reason	Number of Institutions	% of Institutions Responding	ESG Assets (in Billions)
Risk	35	54%	\$919
Fiduciary Duty	27	42%	\$883
Returns	35	54%	\$772
Mission	61	94%	\$725
Social or Environmental Impact	55	85%	\$723
Client Demand	21	32%	\$705
Regulatory Compliance	6	9%	\$680
Sustainable Development Goals	22	34%	\$10
Total Responding	65		\$952

NOTE: Institutions cited multiple rationales, so affected assets and number of institutional investors overlap.

in other asset classes, such as cash and private assets, across \$552 billion of their aggregate assets. (The prominence of other asset classes in this subset is largely due to one public fund that reported that nearly all of its assets were invested in assets other than publicly traded equity or fixed income.)

Fifty-six institutional investors responded to the question about their use of passive versus active management strategies as shown in Figure 3.12. Almost all the institutions in this group used active management and over half used passive strategies. Of the \$721 billion in combined ESG assets

reported by these respondents, the breakdown between active and passive management was 81 percent and 19 percent, respectively.

MOTIVATIONS FOR ESG INCORPORATION

A subset of 65 institutions, with \$952 billion in ESG assets, responded to an additional series of questions about why they incorporate ESG criteria into their investments.

As Figure 3.13 highlights, the top motivation in assetweighted terms was managing risk, affecting \$919 billion. This was also the top motivation identified in the 2018 and 2016

surveys. Fulfilling fiduciary duty affected \$883 billion, followed by improving financial returns with \$772 billion.

Fulfilling mission and pursuing social benefit were cited by the largest number of respondents, 61 and 55 respectively, including the majority of foundation and faith-based respondents.

This year's survey for the second time included fulfilling one or more of the UN Sustainable Development Goals (SDGs) as an option. Twenty-two respondents, or 34 percent of the subset, indicated the SDGs as a motivation across \$10 billion in assets. In 2018, 23 percent of

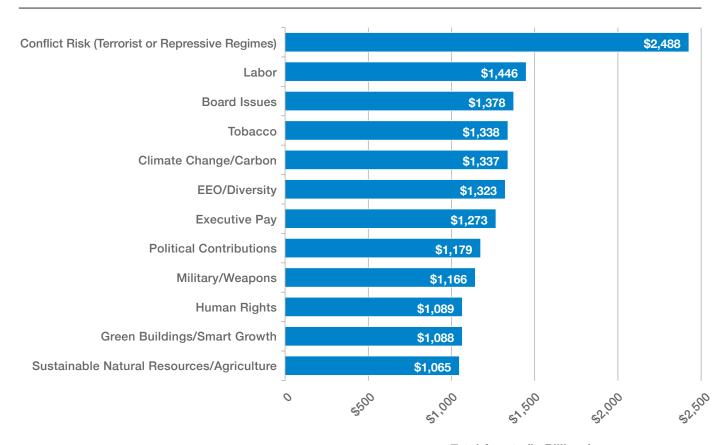






FIGURE 3.14

Leading ESG Criteria for Public Funds 2020



Total Assets (in Billions)

92 respondents for this question indicated the SDGs as a reason across \$4 billion in assets.

Public Funds

Public funds managed for federal, state, county and municipal governments, including public employee pension plans and other publicly pooled portfolios, incorporate ESG criteria across \$3.40 trillion in assets, the largest share of institutional assets, and a nearly 11 percent increase since 2018. Public sustainable investment

options are generally provided through defined benefit or defined contribution plans alongside some 529 college savings programs.

At the start of 2020, public funds reported that they considered 12 criteria across more than \$1 trillion in assets, compared with just six criteria crossing this threshold in 2018.

Three of the top five issues were the same as in 2018—conflict risk, board issues and tobacco—while labor issues and climate change and carbon emissions rounded out the top five in 2020 (replacing executive pay and political contributions).

As shown in Figure 3.14, by far the most prominent ESG criterion considered by public funds based on the assets affected was restricting investment in companies doing business in conflict risk countries, primarily Sudan and Iran. This has been the top criterion for public funds since 2007, although the assets affected decreased by nearly 6 percent since 2018.





Labor issues—the consideration of companies' labor or employee relations programs, employee involvement, health and safety, employment and retirement benefits, union relations or workforce reduction—was the top social issue after conflict risk, and up 40 percent since 2018 to \$1.45 trillion in assets. Among social criteria the next largest was equal employment opportunity and diversity, affecting \$1.32 trillion in assets, a 34 percent increase. Human rights issues were addressed across \$1.10 trillion, up 18 percent from two years prior.

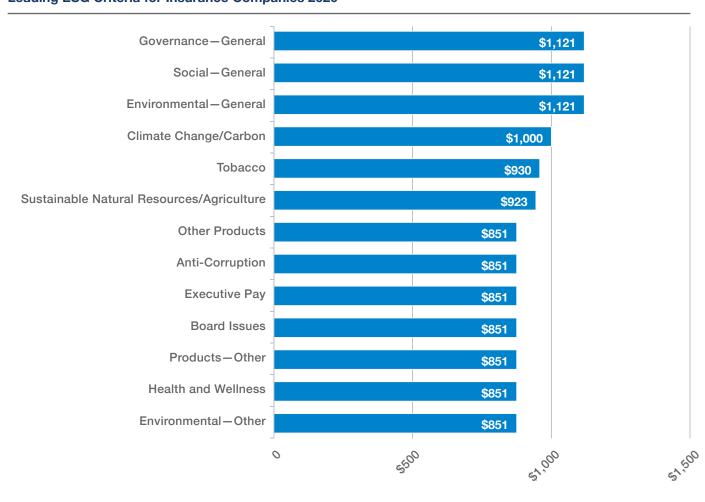
The largest governance criterion was board issues—affecting \$1.38 trillion in assets, a 12 percent increase from 2018. Executive pay-considering companies' executive pay practices, especially whether pay policies are reasonable and aligned with shareholders' or other stakeholders' long-term interests—was next, up 7 percent to \$1.30 trillion in assets affected. The consideration of companies' political contributions and lobbying followed, affecting \$1.18 trillion in assets, about the same as in 2018.

The most prevalent product issue was **tobacco** avoidance, which was up 29 percent from 2018 to \$1.34 trillion in affected public fund assets. **Military and weapons** criteria were addressed across \$1.17 billion in public fund assets, up 24 percent.

Climate change and carbon emissions remained the top environmental issue for public funds at the start of 2020, affecting \$1.34 trillion in assets, compared with \$972 billion two years earlier. Green building and smart growth and sustainable natural

FIGURE 3.15

Leading ESG Criteria for Insurance Companies 2020



Total Assets (in Billions)

SOURCE: US SIF Foundation.





resources and agriculture each affected nearly \$1.10 trillion. Each of the three environmental criteria increased more than 35 percent in affected assets since 2018.

Insurance Companies

With \$2.21 trillion in assets affected by ESG issues. the investment portfolios of insurance firms constitute the second largest pool of institutional capital that was reported to be subject to some form of sustainable investment policy. This is an increase of 8 percent from the \$2.04 trillion in ESG assets identified in 2018. An important data source for this segment was the Insurer Climate Risk Disclosure Survey organized by the California Department of Insurance.

While the ESG assets identified were significant, only 17 institutions are represented. This compares with 10 insurance companies reporting in 2018. As shown in Figure 3.15, in terms of specific issues, the leading ESG criterion for insurers is climate change and carbon emissions affecting \$1.00 trillion in assets, followed by tobacco with \$930 billion and sustainable natural resources and agriculture with \$923 billion. In 2018 tobacco was the top specific issue, with climate change and carbon emissions coming second.

Anti-corruption, executive pay and board issues each affected \$851 billion in assets that were all accounted for by one insurance company. That company also wrote in "health"

and wellness" as a criterion it applied to these assets.

Some insurance companies also reported that they incorporate ESG issues, but without specifying particular criteria among a significant portion of assets as indicated by the general categories. See Figure 3.15.

Educational Institutions

Educational institutions in aggregate reported \$378 billion in assets at the start of 2020 that were subject to various ESG criteria, constituting the third largest pool of institutional capital with ESG assets after public funds and insurance companies. This is an increase of 19 percent from the \$317 billion identified in 2018. The 2020 survey identified 114 educational institutions incorporating ESG issues, compared with 93 institutions in 2018.

In 2020, climate change was for the first time the top criterion reported by educational institutions

In 2020, climate change and carbon emissions was for the first time the top criterion reported by educational institutions, affecting \$233 billion, a 63 percent increase

from the \$143 billion identified in 2018. Conflict risk, which had been the top issue from 2010 to 2018, followed, affecting \$185 billion, although this was a decline of 36 percent from 2018. Two other social issues in the top five are human rights, accounting for \$185 billion, and equal employment opportunity and diversity, affecting \$175 billion. In terms of specific ESG criteria, sustainable natural resources and agriculture was also identified in the top five, addressed across \$176 billion. Both human rights and sustainable natural resources moved into the top ESG criteria in 2020 for educational institutions due to a large university system citing these criteria for the first time.

Other important specific issues in terms of assets affected were fossil fuel divestment, up 20 percent to \$100 billion, tobacco, which declined 56 percent to \$86 billion, and prison-related issues, up more than six-fold from \$10 billion to \$61 billion.

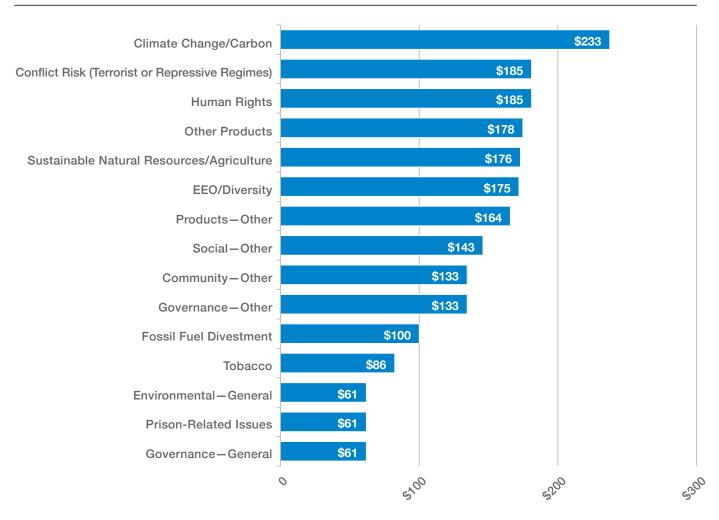
As of 2020, more than 100 educational institutions have convened official committees on investor responsibility, compared with about 80 in 2018.6 These campus committees take varying forms but often provide a formal forum for stakeholders to update endowment ESG policies and practices. Educational institutions are increasingly mentioning ESG considerations in their investment policy statements, and more are committing money to sustainable investment funds. Several nonprofit organizations and





FIGURE 3.16

Leading ESG Criteria for Educational Institutions 2020



Total Assets (in Billions)

SOURCE: US SIF Foundation.

networks such as the Sustainable Endowments Institute and the Intentional Endowments Network provide endowments, students and other stakeholders with support, data and research on sustainable investment issues.

Philanthropic Foundations

Like other institutional investors, foundations tend to be invested for the long term. Foundations are distinguished

from many other institutional investors, however, by their explicit philanthropic missions. A fundamental reason for foundations to adopt sustainable and impact investment strategies is to have additional tools to advance their programmatic goals and generate positive impact. Although a few foundations apply ESG criteria across their entire endowments, foundations typically have considered ESG criteria across relatively small

portions of their assets. This may be starting to change.

The US SIF Foundation identified over 120 foundations in 2020 that apply one or more ESG criteria to \$97 billion in assets under management collectively, accounting for 2 percent of the total institutional ESG assets discussed in this chapter. These aggregate ESG assets of foundations have increased 43 percent since 2018, although the number of foundations reporting stayed roughly the same.

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ERISA, Private Sector Plans and Sustainable Investing Options

The United States has the largest pension fund market in the world. With more than 700,000 private sector workplace retirement plans, it covers 136 million participants and represents over \$10 trillion. To date, only a small proportion of these assets have been invested in mutual funds and registered investment companies that explicitly consider ESG factors. That is despite the fact that seven of the 15 investment management firms that constitute the top 10 defined benefit and the top 10 defined contribution managers in the United States are signatories to the Principles for Responsible Investment.⁷

DIRECT FILING ENTITIES

The US SIF Foundation analyzed data filed by plans known as Direct Filing Entities (DFEs) to determine the extent to which they invest plan assets in the registered investment vehicles tracked in this report that incorporate ESG criteria (see Appendix 2).

DFEs include the following four categories—Common/Collective Trusts, Pooled Separate

Accounts, Master Trusts, and 103-12 Investment Entities—and they exist for both defined benefit and defined contribution plans.

In 2016, the total assets reported by DFEs was \$5.8 trillion across 14,806 plans. Within the 2016 DFE filings, the US SIF Foundation found approximately \$56.6 billion across 482 plans invested in funds that incorporate ESG criteria. Following the same approach in 2018, the US SIF Foundation found that the total assets in the 2018 Schedule D filings for DFEs were \$8.2 trillion across 15,845 plans.8 The US SIF Foundation was then able to identify within 2018 DFE filings \$95.7 billion across 988 plans invested in ESG integration funds, as shown in the table below.

401(K) PLANS

To better understand the state of ESG incorporation in defined contribution retirement plans, which make up a growing majority of private sector workplace retirement plans, the US SIF Foundation also obtained an analysis conducted

by ISS Market Intelligence's BrightScope platform, a leading source of retirement plan data from Form 5500 filings and audited financial statements.

Using data reported in 2018
Form 5500 Schedule H,
BrightScope was able to analyze
58,590 401(k) plans totaling
\$4.5 trillion which disclosed
their investment menu. In
asset-weighted terms, they
represented about 79 percent
of the aggregate assets—\$5.6
trillion—of all 659,055 401(k)
plans in 2018.

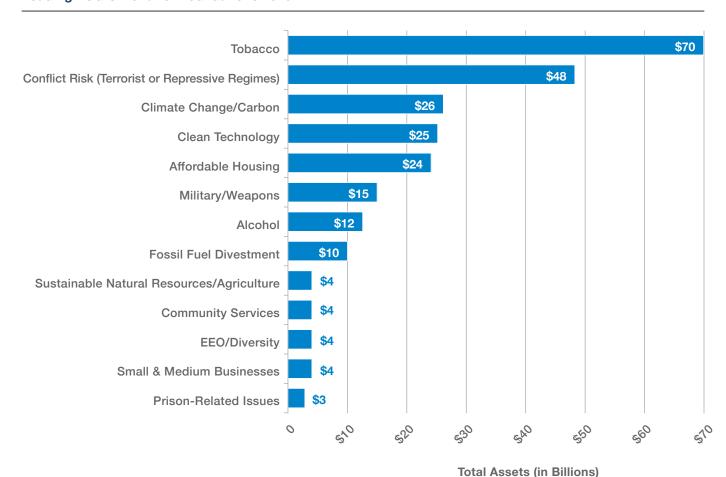
Of this group of 58,590 401(k) plans, Brightscope found that 11,488—nearly one-fifth—had assets invested in funds that meet its "Socially Conscious Fund" tag based on the description of the fund's investment strategy in its prospectus. The total that these plans invested in the Socially Conscious funds in 2018 was \$21.3 billion.

	2016	2018	Growth 2016–2018
Number of plans investing in ESG incorporation funds	482	988	105.0%
Assets in ESG incorporation funds (in Billions)	\$56.6	\$95.7	69.6%
Total assets of DFE plans (in Billions)	\$5,800	\$8,200	41.4%



FIGURE 3.17

Leading ESG Criteria for Foundations 2020



Foundations are required to make an annual 5 percent "qualifying distribution" from their assets "to accomplish a religious, charitable, scientific, literary, educational, or other permitted public purpose...."9 Some foundations also make program-related investments, which the Internal Revenue Service defines as investments that provide capital to nonprofit and for-profit enterprises primarily to advance the mission of the giving foundation. Income generation must not be

a "significant purpose" of the investment for the foundation. 10 Program-related investments, by definition, involve only a small portion of foundations' total assets.

The top two issues in assetweighted terms remain the same as between 2014 and 2018 tobacco and conflict risk, as seen in Figure 3.17.

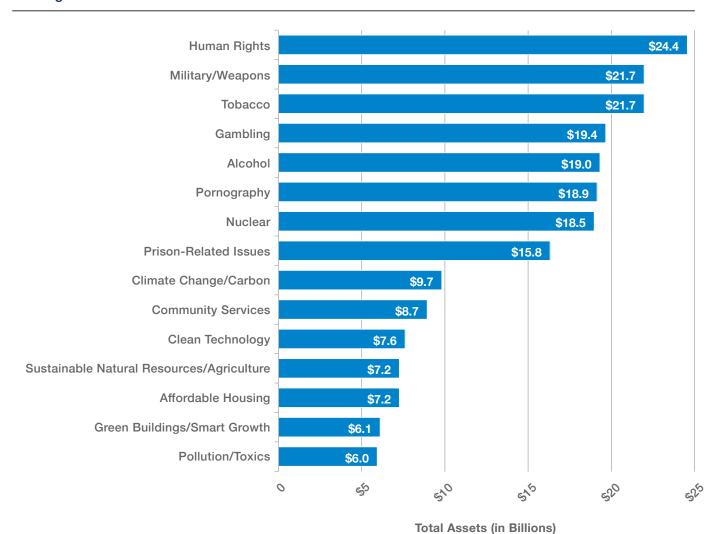
Among environmental criteria, climate change and carbon emissions was the top

issue, affecting \$26 billion, while clean technology was addressed across \$25 billion. The foundation assets affected by climate change and clean technology considerations increased eight-fold since 2018, primarily because of one foundation that checked these two criteria for the first time in 2020. Fossil fuel divestment policies were reflected in \$10 billion, up 43 percent since 2018, and sustainable natural resources and agriculture affected \$4 billion.



FIGURE 3.18

Leading ESG Criteria for Faith-Based Institutions 2020



SOURCE: US SIF Foundation.

The most prominent community issue was affordable housing, affecting \$24 billion, a sixfold increase from 2018 due to a new foundation marking it as a criterion in 2020. Other community and social issues include community services, equal employment opportunity and diversity and small businesses, each affecting \$4 billion. Prison-related investment restrictions affected \$3 billion.

Military and weapons avoidance affected \$15 billion, and alcohol avoidance affected \$12 billion.

The 100% IMPACT Network of Toniic specifically supports a membership of foundations and other accredited investors who have committed 100 percent of their assets to positive social and/or environmental impact. Other networks and resources for foundations involved in the various forms of sustainable and impact investing include

Confluence Philanthropy,
DivestInvest Philanthropy,
Exponent Philanthropy, Mission
Investors Exchange, The ImPact
and Transformational Investing
in Food Systems, an allied
initiative of the Global Alliance
for the Future of Food.

Labor Funds

Of the labor funds surveyed in 2020, only a few reported incorporating any kind of ESG



criteria into their investments. They account for \$59 billion in ESG assets, slightly lower than the level identified in 2018.

The only specific criterion considered by these funds was **labor**, affecting \$258 million in assets. This involves the consideration of companies' labor or employee relations programs, employee involvement, health and safety, employee and retirement benefits, union relations or workforce reduction.

Many labor funds use shareholder advocacy strategies without also practicing ESG incorporation because they typically prefer to be fully invested in the market as "universal investors." As a result, they tend to be active shareholder resolution proponents. Unions have also been active in shareholder coalitions such as the Ceres Investor Network, in which labor funds representing over \$170 billion in aggregate assets are members.¹¹

Faith-Based Institutions

Faith-based institutional investors reported \$27 billion in aggregate ESG assets, compared with \$24 billion in 2018.

A wide range of religious organizations are represented among faith-based institutions, from large Protestant denominational pension boards with billions of dollars in assets, to much smaller local Catholic congregational orders, churches and Jewish and

Islamic charitable organizations.
Networks that support faithbased investors include the
Interfaith Center on Corporate
Responsibility (ICCR) and
Catholic Impact Investing
Collaborative, among others.

The top criterion for faith-based investors for the first time was human rights, with affected assets up 30 percent from 2018 to \$24.4 billion, whereas the top issue was tobacco between 2010 and 2018. Another important social issue identified was prison-related issues, addressed in \$15.8 billion in assets and up 31 percent from 2018.

Avoidance of investments related to military/weapons, tobacco, gambling, alcohol, pornography and nuclear power were among the most prominent product issues in assetweighted terms, as highlighted in Figure 3.18.

The most important environmental issue in asset-weighted terms was climate change and carbon emissions, considered across \$9.7 billion in assets and an increase of 47 percent since 2018. Other environmental criteria—clean technology, sustainable resources and agriculture, green buildings and smart growth and pollution and toxics—each affected between \$6 and \$8 billion in assets.

The top community issues were **community services** (\$8.7 billion) and **affordable housing** (\$7.2 billion).

Healthcare Institutions

The US SIF Foundation identified 11 hospitals and healthcare plans that managed \$25 billion in ESG assets at the start of 2020. The most prominent ESG criterion for this segment of investors remained tobacco. affecting \$15 billion. The American Medical Association and the American Hospital Association encourage tobaccofree investing, and many hospitals restrict tobacco from their portfolios to align their investment strategies with their mission.

Additionally, some hospitals organized as nonprofits or affiliated with religious communities incorporate other ESG criteria that reflect broader missions. Human rights was the second most important issue in asset-weighted terms, addressed across \$13 billion at the beginning of 2020.

In terms of specific issues, product safety came next and was considered across \$7 billion in assets. Other product-related issues identified were exclusionary screens for pornography, nuclear power, and military/weapons, each affecting \$4 billion in assets.

Investments addressing faithbased issues affected \$6 billion in 2020.

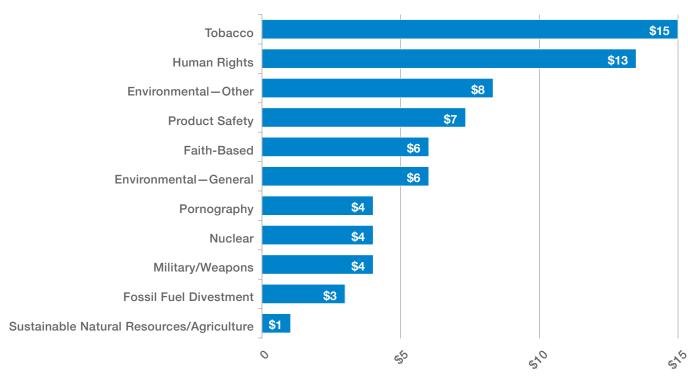
Healthcare institutions applied fossil fuel divestment policies to \$3 billion in assets, while sustainable natural resources



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FIGURE 3.19

Leading ESG Criteria for Healthcare Institutions 2020



Total Assets (in Billions)

SOURCE: US SIF Foundation.

and agriculture accounted for \$1 billion. Some healthcare institutions reported that they addressed environmental issues, but did not specify the criteria, as seen in Figure 3.19.

Other Nonprofit Organizations

Institutional investors in this category include research, advocacy and trade associations, but exclude the philanthropic foundations discussed previously. Nonprofit organizations accounted for \$15 billion in assets subject to ESG criteria at the start of 2020,

compared with \$14 billion in 2018. The number of nonprofits identified stayed about the same, with 31 in 2018 and 33 in 2020.

As in 2018, investment policies regarding the avoidance of **tobacco** were the most prominent in asset-weighted terms, affecting \$9.8 billion in assets. In terms of specific ESG criteria, the social criteria of **human rights** and **labor** both ranked close to the top with each affecting \$8.3 billion.

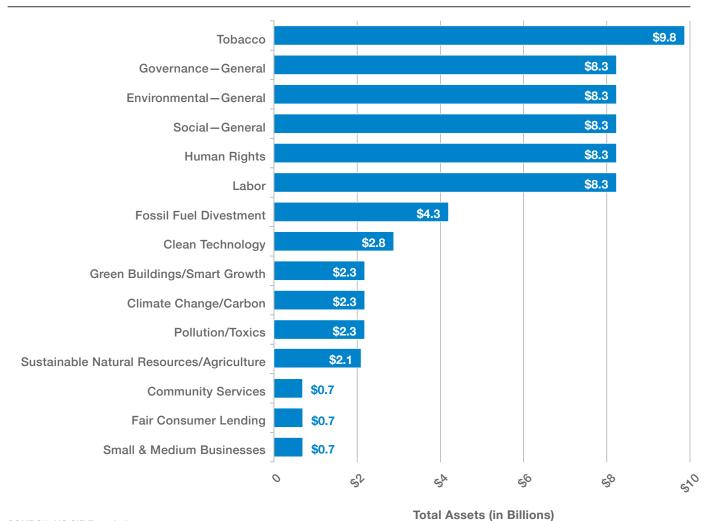
Environmental issues followed, with **fossil fuel divestment** policies affecting \$4.3 billion in assets. Investments subject

to clean technology criteria totaled \$2.8 billion and to green buildings and smart growth totaled \$2.3 billion. Investment policies addressing climate change and carbon emissions and pollution and toxics each affected \$2.3 billion in assets, with sustainable natural resources and agriculture close behind at \$2.1 billion.

Nonprofit organizations also considered community-related criteria, including fair consumer lending, community services, and assisting small and medium businesses, with each of these issues affecting almost a billion dollars.



FIGURE 3.20
Leading ESG Criteria for Other Nonprofit Organizations 2020



SOURCE: US SIF Foundation.

In 2015, the nonprofit organization World Resources Institute (WRI) launched a Sustainable Investing Initiative. WRI began to incorporate environmental, social and governance issues in the management of its own endowment, while also serving as a resource to other asset owners. In 2017, the conservation-focused nonprofit Rare launched the Meloy Fund for Sustainable Community Fisheries, an

impact investment fund, as a wholly-owned subsidiary. The Nature Conservancy has a "conservation investing unit," NatureVest, which it uses to create and execute deals in a variety of sectors to deliver both conservation results and financial returns. Examples such as these have increased the visibility of sustainable and impact investing as an option for other nonprofits.

Family Offices

The US SIF Foundation first tracked family offices, including trusts, in 2012. As in previous years, the survey identified fewer than a dozen family offices, including both single-family offices and multi-family offices, that incorporated ESG issues in the investment process. However, leaders of three US family office associations indicated to US SIF Foundation staff that around 10 percent of family offices in the



United States, or more than 1,000 family offices, are engaged in sustainable investing, but tend not to respond to surveys.

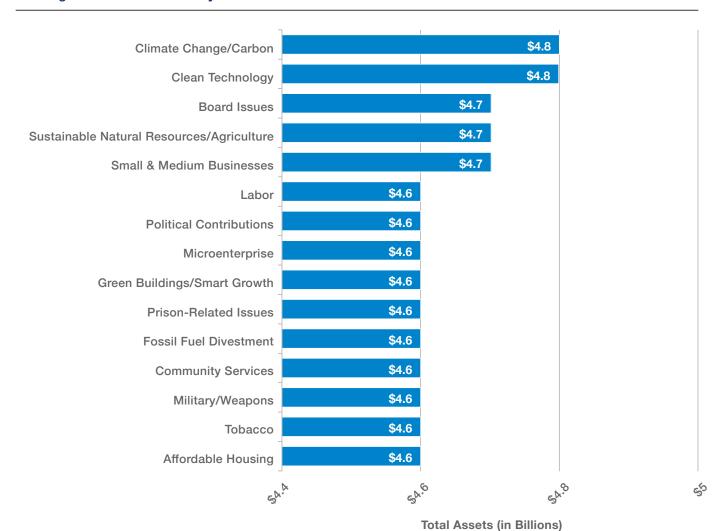
While the family office assets using ESG criteria reported to the US SIF Foundation are small overall, they increased 50 percent from \$4.0 billion to \$6.0 billion over the past two years.

The top criteria for family offices in 2020 related to environmental issues, with climate change and carbon emissions and clean technology each affecting \$4.8 billion, up 71 percent and 85 percent, respectively, from 2018. Board issues, sustainable natural resources and agriculture and small and medium businesses came in close behind, each affecting \$4.7 billion.

Family offices addressed a mix of other environmental, social, governance and product-related issues with about \$4.6 billion each, ranging from prison-related issues and community services to political contributions and military and weapons avoidance, as shown in Figure 3.21.

FIGURE 3.21

Leading ESG Criteria for Family Offices 2020



SOURCE: US SIF Foundation.



IV. Investor Advocacy

FIGURE 4.0

Sustainable Investing Assets 2020

ESG Incorporation

- By Money Managers on Behalf of Individual/Retail Investors \$4,550 Billion
- By Money Managers on Behalf of Institutional Investors \$12,014 Billion

Overlapping Strategies (\$1,462 Billion)

Filing Shareholder Resolutions

- Institutional
 Investors
 \$1,658 Billion
- Money Managers \$322 Billion



Total: \$17,081 Billion

SOURCE: US SIF Foundation.



Filing shareholder resolutions on environmental, social or governance issues at publicly traded US companies is one of the most visible and verifiable ways in which investors can practice advocacy and engagement ownership, whether or not they also use ESG criteria to select these companies for their portfolios. The US SIF Foundation therefore counts the assets engaged in filing or co-filing shareholder resolutions as a component of the overall tally of assets engaged in sustainable in investing, as shown in Figure 4.0.

Investors can also encourage their portfolio companies to review or improve their ESG policies, practices and strategic planning through their proxy voting and by sending letters or engaging in dialogue with both publicly traded and privately held portfolio companies, either directly or through investor networks.

This chapter will explore these responsible ownership and advocacy practices, including the assets and numbers of the institutional investors and money managers that engage in them. It also examines the trends and successes of shareholder proposals on ESG issues from 2018 through 2020.

Key Trends

- From 2018 through the first half of 2020, 149 institutional investors and 56 investment managers collectively controlling a total of \$1.98 trillion in assets at the start of 2020 filed or co-filed shareholder resolutions on ESG issues.
- In addition to or apart from filing shareholder resolutions, 44 institutional asset owners, with more than \$1 trillion in total assets, reported on the US SIF Foundation's survey that they engaged in dialogue with companies on ESG issues, as did 77 money managers, with \$7.8 trillion in assets under management.
- The leading issue raised in shareholder proposals, based on the number of proposals filed from 2018 through 2020, was disclosure and management of corporate political spending and lobbying. Shareholders filed 270 proposals on this subject during this period. Many of the targets were companies that have supported trade organizations that oppose regulations to curb greenhouse gas emissions.
- Investors are also focusing attention on ending de facto workplace discrimination on the basis of ethnicity and sex.
 From 2018 through mid-2020, investors had filed a total of 228 proposals on these and related fair labor issues.



- Investors continue to wrestle with whether US corporations are doing enough to assess their climate risk and to meet the challenges laid down by the Paris Climate Accord: 217 proposals were filed on climate issues from 2018 through 2020.
- The proportion of shareholder proposals on social and environmental issues that receive high levels of support has been trending upward. During the proxy seasons of 2012 through 2014, only two shareholder proposals opposed by management on environmental and social issues received more than 50 percent support. In the next three-year period, 2015 through 2017, that number rose to 10. In the most recent three seasons, from 2018 through 2020, the number of environmental and social proposals receiving majority support despite management opposition nearly tripled to 26.

The Tools of Investor Advocacy

PROXY VOTING

Shareowners in publicly traded companies are entitled to vote their shares on items that are presented, whether by management or by other shareholders, for a vote at the corporation's annual general meeting. The agenda for the meeting and related materials that is mailed to investors ahead of the annual meeting is called a "proxy statement," leading to the term "proxy voting."

Regulatory developments over the last few decades have encouraged investors to take a thoughtful approach to proxy voting. In 1988, the US Department of Labor wrote a letter, in response to a query from the chair of Avon Products' Retirement Board, concluding that proxy voting should be considered a fiduciary duty and exercised solely in the interests of plan beneficiaries.

> Shareholders can shape discussion at their companies' annual meetings and boardrooms by filing proposals on ESG issues.

The Department of Labor elaborated further on the fiduciary duty of proxy voting in Interpretive Bulletin 94-2, saying that fiduciaries should maintain accurate records of their proxy voting and spell out their guidelines of proxy voting formally as part of their policy. In 2016, the Department of Labor issued Interpretive Bulletin 2016-01 on shareholder position...that the fiduciary act of managing plan assets which are shares of corporate stock includes decisions on the voting of proxies and other exercises of shareholder rights."1 However, the Department of Labor issued a proposal in 2020 to limit proxy

voting (It was not final at the time of publication of this report).

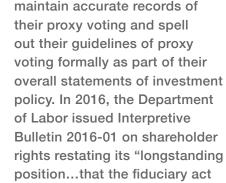
In addition, regulations adopted by the Securities and Exchange Commission (SEC) in 2003 have required mutual funds and investment advisors to disclose how they vote on proxy issues.

FILING SHAREHOLDER **RESOLUTIONS**

Shareholders can increase their involvement and shape discussion at their companies' annual meetings and boardrooms by filing proposals on ESG issues. By filing resolutions, which may then proceed to a vote open to all investors of the company, shareholders bring important issues to the attention of company management and the board of directors, often receiving media attention and educating the public as well. A company's annual proxy statement is a public document that can be retrieved online at the SEC's "Edgar" site.2

The rules governing the process of filing shareholder resolutions are the regulations and bulletins that the SEC has issued under Section 14a-8 of the Securities Exchange Act of 1934. Under a revision to the rule the SEC issued in 2020, shareholders are eligible to file a proposal at a company if they meet one of the following three conditions:

- They have owned at least \$2,000 of the company's shares for at least three years,
- They have owned at least \$15,000 of the company's stock for at least two years, or









The SEC Acts to Constrain Shareholder Voices

In September 2020, the Securities and Exchange Commission promulgated a rule, over near unanimous opposition, which will undermine the shareholder engagement process in the United States. As described at the beginning of this chapter, shareholder advocacy is a key part of responsible ownership and management. Investors have long had the right to bring environmental, social or governance issues to the attention of the management and shareholders of publicly traded companies.

The new rule fundamentally changes Rule 14a-8 of the Securities and Exchange Act of 1934. Rule 14a-8 deals with the criteria and thresholds needed for an investor to have a proposal included on a public

company's proxy statement to be voted on at the company's annual general meeting.

The changes, approved by a 3-2 vote, shrink the ability of investors to file shareholder proposals to ensure companies address key ESG business risks. Before the new rule, an investor needed to hold \$2,000 in stock for one year to be eligible to file a shareholder resolution. The new rule raises that threshold significantly by instituting a tiered system that requires a shareholder to hold \$25,000 for one year, \$15,000 for two years or \$2,000 for three years to be eligible to submit a proposal.

The new rule also revises the levels of shareholder support a proposal must receive in successive years to be eligible for resubmission at the same

company's future shareholders' meetings from 3, 6, and 10 percent to 5, 15, and 25 percent. It also places the burden of engagement solely on the proponent and eliminates the ability of smaller shareholders to aggregate their shares in order to meet the eligibility thresholds.

The changes to Rule 14a-8 will be particularly disadvantageous to retail investors and smaller institutional investors.

Historically, shareholder proposals have provided a low-cost method for shareholders to communicate with management and each other about the future of their company and important policy issues affecting it. The new rule threatens to reduce these lines of communication.

 They have owned at least \$25,000 of the company's stock for at least one year.

(For more details on these revisions, see sidebar.)

Proposals generally need to address corporate environmental, social and governance questions considered significant public policy issues and cannot pertain to "ordinary business" issues such as employee benefits, personnel changes or the sale of particular products. Finally, the shareholder proponent—or a

designated representative—must attend the annual meeting in person to present the proposal formally. (Under SEC rules, companies can treat a resolution that is not presented as if it had never been filed.)

Companies receiving proposals can challenge them at the SEC based on the proposal's content or the ability of the proponents to prove they meet share ownership requirements. The SEC then notifies both corporate management and the filers of the resolution with its opinion on

whether the company can omit the proposal from the meeting agenda and proxy statement or must include it.

Shareholder resolutions do not need majority support to have an impact. Since the vast majority of shareholder resolutions are advisory—phrased as requests to management—management is not legally obligated to implement them even when they do pass. (An exception is shareholder proposals that call for bylaw amendments, which have to be implemented





if they pass.) Nevertheless, in many cases when votes become significant, directors heed the concerns raised in advisory proposals and find ways to improve their policies or disclose more information in response. Additionally, before 2020 the SEC generally allowed resolutions that consistently earned the support of 10 percent or more of the shares voted to be resubmitted year after year, keeping them in the eve of management and other shareholders.

Shareholder resolutions can also be effective even if they never come to vote. The process of filing often prompts productive discussion, leading to agreements between the filers and management that enable the filers to withdraw their resolutions, either because of immediate agreements with companies or because of good faith offers of further dialogue. Many companies are open to negotiating with proponents either to find common ground on an issue or to remove potentially controversial items from the proxy statement.3

The Interfaith Center on Corporate Responsibility (ICCR) and the Ceres Investor Network coordinate many of the resolutions that are filed at US companies on ESG issues. Through these networks, potential filers can find co-filers to lend weight to their appeals and ensure that sufficient representatives are available during the busy annual meeting season to present the resolution.

Investors can often
augment their
messages to portfolio
companies, or gain
economies of scale in
these efforts, by joining
investor networks.

DIALOGUE, ENGAGEMENT AND NETWORKS

In addition to or instead of filing shareholder resolutions, concerned investors often communicate directly with the management of portfolio companies. Many shareholder advocates file resolutions only after efforts to pursue discussions with managements of portfolio companies have been rebuffed or have not been fruitful. Others may file shareholder resolutions more readily, to meet filing deadlines, but make clear in their filing letters to companies that they are open to engagement that might lead to agreements where the resolution can be withdrawn.

Sustainable investors can often augment their messages to portfolio companies, or gain some economies of scale in these efforts, by joining investor networks focusing on particular aspects of corporate responsibility and disclosure. Through CDP (formerly the Carbon Disclosure Project), for example, asset owners and investment managers can become signatories to the CDP's

annual appeals to thousands of global corporations asking them to report on their greenhouse gas emissions and to assess the risks and opportunities they face from climate change, as well as on water and forest management issues. As of 2020, over 500 institutional investors—with aggregate assets of \$106 trillion—had lent their names to the initiative, and more than 8,400 global companies disclose to the CDP.⁴

In the United States, the Ceres **Investor Network represents** approximately 140 institutional investors and money managers with more than \$15 trillion in assets. In addition to providing a forum for its members to coordinate filings of shareholder resolutions on climate issues, it also issues public policy statements and urges company management to address climate change.5 Another investor coalition on climate concerns is the Climate Action 100+. Formed in 2017, it now has a global membership of 450 institutional investors and money managers that together represent over \$40 trillion in assets. They have pledged to call on the companies in which they invest to curb greenhouse gas emissions and strengthen climate-related financial disclosures.6

Many sustainable investors work with the 30 Percent Coalition, a group whose members represent \$5 trillion in assets under management and that seeks to ensure that "corporate boardrooms reflect the gender, racial and ethnic diversity of the United States workforce."



In another initiative, 125 investors representing a collective \$1.88 trillion in assets, have signed the **Investor Statement Regarding the Need for Corporate Workplace** Equity Transparency. Citing a number of studies that companies with diverse boards, management and staff team perform better than their less diverse peers on various financial measures, the signatories call on companies to "increase investors' accessibility to information related to their workplace equity policies and practices across gender, race, ethnicity, sexual orientation, and other federally protected classes."7

More recently, responding to an initiative led by Domini Impact Investments, 335 investors representing \$9.5 trillion in aggregate assets under management signed the "Investor Statement on Coronavirus Response." It urges the business community to take steps to assist their employees and thereby help maintain communities and social fabric in a time of grave crisis. Specifically, it encourages companies to provide paid leave to all employees, including parttime and contract employees, prioritize health and safety, maintain employment levels and supplier/customer relationships as much as possible, and to restrain executive compensation during the crisis.8

A global network for investors interested in corporate management of ESG issues is the Principles for Responsible Investment (PRI), which counts as endorsers more than 1,100 investment managers and

institutional investors from around the world managing more than \$70 trillion in assets. Signatories pledge to "incorporate ESG issues into investment analysis and decision-making processes," as outlined by the PRI's first principle. PRI provides a global platform to facilitate collaborative shareholder engagement initiatives among its signatories.

The Institutions and Money Managers Involved in Investor Advocacy

As noted earlier, the assets of institutional asset owners and mutual fund companies and other investment managers that filed or co-filed shareholder resolutions from 2018 through mid-2020 are included in this report's overall tally of assets engaged in sustainable investing strategies. In addition, the US SIF Foundation's survey of money managers and institutional investors provided insights on the extent to which they engage in formal dialogue with portfolio companies and advocate on public policy relating to corporate ESG disclosure and practice.

INSTITUTIONAL INVESTORSFiling Shareholder Resolutions:

From 2018 through mid-2020, 149 institutional asset owners with \$1.66 trillion in assets have filed or co-filed shareholder resolutions on ESG issues. This is relatively unchanged from the preceding period of 2016 to mid-2018, when 165 institutional investors with \$1.56 trillion in assets filed resolutions. In

asset-weighted terms, public funds dominated this arena, accounting for nearly \$1.35 trillion (or 68 percent) of the assets of all institutional investor and money manager filers, as shown in Figure 4.1. However, they represented just 21 of the filing institutions.

When numbers of institutions rather than assets are considered, faith-based institutions were the leading institutional investor segment filing resolutions. Fifty-nine—more than a third of the institutional proponents in 2018 to 2020—were faith-based investors.

Dialogue: Forty-four institutions with \$1.06 trillion in assets reported on the survey that they engage in dialogue with companies on ESG issues, roughly comparable with the 49 institutions, with nearly \$1.1 trillion in assets, that answered this question affirmatively in 2018. (In 2016, 57 institutions, with \$912 billion in assets, answered yes to this question.)

Public Policy: Survey recipients were also asked whether they "attempted to influence governmental policy or industry regulation in 2018 or later to require companies to improve their ESG impacts." Twenty-three institutions with total assets of \$901 billion reported that they did, relatively unchanged from the 24 institutions with total assets of \$957 billion responding affirmatively to this question in 2018. (In 2016, 25 institutions with total assets of \$918 billion answered yes to this question.)



MONEY MANAGERS

The number and assets of money managers involved in filing resolutions have stayed relatively steady since 2018, but there was a decrease in the number and assets of money managers reporting that they engaged in corporate dialogue.

Filing Shareholder Resolutions:

Fifty-six mutual fund companies and other asset managers, with \$322 billion in assets. filed or co-filed shareholder resolutions on ESG issues from 2018 through mid-2020. This compares with 54 managers, with \$202 billion in assets, that filed resolutions in 2016-18.

Dialogue: At the same time, 77 money managers, with \$7.8 trillion in total assets under management, reported in 2020 that they engage in dialogue with companies on ESG issues, a decrease from the 88 money managers, with \$9.6 trillion in total assets under management, who responded yes to this question in 2018. Taking a slightly longer view, however, the money managers reporting that they engage in dialogue has increased modestly since 2016, when 61 managers with \$6.9 trillion in assets under management responded yes to this question.

Public Policy: In addition, 46 money managers with collective assets under management of \$7.8 trillion said that they attempted to influence governmental policy or industry regulation on corporate ESG impacts. This is relatively unchanged from the 48 money managers with collective assets under management of \$6.7 trillion who answered this question affirmatively in 2018. (In 2016, 36 money managers representing \$4.6 trillion in assets answered this question affirmatively.)

Highlights from Recent Proxy Seasons

During the proxy seasons of 2018 through 2020, sustainable investors concentrated their efforts on improving board oversight and corporate disclosure of ESG issues and risks. As shown in Figure 4.2, the leading initiatives - based on the number of shareholder proposals filed—were proposals requesting that companies exercise greater oversight over their political spending and lobbying, improve or report on labor practices and report or act on climate change issues.

ENVIRONMENTAL AND SOCIAL ISSUES

A roundup of the leading categories of environmental and social proposals from 2018 through 2020, based on the numbers filed and the numbers that came to votes, appears in Figure 4.3.

FIGURE 4.1

Types of Investors Filing Shareholder Proposals 2018–2020







Faith-based 28.8%

Foundation 17.1%

Public 10.2%

Healthcare 2.9%

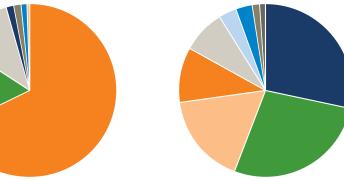
Education 1.0%

Labor 7.8%

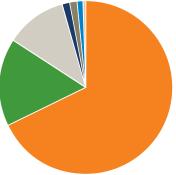
Money Manager 27.3%

Other/Nonprofit 3.4%

Family Office 1.5%



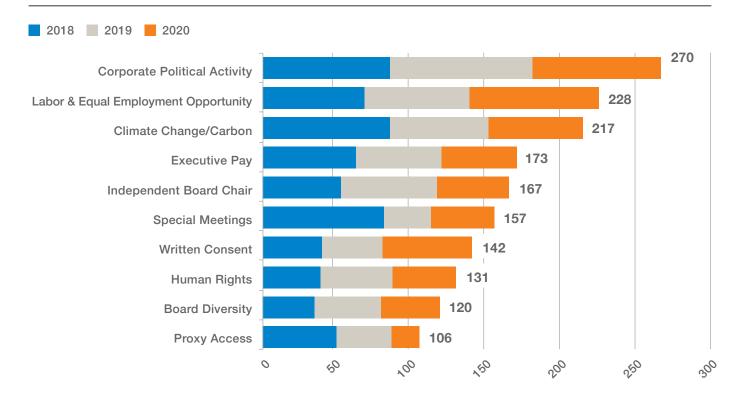
ESG Shareholder Proponents 2018-2020, by Assets



SOURCE: US SIF Foundation.

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FIGURE 4.2 Leading ESG Issues 2018-2020, by Number of Shareholder Proposals Filed



SOURCE: ISS ESG, Sustainable Investments Institute, US SIF Foundation

NOTE: Data for 2020 show numbers of proposals filed for 2020 meetings through July 15, and all vote results known as of July 15.

As shown by the number of proposals filed each year, investors have focused in particular on fair labor issues, which included several resolutions calling for gender pay equity. A close second in terms of the number of proposals filed are the challenges and risks posed by climate change. The third highest category was human rights, covered in a number of disparate resolutions. (Although political spending and lobbying proposals are classified in the "social" category by proxy research firms ISS and Sustainable Investments

Institute, they are discussed in this chapter in the "Governance Issues" section to be consistent with the classification used in the preceding two chapters.)

Climate change and fair employment issues also appear to be high-level concerns for investors based on the average level of support these proposals receive. Proposals requesting companies to act on climate change received average support consistently of 24 percent or more, and seven received majority support from 2018 through 2020, as shown in Figure 4.4. The proposals on fair labor

issues earned average support of 23 percent or more in the last three years, and seven of them also won majority support.

The public health crisis created by the over-prescription of addictive opioid painkillers also drew shareholders' concern.
Resolutions asking Assertio
Therapeutics, Rite Aid, Walgreen Boots Alliance and Johnson & Johnson for reports on their involvement in the opioid crisis earned majority support.

Investors weighed in on another epidemic—gun violence—with majority support for resolutions





asking American Outdoor Brands and Sturm, Ruger & Co. to report on how they could improve gun safety and mitigate harm from their products.

Perhaps the most striking high vote result was the Jesuit Conference's 2019 proposal to GEO Group, a private prison operator, asking for more disclosure about its controversial migrant detainee facilities. It earned 87.9 percent support after the company declined to oppose it.

The proportion of shareholder proposals on social and environmental issues that receive high levels of support has been trending upward. During the proxy seasons of 2012 through 2014, only two shareholder proposals opposed by management on environmental and social issues received more than 50 percent support. In the next three-year period, 2015 through 2017, that number rose to 10. In the most recent three seasons, from 2018 through 2020, the number of environmental and social proposals receiving majority support despite management opposition nearly tripled to 26.

A related measure—the proportion of resolutions that receive support of 30 percent or more of the shares voted—

has also been rising. From 2014 through 2016, 22 to 23 percent of the proposals on environmental and social issues that came to votes received support levels of 30 percent or more. In 2017, the proportion of proposals clearing this threshold rose to 28 percent.

Since 2018, 38 percent or more of the environmental and social proposals that have come to votes have cleared this threshold. Figure 4.5 shows the total number of shareholder proposals filed over the last five years as well as subtotals by final status.

One analyst described the

FIGURE 4.3 Shareholder Proposals on Environmental and Social Issues 2018–2020

	Number of Resolutions Filed			Number of Resolutions Voted			Average Vote (%)		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Environment: Climate Change	86	67	64	26	18	16	31.4	24.5	34.5
Environment: Other Issues	21	20	22	10	10	6	17.5	22.4	26.4
Human Rights	39	49	43	13	21	18	16.5	27.5	25.3
Labor & Equal Employment Opportunity	69	71	88	14	34	32	27.9	23.8	23.5
Sustainability Reporting/Management	36	24	18	10	1	7	38.2	28.2	14.1
Other Environmental & Social Issues	52	30	34	21	9	21			
Total	303	261	269	94	93	93			

SOURCE: Sustainable Investments Institute.

NOTE: Data for 2020 show numbers of proposals filed for 2020 meetings through July 15, and all vote results known as of July 15.



FIGURE 4.4 **Highest Votes on Environmental and Social Proposals 2018–2020**

Company	Issue	Proponent	Year	Vote (%)
GEO Group	Report on human rights policy implementation	Jesuit Conference	2019	87.9*
Rite Aid	Publish sustainability report	Sisters of St. Francis of Philadelphia	2018	79.97
Genuine Parts	Report on human capital management	As You Sow	2020	79.08
Dollar Tree	Report on Paris-compliant plan to cut carbon footprint	Jantz Management	2020	73.52
Fortinet	Report on diversity programs	Nia Impact Capital	2020	69.98
Sturm, Ruger	Report on gun safety and harm mitigation	Catholic Health Initiatives	2018	68.79
O'Reilly Automotive	Report on human capital management	As You Sow	2020	65.96
Assertio Therapeutics	Report on opioid crisis	UAW Retiree Medical Benefits Trust	2018	62.29
Rite Aid	Report on opioid crisis	UAW Retiree Medical Benefits Trust	2018	61.38
Fastenal	Report on diversity programs	As You Sow	2020	61.14
Johnson & Johnson	Report on opioid crisis	Illinois State Treasurer	2020	60.92
Walgreens Boots Alliance	Report on opioid crisis	Mercy Investment Services	2019	60.53
Kinder Morgan	Publish sustainability report	New York State Common Retirement Fund	2018	60.37
Kinder Morgan	Report on 2-degree analysis and strategy	Zevin Asset Management	2018	59.66
Genesee & Wyoming	Adopt GHG reduction targets	Calvert Investment Management	2018	57.24
Middleby	Publish sustainability report	Trillium Asset Management	2018	57.16
Newell Brands	Report on executive diversity	Trillium Asset Management	2019	56.59
Ovintiv	Report on Paris-compliant plan to cut carbon footprint	United Church of Canada	2020	56.41
Phillips 66	Report on climate-related extreme weather impacts	As You Sow	2020	54.7
J.B. Hunt Transport Services	Report on Paris-compliant plan to cut carbon footprint	Trillium Asset Management	2020	54.49
Ameren	Report on coal ash risks	School Sister of Notre Dame, Central Pacific	2018	53.24
Anadarko Petroleum	Report on 2-degree analysis and strategy	As You Sow	2018	53.03
Enphase Energy	Publish sustainability report	Sustainvest Asset Management	2020	52.34
American Outdoor Brands	Report on gun safety and harm mitigation	Sisters of the Holy Names	2018	52.16
Chipotle Mexican Grill	Report on mandatory arbitration	NYC pension funds	2020	51
Travelers	Report on EEO and affirmative action	Trillium Asset Management	2019	50.91
Range Resources	Report on methane emissions/reduction targets	Unitarian Universalists	2018	50.26

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SOURCE: Sustainable Investments Institute.

*This resolution was supported by management.



trend as part of the growing acceptance of ESG integration.

Historically, investors treated environmental and social issues very differently compared to governance proposals, with many abstaining from voting on these matters, and even more being very reluctant to support such proposals that may have appeared disconnected from investment management fundamentals. However, as ESG integration takes hold. recent voting trends indicate that we are entering a new era, whereby investors no longer compartmentalize environmental and social issues as a separate category from governance shareholder proposals. We are now dealing with ESG shareholder proposals, and every proposal type is evaluated based on its merits and relative to company and industry practice.10

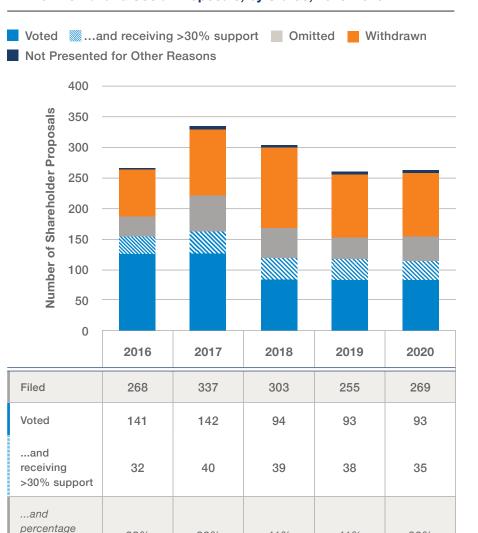
Some of the recent highlights and shareholder advocacy success stories on environmental and social issues are detailed below.

Fair Labor and Pay Standards:

For much of the past decade, the majority of shareholder proposals filed on fair labor standards asked companies to adopt non-discrimination policies with regard to sexual orientation and gender identity. Investors strongly supported these proposals, frequently giving them majority support. Given this context, shareholder

FIGURE 4.5

Environmental and Social Proposals, by Status, 2016–2020



SOURCE: Sustainable Investments Institute.

23%

37

88

2

receiving >30% support

Omitted

Withdrawn

for Other

Reasons

Not Presented

NOTE: Counts in 2020 are as of mid-July. In addition to the proposals that are omitted, withdrawn or voted, some proposals that are filed are not considered because of company mergers or because the proponents failed to present them.

28%

67

122

6

41%

56

149

4

41%

40

117

5

38%

45

118

5



proponents had leverage in persuading companies to put the requested policies in place.

In the last few years, as anti-discrimination policies on sexual orientation have become commonplace at US corporations, responsible investors have focused on other persistent workplace discrimination issues.

An initiative that began in 2016 has asked companies to report on the gender pay gap. By 2018, it had grown to more than 30 proposals filed by Arjuna Capital, the New York City pension funds and other investors, and the proponents reported several successful withdrawal negotiations. Arjuna, for example, withdrew its proposal at American Express when the company agreed to report on pay differentials between men and women by the end of 2018 and to make pay adjustments as necessary for a goal of 100 percent gender pay equity. New York City Comptroller Scott Stringer announced that eight of the financial and healthcare companies where it had filed gender pay equity proposals in 2018—Abbott Laboratories, Aetna, Baxter International, Edwards Life Sciences, Metlife, Principal Financial Group, Progressive and Travelers had agreed to "disclose new information on how they identify and eliminate gender pay disparities among their employees."11

Investors are asking companies to report on gender pay gaps and other EEO issues and indicators.

In 2019, 15 proposals on the racial and gender pay gap came to votes, averaging 27 percent support. The proponents had less success in 2020, when the average support for the 12 proposals that came to votes averaged just 12 percent. Notable withdrawal agreements in the last two years included Citigroup, which agreed to provide data on its global median gender pay gap, and Pfizer, which agreed to bring in outside experts to assess whether it has a gender pay gap globally or a racial gap within the United States.

Another group of proposals, filed mostly by Trillium Asset Management and other investment firms, have asked companies to report on EEO and affirmative action. These proposals benefited from strong support from investors. The nine proposals on this issue that came to votes from 2018 to 2020 have consistently gained support of at least 28 percent, and one proposal to Travelers in 2019 earned majority support of just over 50 percent. Similarly, As You Sow's proposals asking Genuine Parts and O'Reilly

Automotive to report on human capital management earned majority support of 79 and 66 percent, respectively.

A related initiative led by the New York City Comptroller's Office has asked companies to provide breakdowns, by race and sex, of their workforce using the nine job categories defined by the US Equal Employment Opportunity Commission. The five proposals that came to votes in 2018 through 2020 earned average support over 40 percent.

The #MeToo movement has added urgency to and reinforced shareholder efforts to increase corporate transparency regarding sexual harassment in the workplace. In April 2019, McDonald's, responding to a shareholder proposal from Clean Yield Asset Management, disclosed that it is not requiring employees to agree to mandatory arbitration of harassment and discrimination claims and that it will inform its board of directors if a nondisclosure agreement is sought in a case of harassment or discrimination. This victory follows similar decisions by Microsoft and Alphabet to eliminate mandatory arbitration and nondisclosure clauses as conditions of employment. In 2020, a resolution from the New York City pension funds asking Chipotle to report on its use of mandatory arbitration won 51 percent support.

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Murder of George Floyd Spurs Racial Justice Investor Initiatives

The murder of George Floyd and resulting demonstrations focused on centuries of racial injustice, combined with the disproportionate impact of COVID-19 on communities of color, have galvanized investors to make public commitments to incorporate a racial justice lens into their investment analysis, decision-making and engagement strategies.

These developments, which took place several months into 2020, are not reflected in the ESG incorporation criteria that money managers and institutional investors reported at the beginning of the year-the snapshot date for the US SIF Foundation survey. At the start of 2020, a total of 114 money managers controlling \$833 billion and 159 institutional investors with \$1.5 trillion in AUM reported that they consider EEO/diversity as a focus area in their investment decision-making process, a level of emphasis that in assetweighted terms is relatively unchanged from 2018.

In June 2020, 128 organizations and individuals, including US SIF, signed an "Investor Statement of Solidarity to Address Systemic Racism," with a call "to action and accountability to achieve racial equity." Signatories committed to five key actions:

 Actively engaging with, amplifying, and including Black voices in investor

- spaces and company engagements;
- Embedding a racial equity and justice lens into our own organizations;
- Integrating racial justice into investment decision-making and engagement strategies;
- 4. Reinvesting in communities; and
- Using the investor voice to advance anti-racist public policy.

Investor coalitions such as
Confluence Philanthropy,
Intentional Endowments Network,
the Interfaith Center on Corporate
Responsibility, Mission Investors
Exchange, Racial Justice
Investing, and Transform Finance
are among those fostering
explorations within their networks
of how racism and implicit bias
can affect the investment process.

In July, the SEC's Asset
Management Advisory Committee
convened a meeting to discuss
the general lack of diversity
in the asset management
industry. Participants, including
representatives of the Diverse
Asset Managers Initiative,
National Association of Securities
Professionals and the Association
of Asian American Investment
Managers, urged the SEC
to require reporting by asset
management firms on their
efforts to recruit racially diverse

candidates. They noted that asset management firms would benefit from the broader range of perspectives and networks that more diverse asset management teams can provide.

The 2021 proxy season is likely to see continued emphasis on diversity as sustainable investors respond to the events of 2020 in drafting and filing shareholder resolutions. In the last few years, board, executive, and workplace diversity have become intensified areas of focus for shareholder campaigns, but gender parity and LGBTQ+ equality have received far more explicit attention. To address racial inequality, however, some investors have tried to tackle issues that often have disproportionate impacts on communities of color, such as prison divestment, community disinvestment, responsible lending, fair housing, product safety and environmental justice.

The calls for racial equity may also prompt more asset managers to engage with corporations to disclose the practices and metrics behind their diversity goals and the role these goals play in shaping racial equity within their board rooms, C-suites, workplaces, communities and supply chains. If so, the next edition of this report may show in quantitative terms that racial equity is gaining ground as an ESG consideration in investment analysis.





Climate Change: A surge in shareholder proposals on climate change began in 2014 as investors wrestled with the prospects of "stranded" carbon assets, US and global efforts to curb greenhouse gas emissions and the calls by 350.org and other groups for divestment from fossil fuel companies. While more than 80 proposals on climate concerns were filed in 2018, the numbers tapered slightly in 2019 and 2020.

In the 2018 season, many shareholder proponents found that they were able to secure agreements from companies, in some cases after those proposals had received high votes in the previous years. Several companies in 2018 agreed to produce assessments of how their business operations could be aligned with the goal of preventing a rise in global temperatures of greater than 2 degrees Celsius above the pre-industrial era.

The New York State Common Retirement Fund, for example, announced early in 2018 that it had secured an agreement from Duke Energy to produce a climate change risk assessment that includes an analysis of the Paris Climate Agreement goals. The Fund's 2017 proposal to Duke with this request had won the support of 46 percent of the shares voted. After filing or re-filing resolutions at several energy companies in 2018 with similar requests, the Fund also was able to secure agreements

to produce the requested reports from ExxonMobil (where the Fund's proposal as noted earlier had received 62 percent support in 2017), PPL (56.8 percent in 2017), American Electric Power, DTE Energy, Dominion Energy and Southwestern Energy.

> In 2020, proponents were buoyed by several majority votes for climate-related resolutions.

The Miller/Howard investment firm was able to withdraw resolutions concerning control of methane emissions at four oil and gas companies-Anadarko Petroleum, Devon Energy, EQT and Energen—in 2018 when they agreed to improve their disclosures about mitigating methane leaks. Notably, EQT, which is the largest natural gas producer in the United States, has joined an industry initiative to reduce methane emissions to no more than 1 percent across the chain from wellhead to burner tip.13 Trillium withdrew a proposal at EOG in 2019 when the company agreed to "reduce its methane emissions this year while establishing a quantitative methane emissions reduction goal for next year."14

In 2019, proponents withdrew proposals at four companies

that agreed to set or disclose reduction goals for greenhouse gas emissions: Emerson Electric, Home Depot, Vertex Pharmaceuticals and Vistra Energy.¹⁵

In 2020, proponents were buoyed by several majority votes for climate-related resolutions. Jantz Management's call at Dollar Tree for a report on its greenhouse gas emissions goals received 74 percent support, the third highest vote ever won by a climate-related proposal opposed by management.¹⁶

Human Rights: Sustainable investors filed dozens of resolutions on a wide range of human rights issues from 2018 through 2020. Many of these proposals did not go to votes after proponents secured agreements from target companies. In 2018, religious investors filed proposals at several companies requesting them to report on their procedures to ensure that their global suppliers follow ethical recruiting practices and do not employ forced or bonded labor. They withdrew the proposal at Amazon, when it agreed to discuss the issue further, and at Hershey's, McDonald's and Williams Sonoma when those companies agreed to adopt stricter standards for their suppliers or to publish reports on their due diligence efforts.¹⁷

In 2019 and 2020, a large proportion of the shareholder resolutions filed on human rights





asked companies across a wide range of industries to assess the human rights risks within their operation and supply chains and report back to shareholders. The seven proposals that went to votes in 2020 earned 26 percent support, on average; the six proposals voted on in 2019 averaged support of 29 percent.

The standout among resolutions related to human rights based on vote results was the 88 percent earned by the resolution at The GEO Group. It asked GEO, which operates private prisons and immigrant detention centers, for details on how it implements its formally stated commitment to the human rights of detainees and inmates in light of the serious allegations about human rights abuses at its immigrant detention centers. While the company, prompted by the resolution and its support, produced a report by the end of 2019, the Jesuit Conference and its religiously affiliated co-filers have found it inadequate and are pressing the company for greater effort on improving conditions at its detention centers.18

Sustainability Reporting:

Requests related to a host of corporate responsibility issues have been raised over the years in requests for sustainability disclosures and reports. This is an issue where investors have frequently been able to obtain withdrawal agreements when the target companies agree to expand disclosures. Such proposals, when they do go

to votes, typically receive high support. From 2018 to 2020, for example, sustainability reporting requests at Rite Aid, Kinder Morgan, Middleby and Enphase Energy received majority support.

GOVERNANCE ISSUES

Sustainable investors, including public pension funds, labor funds and investment firms, seek to strengthen the governance of portfolio companies so that directors and executives consider and adopt policies in the long-term interests of the companies, their shareholders and other stakeholders.

As shown in Figure 4.6 (and also in Figure 4.2), the leading governance issues during the 2018-2020 proxy seasons, in terms of the number of proposals filed, concerned corporate political activity, with 270 resolutions filed over the past three seasons. In addition, substantial numbers of proposals asked companies to establish independent board chairs and to facilitate shareholders' ability to call special meetings. While relatively few proposals were filed or voted on board diversity, there were numerous signs that the issue is gaining traction among major investors.

Corporate Political Activity:

Investor demands for disclosure and oversight of corporate political spending and lobbying expenditures have long been one of the leading issues raised in shareholder proposals at US companies. Concerned shareholders want companies to exercise proper oversight to ensure that these payments serve the best interests of the firms and their shareholders and will not harm their reputations.

The campaign on political spending, advised by the Center for Political Accountability (CPA), has been waged by an investor coalition that includes pension funds, labor unions, environmental groups and sustainable investment managers. Since the start of this initiative in 2004, the CPA and its allies have persuaded scores of major companies to disclose and require board oversight of their political spending with corporate funds. Today, slightly more than 50 percent of S&P 500 companies today either disclose or prohibit contributions to state legislative, judicial and local candidates, political parties, political committees and other political entities organized under Section 527 of the Internal Revenue Code, such as Democratic and Republican governors' associations and "Super PACs."19

In a related initiative, since 2012 the American Federation of State, County and Municipal Employees and Walden Asset Management have led a coalition of more than 60 investors that have asked companies to report as well on indirect political spending—lobbying expenditures through trade associations and nonprofit organizations that do not have





to report their donors. The filers have often asked companies to explain their membership in organizations whose lobbying positions contradict the companies' policies on issues such as climate change, fair employment and public health. Coalition members have particularly targeted companies that are members of the American Legislative Exchange Council (ALEC), which lobbies against renewable energy mandates at the state level and opposes federal efforts to reduce greenhouse gas emissions.

A major highlight in the 2018 proxy season was ExxonMobil's announcement in July that it was quitting ALEC. According to a company representative, the precipitating factor was ALEC's efforts to persuade the federal government to drop its statement that climate change is a threat to public health. Notably, Exxon's announcement came just weeks after a shareholder proposal, led by the United Steelworkers and joined by 25 co-filers, asked Exxon to disclose its federal and state lobbying, including payments to ALEC. Verizon withdrew from ALEC in September 2018, a few months after a lobbying disclosure proposal filed by Boston Common Asset Management received 36 percent support at the company's annual meeting. In total, more than 110 companies have left ALEC in the face of questions from their shareholders.20

Proposals on political spending and lobbying averaged support between 24 and 27 percent from 2012 through 2018, but have seen a notable increase in support in the last two years. In 2019, the 23 proposals that went to a vote averaged 32 percent support, with one proposal, filed by United Church Funds at Mallinckrodt, earning majority support of 80 percent. In 2020, the 28 proposals voted through the end of July had earned average support of 33 percent, with two-at Alaska Air and McKesson—earning majority support of 52 percent. Altogether, the campaign has succeeded in persuading more than 90 companies to improve their lobbying disclosure.21

Independent Board Chair:

Investors concerned about good governance have long called for US companies to separate the positions of chief executive officer and board chair, and to ensure the board chair is independent-not a current or former executive of the company. Since the CEO and board chair are the two most authoritative positions in a boardroom, assigning both these roles to a single individual removes the checks and balances critical to good governance.

Although it is common practice in other industrialized countries to separate these two positions, the practice has lagged in the United States. Still, there has been progress in the last several years. Spencer Stuart reports

that 53 percent of S&P 500 companies' boards had separate chair and CEO positions in 2019, compared with 37 percent in 2009. The chair was independent at 34 percent of S&P 500 companies in 2019, compared with just 16 percent 10 years earlier.²²

Since the start of the 2015 proxy season, calls for independent board chairs have seldom earned majority support, with ISS counting just four. Notably, though, two of those majority votes occurred in 2020, at Baxter International and Boeing.²³

Special Meetings and Written

Consent: The most successful group of shareholder proposals on governance in the 2018-2020 period, based on their average vote support, were requests that companies amend their bylaws to reduce to 10 or 15 percent the share ownership threshold required of shareholders to be eligible to call for a special meeting. Led by individual investors, the number of proposals filed on this subject zoomed from 18 in 2016 to more than 82 in 2018. These proposals have consistently averaged more than 41 percent support in the last three years.

Following closely behind in terms of the number of proposals filed in recent years and their levels of support, are calls for companies to amend their bylaws to allow shareholders to submit proposals outside of the annual meeting and to solicit written





FIGURE 4.6

Shareholder Proposals on Governance Issues 2018–2020

	Number of Resolutions Filed			Number of Resolutions Voted			Average Vote (%)		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Board Diversity	35	45	40	4	4	5	22.5	37.0	32.4
Corporate Political Activity	86	97	87	58	62	55	28.8	33.5	36.7
Executive Pay	63	58	52	40	30	27	23.3	19.9	22.3
Independent Board Chair	53	65	49	46	61	43	31.7	29.6	34.8
Proxy Access	50	37	19	36	30	13	32.9	34.2	29.4
Special Meetings	82	32	43	61	27	42	41.5	44.9	41.8
Written Consent	40	41	61	37	35	54	40.7	40.0	37.6
Other Governance Issues	109	158	137	54	92	91			
Total	518	533	488	336	341	330			

SOURCE: ISS, Sustainable Investments Institute.

NOTE: Data for 2020 show numbers of proposals filed for 2020 meetings through July 15, and all vote results known as of July 15.

NOTE: Board diversity proposals exclude 1 on ideological diversity filed by conservative group in 2018, 9 in 2019 and 6 in 2020. Of these proposals, 1 came to vote in 2018, 7 in 2019 and 3 by July 15 in 2020, averaging less than 2 percent support.

consent to them from other shareholders.

As two legal analysts explained:

Shareholder power to call a special meeting or to act by written consent [are] relevant if shareholders want to take an action without having to wait for the next annual meeting. Because virtually any action that can be taken at a special meeting or by written consent can also be taken at an annual meeting, and because an annual meeting has to be held, a

shareholder right to call a special meeting or to act by written consent is principally about speed: it enables shareholders to act sooner than they would otherwise be able to act.²⁴

Executive Pay: The enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010 made it mandatory for publicly traded companies to allow an advisory vote on pay at least every three years. Shareholders have generally been understated in

using their say-on-pay votes. From 2011 through 2019, the percentage of Russell 3000 companies that failed to get majority support from shareholders on their pay plans has generally ranged between 1.5 and 2.0 percent, with the highwater mark occurring in 2012, when 2.5 percent of the Russell 3000 failed to win approval.²⁵

In addition to weighing in on management-sponsored advisory resolutions on pay, public funds, labor funds and



individual investors have filed shareholder proposals to correct or curb various executive pay practices they view as problematic. On average, though, support from other investors has been muted, as shown in Figure 4.6.

Proxy Access: Until recently, shareholders wishing to propose alternative candidates to the single slate of candidates approved by the company's nominating committee had to send out their own alternative proxy ballots, which few have the resources to do. In 2015, however, New York City Comptroller Scott Stringer spearheaded a "proxy access" shareholder campaign. The comptroller's proposal, on behalf of the city's pension funds, asked target companies to present a proxy access bylaw to shareholders for approval. It specified that the bylaw should allow shareholders that have collectively owned 3 percent of the company's stock continuously for three years to have access to the company's proxy statement to nominate alternative candidates for up to a quarter of the board seats.

The campaign took off. From 2015 through 2017, the New York City funds and other investors filed more than 400 proxy access proposals. The proposals that came to votes often received majority support. By the end of 2017, 475 US companies had adopted proxy access provisions, including 65 percent of the S&P 500,²⁶ compared with

fewer than 1 percent in 2013.²⁷ The proxy access campaign has continued in the last three years, but with lower numbers of proposals filed as the universe of targets without proxy access provisions has declined.

Board Diversity: For decades, sustainable investors have pressed for companies to actively seek racial and gender diversity on their boards, and these efforts have received more visibility and allies in recent years.

Notably in 2020, two shareholder proposals calling for independent board chairs earned majority support.

In early 2012, when fewer than 13 percent of the board seats of the S&P 1500 (10.6 percent) or the Russell 3000 (11.6 percent) were filled by women,²⁸ a group of institutional investors calling itself the Thirty Percent Coalition emerged with the aim to change that statistic. Its original goal was to increase the percentage of board seats held by women to 30 percent by 2015.

Although the Coalition's original deadline has not been met, the percentage of Russell 3000 board seats held by women reached 19 percent in 2019, a record high, according to ISS. Progress with regard to racial and ethnic

diversity on boards has lagged behind, with ISS reporting that the percentage of Russell 3000 board seats held by members of racial and ethnic minorities reached 10 percent, also setting a new record. ISS noted that of the board vacancies in the Russell 3000 created by departing directors, 45 percent were filled by women in 2019 and 15 percent by members of racial and ethnic minorities.²⁹

Sustainable and responsible investors continue to file resolutions asking companies to make a formal commitment to increase board diversity. In 2018, a new variant of this proposal emerged, with 14 companies asked to adopt the "Rooney Rule" used by the National Football League to require the nominating committee to send a list of potential nominees for director seats that includes qualified women and minority candidates. The majority of board diversity proposals in recent years have been withdrawn when the proponents secured these commitments from companies in advance of the annual meeting.

Investors also appear to be more willing to vote "no" in board elections where all board seats are held by men. Sustainable investment firms have typically voted against the re-election of directors on the nominating committees of boards lacking racial and gender diversity.

The New York State Common Retirement Fund, CalPERS, and





the Massachusetts and Rhode Island pension funds also have used a "Vote No" approach for inadequately diverse boards. Larger asset managers such as State Street and BlackRock appear to be following suit.30 BlackRock, in its 2018 proxy voting guidelines, says "we would normally expect to see at least two women directors on every board" and that if "a company has not adequately accounted for diversity in its board composition, we may vote against the nominating/ governance committee members."31

The combined effect of voting guidelines such as these was noticeable in 2018. As the EY Center for Board Matters notes:

While director opposition votes typically average 3 percent to 4 percent, average votes against all-male boards are significantly higher—and rising....Notably, opposition votes at all-male S&P 1500 boards have more than doubled since 2015, with those chairs receiving an average opposition vote of 15.2 percent this year vs. just 3.6 percent for the same role at boards that are 20 percent female.³²

As a further example of this trend, by June 2020, 13 male board nominees to eight all-male boards failed to win majority support for their elections. ISS reports that the lack of gender diversity appears to have been a factor in all of the losses.³³

These shareholder efforts have been augmented by the actions of state legislatures. In September 2018, California passed a law requiring all publicly traded companies headquartered in the state to have at least one woman on their boards by the end of 2019 or face a one-time fine of \$100,000. By the end of 2021, California companies, depending on their boards' size, will need to have at least two or three women directors or face fines of \$300,000.34 Several other states are considering legislation to require publicly traded companies headquartered within their boundaries to report on their board diversity or to meet board diversity requirements.







V. Methodology

To identify assets under professional management in the United States engaged in sustainable investing strategies, the US SIF Foundation employs a combination of direct surveying as well as primary and secondary research. This section describes the data sources, data qualification and research process employed for this report.

This report is primarily a quantitative, behavioral study. The research team sought to measure professionally managed investment assets that fall within at least one of the key strategies of sustainable investing: (1) the incorporation of environmental, social and corporate governance (ESG) criteria into investment analysis and portfolio selection, which includes the activities of community investing institutions; and (2) the filing or co-filing of shareholder resolutions on ESG issues.

As a behavioral study, the report avoids making qualitative judgments about intent. If an institution or money manager confirms that it uses at least one sustainable investment strategy, regardless of intent, its assets are included in the report. Some investors, money

managers and mutual funds included in this study therefore may not consider themselves to be "environmental," "social" or "impact" investors or actively involved in "sustainable investing."

At the same time, a subset of 139 money managers and 132 institutional investors responded to survey questions that provided additional insights into the motivations, techniques and additional activities behind their sustainable and impact investment practices.

Calculation of Sustainable Investing Assets

The US SIF Foundation, along with research team members at the Croatan Institute, distributed an online information request

to money managers and institutional investors from March through July 2020. The research team also reviewed annual reports, financial statements, SEC forms ADV from money managers, IRS form 990 filings by nonprofit organizations and **US** Department of Labor form 5500 filings by plan sponsors. In addition, the team gathered data from third-party service providers and trade associations of community investing institutions, investment companies and institutional investors.

For the purpose of this report, an institution or money manager is engaged in sustainable investing if its investment activities included ESG incorporation or filing shareholder resolutions on ESG issues, as described below.



ESG INCORPORATION

If the institution or money manager incorporated one or more ESG criteria as an explicit part of an investment policy or practice as of December 31, 2019, only that portion of the portfolio's investment assets subject to those ESG factors was credited toward the sustainable investment assets aggregated in this report. Each qualifying money manager or institution had to report that it considered ESG criteria, along with the assets affected by these criteria, in one or more of the following ways:

- responding to the US SIF Foundation's online information request;
- responding to research team members who interviewed them by telephone or corresponded with them by email; or
- providing the relevant data in publicly available sources such as annual reports, prospecti, websites, filings with the SEC, Department of Labor, IRS or other relevant government agency or Transparency Reports to the Principles for Responsible Investment.

If asset data were unavailable as of December 31, 2019, then publicly available data closest to that date were used.

In addition, the research team counted institutions that did not respond to the 2020 survey but either did respond to the 2018 survey or otherwise reported ESG incorporation data in 2018. Estimates for these institutions' ESG assets were based on their reported ESG assets from the 2018 Trends Report and updated based on their most recently available information as of December 31, 2019.

The assets, as of December 31, 2019, of US-based community investing institutions were also included in the ESG incorporation section of the report. The definitions of community investing institutions and data sources for their assets are described in "Data Sources and Enumeration" below.

FILING SHAREHOLDER RESOLUTIONS

The US SIF Foundation counts an institution as a shareholder proponent if it sponsored or co-sponsored at least one shareholder resolution on ESG issues, as tracked by the Interfaith Center on Corporate Responsibility (ICCR), Institutional Shareholder Services (ISS) or Sustainable Investments Institute, between 2018 and summer 2020. For each such institution, the total US-domiciled assets under its management as of December 31, 2019, were included in the shareholder resolutions subtotal of the aggregate sustainable investment universe. Some institutions self-reported filing shareholder resolutions during this time period but were not tracked by the above organizations. In those cases, the research team contacted the institutions to confirm the information. The assets of institutions that self-reported filing resolutions

but could not be confirmed as having done so since 2018 were not included in the shareholder advocacy subtotal of the report's aggregate sustainable investing universe.

The assets of investors involved in both ESG incorporation and shareholder advocacy were controlled to avoid double counting these assets in the aggregation of the broader sustainable investment universe.

Additional Survey Data

The US SIF Foundation also used the online information request to gather responses from money managers and institutional asset owners that would provide insights into the motivations, techniques and additional activities behind their sustainable and impact investment practices.

These survey questions asked recipients about:

- the ESG incorporation techniques they use with five not mutually exclusive response options (e.g., negative/exclusionary, positive/best-in-class, ESG integration, sustainabilitythemed and impact),
- the breakdown of their ESG incorporation assets by asset class,
- the breakdown of their ESG incorporation assets by active versus passive management, and



 the reasons they consider ESG criteria in investment selection and/or investor advocacy, with eight not mutually exclusive response options.

Survey recipients were also asked if they engaged in:

- filing or co-filing shareholder resolutions on ESG issues.
- dialogue with current or potential investees in order to improve the companies' ESG practices or disclosure, either directly or through a service provider representing their assets, and
- attempts to influence governmental policy or industry regulation to require companies to improve their ESG impacts.

In 2020, a question was added to the survey asking the recipient's opinion on how US sustainable/ESG investing will evolve by 2025, particularly in the wake of the COVID-19 pandemic.

The research team relied solely on survey responses for the answers to these questions. It did not attempt to supply, augment or corroborate this information through secondary research, with the exception of respondents who filed or co-filed shareholder resolutions on ESG issues for annual meetings in 2018 or later, as noted above.

Data Sources and Enumeration

With its research partners, the US SIF Foundation developed an information request that was circulated via email to 682 money managers and 1,146 institutional investors. Money managers and institutional investors responding to this information request provided much of the data for this report. Supplementary data were obtained through other primary and secondary source research.

MONEY MANAGERS AND COMMUNITY INVESTING INSTITUTIONS

The online information request described earlier was one important component of the US SIF Foundation's research into asset management firms and investment advisors that incorporate ESG criteria into investment analysis or decision making. The information request asked for data on the firms' total US-domiciled assets under management, the US-domiciled assets subject to ESG criteria, each US-domiciled investment vehicle and product incorporating ESG criteria and the specific ESG criteria applied.

The request targeted US SIF members as well as non-member firms, identified through the following sources:

 a proprietary database of managers and funds maintained by the US SIF Foundation,

- a list of US managers with sustainable investment or ESG funds maintained by Morningstar, and
- responsible and impact investment networks such as the Principles for Responsible Investment, the Ceres Investor Network, the Carbon Disclosure Project and the Global Impact Investing Network.

Based on responses to the information request and primary and secondary research in fund prospectus documents, annual reports, statements of additional information, press releases, SEC forms ADV and other SEC filings, media reports and other public and private data, the research team was able to identify a universe of 397 money managers with \$43.8 trillion in combined assets under management. Of these money managers, 384 were found to incorporate ESG criteria into their investment analysis and decision-making processes, affecting \$16.6 trillion in assets under management.

In addition, the US SIF Foundation sought to identify US community investing institutions (including US-based microfinance funds with international operations). The US SIF Foundation defines a community investing institution as a private sector organization, whether for-profit or nonprofit, that has a primary mission of providing access to credit, equity and financial services to communities underserved by traditional financial institutions. This includes, but is not limited





to, community development financial institutions (CDFIs) certified by the US Department of the Treasury. Sources included the following:

- the Department of the Treasury's CDFI Fund, for the assets of banks, credit unions, loan funds and venture capital funds certified as CDFIs;
- Inclusiv (formerly named the National Federation of **Community Development** Credit Unions), for the assets of its members (not all of which are certified CDFIs); and
- Calvert Impact Capital, for the assets of US-based international microfinance funds, which channel capital to microfinance institutions and community development projects abroad.

From these combined sources. the US SIF Foundation constructed a total enumeration of 1,204 community investing institutions with total assets under management of \$266 billion.

INSTITUTIONAL INVESTORS

To measure institutional investor assets subject to ESG criteria, the US SIF Foundation collected data on various types of institutional asset owners, including educational institutions, faithbased investors, family offices, hospitals and healthcare plans, insurance companies, labor

philanthropic foundations, public and government retirement plans and investment pools and nonprofit organizations.

The information request targeted US SIF members as well as non-member institutions, identified through the following sources:

- a proprietary database of managers and funds maintained by the US SIF Foundation, and
- responsible and impact investment networks such as the Ceres Investor Network, DivestInvest Philanthropy, **Intentional Endowments** Network and the Principles for Responsible Investment.

The information request was circulated to contacts at 1,146 institutional investors. The research team also conducted additional research in publicly available sources including annual reports and financial statements, IRS form 990 filings by nonprofit organizations, assets reported by colleges and universities to the National Association of College and University Business Officers, assets reported by retirement plans to the Department of Labor, and assets reported by asset owners that are signatories to the Principles for Responsible Investment. Between investor responses to the information

request and additional research, this report identified 553 institutional investors with total assets of \$10.3 trillion. Of these institutions, 530 were confirmed as incorporating ESG criteria across \$6.2 trillion in assets as of December 31, 2019.

The \$6.2 trillion of ESG incorporation assets identified through this research totaled 51 percent of the \$12.0 trillion in ESG assets that money managers identified as institutional. Money managers do not readily disclose information about their institutional clients, so the US SIF Foundation relies on information reported by institutional investors for the report's analysis of institutional ESG investment assets in Chapter III. The institutional ESG incorporation trends described in the report should be understood as representing the most transparent institutional investors in the United States.

SHAREHOLDER RESOLUTIONS AND THEIR FILERS

Based on data provided by ICCR, ISS and the Sustainable Investments Institute, along with verified self-reported shareholder filers, the US SIF Foundation identified 205 shareholder proponents among institutional investors and money managers (not including individual shareholder proponents) who filed or co-filed at least one resolution on an ESG issue since 2018. Foreign investors without any identifiable presence in the United States

unions and Taft-Hartley plans,





and individual investors were excluded from research.

The research team was able to identify the total assets of the majority of these proponents-149 institutional investors and 56 money managers with \$2.0 trillion in combined assets under management, as of December 31, 2019. Of these assets, \$1.5 trillion were confirmed as also subject to ESG incorporation into investment decision making or analysis, and consequently controlled for the potential effects of double counting prior to aggregation.

TOTAL ASSETS UNDER PROFESSIONAL MANAGEMENT IN THE UNITED STATES

To determine the total assets under professional management in the United States, the US SIF Foundation relied upon data provided by Cerulli Associates, based on the total assets reported by US-based investment managers, plan sponsors, endowments and foundations after controlling for double counting. As of December 31, 2019, Cerulli estimated, \$51.4 trillion were under professional management in the United States, up from \$46.6 trillion at year-end 2017.

Quality Control and Elimination of Double Counting

To calculate the total universe of US-domiciled assets under management subject to sustainable investing strategies, the research team aggregated the assets derived from the various research phases. First, however, rigorous controls were put into place to avoid potential sources of double counting, including the following:

- money managers, community investing institutions or investment advisors that sub-advise other investment vehicles already tracked;
- investment advisors that
 use "funds of funds" or
 separate account platforms
 that merely redirect assets
 into funds already tracked
 (although the counts of
 these funds of funds remain
 in the analysis in Chapter
 II on ESG incorporation by
 money managers since they
 still represent an investable
 product with their own
 characteristics); or
- shareholder resolution proponents that also incorporate ESG criteria into their investments.

Additionally, money managers were asked to report the amount of assets in each investment vehicle belonging to institutional clients, and the amount of assets belonging to retail or high-net-worth individual

clients. The institutional-retail breakdown was also determined by research on information publicly available through SEC forms ADV and annual reports.

Based on consultation with community investing experts, the US SIF Foundation research team allocated community investing institution assets to the retail and institutional categories of money managers' ESG incorporation assets as follows:

- 65 percent of community development bank and community development credit union total assets were estimated as individual or "retail" client account assets, and 35 percent were estimated as institutional, and
- 100 percent of community development loan funds and venture capital funds were assigned to the institutional portion of money manager ESG assets.

Extensive verification was conducted for each section of the report, through crosschecking multiple data sources and individually contacting investment managers and investment officers at institutions where appropriate. Particular care was taken to track ESG criteria according only to the assets subject to a particular mandate. Thus, if only a portion of an institutional investor's portfolio was subject to environmental factors, for example, only that portion was credited as such.





Conservative Bias: Note on Undercounting

Although the US SIF Foundation and its research partners make a best effort at comprehensively tracking the assets engaged in sustainable investing strategies, certain assets are not included in the report's overall aggregate sustainable investing universe for various reasons. This inability to capture certain assets involved in sustainable investing strategies introduces a conservative bias into this report's methodology. Assets that are not captured in the report's aggregate figures include the following examples.

ESG INCORPORATION

The ESG assets of institutional investors may not be captured if the institution was not included in the information request, if it failed to respond to an information request, or if its assets and incorporation of ESG issues could not be verified through publicly available information.

The assets of any institution or manager that reported that it takes ESG issues into account in its investment decisions but failed to report its assets were excluded, unless publicly available asset data were available.

With ESG information increasingly available to the public and with online brokerages providing ESG model portfolios for retail investors, individuals can now readily incorporate ESG factors into their investment decisions in highly tailored ways. However, investments made directly by individuals are only captured in this report if the individual investors utilized a money manager, investment vehicle or other institution whose assets are included in the report. Additionally, the assets of highnet-worth "angel" investors that make direct private investments for example, through investor networks fostered by groups such as Social Venture Circle and the Slow Money Alliance—cannot readily be captured through current methods, unless they are made through intermediaries included in the underlying datasets.

Substantial community investment is deployed through entities that are not recognized as community investing institutions as defined above but may be complementary to the industry, such as community development corporations, community development entities, low-income housing tax credits, targeted mortgage-backed securities and investments made in accordance with Community Reinvestment Act requirements that were not made through a community investing institution as defined in this report. A small portion of these investments may be captured through institutional investors' assets incorporating community issues. However, these investments are generally not included in the ESG incorporation subtotal of the aggregate sustainable investing universe.

ENGAGEMENT AND SHAREHOLDER ADVOCACY

This report does not include the assets of any individual investors involved in filing shareholder resolutions on ESG issues. It also excludes the assets of money managers or institutions that filed shareholder resolutions if they failed to respond to the information request and if their assets were unavailable through publicly available sources. Also excluded from the subtotal were the assets of any institution or money manager that reported filing shareholder resolutions, but did not sponsor or co-sponsor a resolution since 2018.

In addition, the reported total assets involved in shareholder advocacy only includes the assets of those money managers and institutional investors that filed shareholder resolutions. If investors engaged solely in other shareholder engagement activities like proxy voting, letter-writing or private dialogue, undertaking legal action or public campaigns toward a company, or attempting to influence governmental policy or industry regulation to require companies to improve ESG performance, their assets were not included in this total.

In short, there are a number of investors, advisors and institutions involved in sustainable and impact investing strategies that are not readily identifiable for the purposes of this report or whose engagement activities the US SIF Foundation does not include in its overall



measure of US-domiciled assets engaged in sustainable investment strategies.

Special Note on **Time Series**

Over time, data collection for the US SIF Foundation's Trends reports has improved, as increased numbers of money managers and institutions have become more willing to disclose their sustainable and impact investing activities, through

our information requests or through other publicly available data sources like the PRI Transparency Reports. Growth in sustainable investment therefore has occurred in many ways, including through net inflows into existing products and their financial performance, the development of new ESG products, and the adoption of sustainable investment strategies by managers and institutions not previously involved in the field. For these reasons, the US SIF Foundation

advises against using these data for highly technical time-series analysis.

Because of the reclassification of "Separate Accounts" as "Undisclosed Investment Vehicle Assets" starting in 2016, in Figure 2.24, historical data have been corrected to reflect this reclassification. In this year's report, the historical data for this segment have also been corrected to reflect the number of managers, rather than the number of products.







VI. About the Publisher

The US SIF Foundation is a nonprofit 501(c)(3) organization. Its objective and purpose is to support the activities and purpose of US SIF: The Forum for Sustainable and Responsible Investment Inc., its sole member, by carrying out educational, research and programmatic activities.

US SIF: The Forum for Sustainable and Responsible

Investment is the leading voice advancing sustainable investing across all asset classes. Its mission is to rapidly shift investment practices towards sustainability, focusing on long-term investment and the generation of positive social and environmental impacts. Among the hundreds of US SIF members are investment management and advisory firms, mutual fund companies, asset owners, research firms, financial planners and advisors, brokerdealers, community investing organizations and nonprofit organizations. Strategies to accomplish its mission include a broad array of member services, local and national convenings, and engagement with the media and policy makers.

Resources for the Media and the Public

Members of the media and the public can find many resources from the US SIF Foundation at www.ussif.org.

- The Foundation provides an online, in person and virtual course on the Fundamentals of Sustainable and Impact Investment.
- In partnership with the College for Financial Planning, the Foundation offers the only sustainable investment designation in the United States, the Chartered SRI Counselor™ (CSRIC™).
- You may also find fact sheets, how-to guides and all of our recent publications as well as a selection of member publications.

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Appendix 1

Glossary of Environmental, Social and Governance Criteria

Money managers and institutional investors engaging in ESG incorporation consider various community, environmental, social, corporate governance and product-related factors in investment analysis, decision making and portfolio construction. Here is a list of the criteria that respondents to the 2020 US SIF Foundation survey could select.

Community Criteria

AFFORDABLE HOUSING: focus on provision, development and/or rehabilitation of housing for low-and moderate-income people.

COMMUNITY RELATIONS/
PHILANTHROPY: consideration of companies' corporate giving and community relations.

COMMUNITY SERVICES:

focus on provision of services for low- and moderate-income communities, including childcare, education and healthcare.

FAIR CONSUMER LENDING:

focus on access to responsible financial services for underserved people.

MICROENTERPRISE: focus on access to credit for domestic and

international microbusinesses in underserved communities.

PLACE-BASED INVESTING:

investments targeting a defined geographic area both for financial returns and to generate social or environmental benefits in that area.

SMALL & MEDIUM BUSINESSES:

focus on access to credit for small and medium businesses in domestic and international underserved markets, as well as social enterprises.

OTHER COMMUNITY: focus on community issues outside of the criteria specified above.

Environmental Criteria

CLEAN TECHNOLOGY: focus on businesses dedicated to environmentally sustainable technologies or efficient use of natural resources.

CLIMATE CHANGE/CARBON:

focus on risk and opportunities related to climate change and greenhouse gas emissions.

FOSSIL FUEL DIVESTMENT:

exclusion or partial exclusion of companies engaged in the extraction or production of coal, oil or natural gas.

GREEN BUILDING/SMART

GROWTH: focus on real estate that meets energy efficiency or green building standards and/or smart growth principles including urban infill, transit-oriented development and preservation of open space.

POLLUTION/TOXICS:

consideration of toxicity of products and operations and/ or pollution management and mitigation, including recycling, waste management and water purification.

SUSTAINABLE NATURAL RESOURCES/AGRICULTURE:

focus on sustainable agriculture and food products as well as sustainably managed natural resources, including timber and water.

OTHER ENVIRONMENTAL: focus on environmental issues outside of the criteria specified above.

Social Criteria

CONFLICT RISK: Exclusion or partial exclusion of companies that conduct business in countries identified as repressive regimes or state sponsors of terrorism.





EEO/DIVERSITY: consideration of diversity and equal employment opportunity policies and practices relating to race, religion, ethnicity, gender and/or sexual orientation and identity that apply to employees, company ownership or contractors.

GENDER-LENS: focus on investment products or companies that actively support women's socioeconomic advancement.

HUMAN RIGHTS: consideration of risks associated with human rights and of companies' respect for human rights within their internal operations and the countries in which they do business.

LABOR: consideration of companies' labor or employee relations programs, employee involvement, health and safety, employment and retirement benefits, union relations or workforce reductions.

PRISON-RELATED ISSUES:

consideration of risks associated with for-profit prison companies, providing services to prisoners at predatory pricing, or refusing to hire ex-prisoners.

OTHER SOCIAL: focus on social issues outside of the criteria specified above.

Governance Criteria

BOARD ISSUES: consideration of the directors' independence, diversity, pay and responsiveness to shareholders.

EXECUTIVE PAY: consideration of companies' executive pay practices, especially whether

pay policies are reasonable and aligned with shareholders' or other stakeholders' long-term interests.

POLITICAL CONTRIBUTIONS:

consideration of companies' management and disclosure of corporate political spending or lobbying activities, and of risks associated with corporate political activities.

ANTI-CORRUPTION:

consideration of companies' policies to prevent bribery, racketeering and other corrupt practices.

OTHER GOVERNANCE: focus on governance issues outside of the criteria specified above.

Product and Industry Criteria

ALCOHOL: exclusion or partial exclusion of companies involved in the production, licensing and/ or retailing of alcohol products, or in the manufacturing of products necessary for production of alcoholic beverages.

ANIMAL TESTING/WELFARE:

consideration of companies' policies and practices toward animals in consumer product testing, where such testing is not legally required, particularly where such tests inflict pain or suffering on the test animals, and on the treatment of animals raised or used for food and other goods and services.

FAITH-BASED: criteria based on specifically religious grounds, generally in reference to the principles of Christian, Jewish or Islamic faiths.

MILITARY/WEAPONS: exclusion or partial exclusion of companies that derive a significant portion of their revenues from the manufacture of weapons as defense contractors or from the manufacture or retailing of firearms or ammunition for civilian use.

GAMBLING: exclusion or partial exclusion of companies involved in licensing, manufacturing, owning or operating gambling interests.

NUCLEAR: exclusion or partial exclusion of companies involved in nuclear power production.

PORNOGRAPHY: exclusion or partial exclusion of companies that derive a significant portion of revenues from the production or distribution of adult entertainment products, owning or operating adult entertainment establishments, or providing adult entertainment programming through cable or pay-per-view services.

PRODUCT SAFETY: consideration of products' safety and impact on consumers' psychological or physical health.

TOBACCO: exclusion or partial exclusion of companies involved in the production, licensing, and/or retailing of tobacco products, or in the manufacturing of products necessary for production of tobacco products.

OTHER PRODUCTS: focus on product or industry issues outside of the criteria specified above.





Appendix 2

Mutual and Exchange-Traded Funds Incorporating ESG Criteria

Mutual Funds	Assets (in Millions)
13D Management	
13D Activist Fund	\$294.8
1919 Investment Counsel, LLC (part of Stifel Trust)	
1919 Socially Responsive Balanced Fund	\$228.6
Aberdeen Standard Investments	
Aberdeen International Small Cap Fund	\$122.7
Aberdeen Global Equity Impact Fund	\$19.1
Acadian Asset Management	
Acadian Emerging Market Portfolio	\$816.0
Accrued Equities, Inc.	
New Alternatives Fund	\$228.0
Aegon Asset Management US	
Short Duration High Yield	\$136.8
Emerging Markets Debt Fund	\$47.2
Affiliated Managers Group (AMG)	
AMG GW&K Enhanced Core Bond Fund ESG	\$33.6
GW&K Core Bond ESG Fund	\$215.9
AFL-CIO Housing Investment Trust	
AFL-CIO Housing Investment Trust	\$6,600.0
AllianceBernstein	
AB Sustainable Global Thematic Fund	\$1,118.7
AB Sustainable International Thematic Fund	\$326.3
Allianz Global Investors	
Allianz GI Global Sustainability Fund	\$169.3
AllianzGI Emerging Markets SRI Debt Fund	\$19.9
AllianzGI Green Bond Fund	\$35.5
Allianz Water Fund	\$685.8
AllianzGI Global Allocation Fund	\$287.3
Allied Asset Advisors, Inc.	
Iman Fund	\$140.0
American Century Investments	
Sustainable Equity Fund	\$847.4

American Trust Investment Advisors	
American Trust Allegiance Fund	\$26.2
Amundi Pioneer Asset Management (fka Pioneer Investment Management Inc.)	
Pioneer Fund	\$5,355.8
Pioneer Balanced ESG Fund	\$332.0
Arabesque Asset Management	
Arabesque Systematic USA Fund	\$38.5
Arabesque Partners	
Arabesque Systematic USA Fund-Institutional	\$39.5
Ariel Investments	
Ariel Appreciation Fund	\$1,300.0
Ariel Fund	\$2.2
Ariel Focus Fund	\$62.8
Artisan Partners	
Global Equity	\$255.0
Artisan Sustainable Emerging Markets Fund	\$52.0
Developing World	\$2,661.8
Focus Fund (formerly Thematic Fund)	\$52.0
Global Discovery	\$107.3
Global Opportunities	\$3,395.0
Global Value	\$3,075.9
High Income	\$3,788.3
International	\$10,559.1
International Small-Mid	\$1,221.0
International Value	\$14,268.1
Mid Cap	\$5,058.5
Mid Cap Value	\$2,270.0
Small Cap	\$1,837.0
Value Fund	\$408.3
Ascendant Advisors LLC	
Patriot Fund	\$19.9



Aspiration	
Aspiration Redwood Fund	\$100.0
AXA Equitable Funds Management Group (subsidiary of AXA Equitable Life Insurance Company)	
1290 SmartBeta Equity Fund	\$32.4
Azzad Asset Management, Inc.	
Azzad Ethical Fund	\$94.1
Azzad Wise Capital Fund	\$151.4
Baillie Gifford & Co	
Positive Change	\$26.7
Bessemer Investment Management	
Old Westbury Fund	\$41.0
BlackRock	
BlackRock Utilities, Infrastructure & Power Opportunities Trust	\$383.6
BlackRock Advantage ESG US Equity Fund	\$105.9
BlackRock Liquid Environmentally Aware Fund (LEAF)	\$976.4
BlackRock Systematic ESG Bond Fund	\$28.3
BNY Mellon Asset Management North America (AMNA)	
BNY Mellon Sustainable US Equity Fund	\$380.2
BNY Mellon Sustainable Balanced Fund	\$13.7
Boston Common Asset Management	
ESG Impact International Fund	\$271.2
ESG Impact US Equity Fund	\$41.0
Boston Trust Walden	
Walden Equity Fund	\$248.0
Walden Midcap Fund	\$62.0
Walden International Equity Fund	\$57.0
Walden SMID Cap Fund	\$62.0
Boston Trust Walden Small Cap Fund	\$363.0
Walden Balanced Fund	\$158.0
Bridgeway Capital Management	
Bridgeway Aggressive Investors 1 Fund	\$175.0
Bridgeway Omni Small-Cap Value Fund	\$1,039.0
Bridgeway Small Cap Growth Fund	\$36.0
Bridgeway Small Cap Value Fund	\$44.0
Bridgeway Ultra Small Company Fund	\$69.0
Bridgeway Ultra Small Company Market Fund	\$217.0
Managed Volatility Fund	\$30.0
Omni Tax-Managed Small-Cap Value Fund	\$1,039.0

Brown Advisory	
Brown Advisory Sustainable Growth Fund	\$3,643.3
Brown Advisory Sustainable Bond Fund	\$384.1
Calvert Research and Management	
Calvert Global Water Fund	\$445.3
Calvert Green Bond Fund	\$418.4
Calvert Income Fund	\$575.4
Calvert International Equity Fund	\$300.9
Calvert International Opportunities Fund	\$394.2
Calvert Global Energy Solutions Fund	\$90.4
Calvert Balanced Fund	\$872.8
Calvert Bond Fund	\$1,759.2
Calvert Emerging Markets Equity Fund	\$2,671.4
Calvert Equity Fund	\$3,766.0
Calvert Floating-Rate Advantage Fund	\$65.5
Calvert High Yield Bond Fund	\$223.2
Calvert International Responsible Index Fund	\$163.5
Calvert Long-Term Income Fund	\$81.0
Calvert Mid-Cap Core Responsible Index	\$71.2
Calvert Mid-Cap Fund	\$210.6
Calvert Responsible Municipal Income Fund	\$185.1
Calvert Short Duration Income Fund	\$1,748.8
Calvert Small-Cap Fund	\$861.8
Calvert Ultra-Short Duration Income Fund	\$988.1
Calvert US Large Cap Core Responsible Index Fund	\$2,191.5
Calvert US Large Cap Growth Responsible Index Fund	\$105.9
Calvert US Large-Cap Value Responsible Index	\$519.7
Calvert Unconstrained Bond Fund	\$200.8
Candriam	
Mainstay Candriam Emerging Market Debt Fund	\$140.0
Mainstay Candriam Emerging Market Equity Fund	\$49.0
MS VP Emerging Markets Equity Fund	\$273.0
Capital Group	
American Mutual Fund	\$59,892.1
Washington Mutual Investors Fund	\$117,095.5
American Funds College Target Date Series	\$10,410.5
American Funds Portfolio Series	\$41,959.4
American Funds Target Date Retirement Series	\$141,682.2
Individual Mutual Funds	
Retirement Income Portfolio series	\$2,894.6



ClearBridge Investments	
ClearBridge Sustainability Leaders Strategy	\$483.8
Coho Partners	
Coho Relative Value ESG Fund	\$3.5
Columbia Threadneedle Investments	
US Social Bond Fund	\$57.5
Community Capital Management, Inc.	
CCM Alternative Income Fund	\$58.0
CRA Qualified Investment Fund	\$2,310.0
Quaker Impact Growth Fund	\$64.0
Quaker Small/Mid-Cap Impact Value Fund	\$29.0
Cornerstone Capital Group	
Cornerstone Capital Access Impact Fund	\$7.0
Crossmark Global Investments	
Crossmark Steward Global Equity Income Fund	\$348.3
Crossmark Steward International Enhanced Index Fund	\$156.6
Crossmark Steward Large Cap Enhanced Index Fund	\$448.9
Crossmark Steward Select Bond Fund	\$162.2
Crossmark Steward Small Mid-Cap Enhanced Index Fund	\$230.8
Crossmark Steward Covered Call Income Fund	\$31.8
Dana Funds	
Dana Epiphany ESG Equity Fund	\$10.7
Dimensional Fund Advisors	
DFA Emerging Markets Social Core Equity Portfolio	\$1,572.0
DFA International Sustainability Core 1 Portfolio	\$1,547.0
DFA US Social Core Equity 2 Portfolio	\$1,326.0
DFA US Sustainability Core 1 Portfolio	\$2,330.0
International Social Core Equity Portfolio	\$1,271.0
DFA Social Fixed Income	\$316.0
DFA Global Sustainability Fixed Income Portfolio	\$367.0
Emerging Markets Sustainable Core Equity Portfolio	\$326.0
Global Social Core Equity Portfolio	\$64.0
Dodge & Cox	
Dodge & Cox Balanced Fund	\$15,700.0
Dodge & Cox Global Bond Fund	\$434.6
Dodge & Cox Global Stock Fund	\$10,300.0
	\$63,500.0

Dodge & Cox International Stock Fund	\$50,200.0
Dodge & Cox Stock Fund	\$74,600.0
Domini Impact Investments LLC	71 1,00010
Domini Impact Bond Fund	\$160.7
Domini Impact Equity Fund	\$807.5
Domini Impact International Equity Fund	\$1,198.0
DWS Investment Management Americas, Inc.	. ,
DWS ESG Core Equity Fund	\$203.0
DWS ESG Global Bond Fund	\$54.2
DWS ESG International Core Equity Fund	\$23.7
DWS ESG Liquidity Fund	\$412.8
Earth Equity Advisors	
Mutual Fund Portfolios	\$70.0
Essex Investment Management Company, LLC	
Essex Environmental Opportunities Fund	\$12.1
Eventide Asset Management	
Eventide Gilead Fund	\$2,610.0
Eventide Healthcare & Life Sciences Fund	\$1,300.0
Eventide Multi-Asset Income Fund	\$128.0
Eventide Dividend Opportunities Fund	\$25.0
Eventide Limited-Term Bond Fund	\$51.4
Fidelity Management & Research Company	
Fidelity Select Environmental and Alternative Energy Portfolio	\$191.5
Fidelity International Sustainability Index Fund	\$88.9
Fidelity US Sustainability Index Fund	\$263.9
Fidelity Sustainability Bond Index Fund	\$106.9
Fidelity Women's Leadership Fund	\$23.9
Firsthand Capital Management	
Firsthand Alternative Energy Fund	\$6.2
Franklin Templeton Investments	
Frankin Municipal Green Bond Fund	\$5.0
Fred Alger Management, Inc.	
Alger Responsible Investing Fund	\$67.9
Friends Fiduciary Corporation	
Short-Term Investment Fund	\$19.4
Quaker Green Fund	\$29.9
Quaker Index Fund	\$97.5
Frontier Partners	
Frontier MFG Global Sustainable Fund'	\$10.9
GAMCO Investors, Inc. (Gabelli Asset Management Company)	
Gabelli ESG Fund	\$42.0



Glenmede Investment Management	
Glenmede Women in Leadership	\$23.1
Glenmede Responsible ESG US Equity	\$25.4
GMO (Grantham, Mayo, Van Otterloo & Co)	
GMO Climate Change Fund	\$123.0
Gotham Asset Management	
Gotham Enhanced 500 Plus Fund	\$1.1
Great-West Capital Management	
Great-West Ariel Mid Cap Value Fund	\$186.5
Green Alpha Advisors, LLC	
Shelton Green Alpha Fund	\$70.0
Green Century Capital Management	
Green Century Balanced Fund	\$292.5
Green Century Equity Fund	\$330.2
The Green Century MSCI International Index Fund	\$77.2
GuideStone Capital Management, LLC	
Aggressive Allocation Fund	\$1,080.0
Balanced Allocation Fund	\$1,615.0
Conservative Allocation Fund	\$527.3
Defensive Market Strategies Fund	\$1,261.0
Emerging Markets Equity Fund	\$534.0
Equity Index Fund	\$2,136.0
Extended-Duration Bond Fund	\$256.7
Global Bond Fund	\$609.0
Growth Allocation Fund	\$1,247.0
Growth Equity Fund	\$1,698.0
International Equity Fund	\$1,314.1
Low-Duration Bond Fund	\$997.0
Medium-Duration Bond Fund	\$1,781.0
Money Market Fund	\$1,303.0
MyDestination 2015 Fund	\$668.0
MyDestination 2025 Fund	\$1,409.0
MyDestination 2035 Fund	\$928.0
MyDestination 2045 Fund	\$701.0
MyDestination 2055 Fund	\$220.0
Small Cap Equity Fund	\$596.0
Value Equity Fund	\$1,215.0
International Equity Index	\$711.0
Global Real Estate Securities Fund	\$264.0
Strategic Alternatives Fund	\$386.1
Guinness Atkinson Asset Management, Inc.	
Guinness Atkinson Alternative Energy Fund	\$9.2
Hartford Funds Management Company	

Hantford Olahal Inggant Fund	¢1000
Hartford Global Impact Fund	\$106.0
Hartford Schroders Emerging Markets Equity Fund	\$3,900.0
Hartford Schroders International Stock Fund	\$465.0
Hartford Climate Opportunities Fund	\$41.0
Highland Capital Management	
Highland Socially Responsible Equity Fund	\$82.8
HSBC Global Asset Management	
HSBC US Govt Money Market	\$18,825.6
HSBC US Treasury Money Market	\$2,125.9
HSBC Strategic Income	\$30.3
HSBC US High Yield	\$33.6
Impax Asset Management	
Pax Core Bond Fund	\$708.0
Pax Ellevate Global Women's Leadership Fund	\$464.6
Pax Global Environmental Markets Fund	\$967.3
Pax High Yield Bond Fund	\$374.4
Pax Large Cap Fund	\$766.3
Pax MSCI EAFE ESG Leaders Index Fund	\$645.0
Pax Small Cap Fund	\$433.4
Pax ESG Beta® Dividend Fund	\$132.9
Pax ESG Beta® Quality Fund	\$240.5
Pax Global Opportunities Fund	\$42.0
Pax Sustainable Allocation Fund	\$1,915.5
Invesco PowerShares Capital Management	
Invesco Summit Fund	\$2,602.4
Invesco Global Responsibility Equity Fund	\$9.3
John Hancock Investments	
John Hancock ESG All Cap Core Fund	\$29.6
John Hancock ESG Core Bond Fund	\$62.0
John Hancock ESG International Equity Fund	\$63.2
John Hancock ESG Large Cap Core Fund	\$69.2
JP Morgan Asset Management	
JPMorgan Intrepid Sustainable Equity Fund	\$31.5
JPMorgan Municipal Income Fund	\$260.6
Karner Blue Capital	
Karner Blue Animal Impact Fund	\$4.9
KBI Global Investors (fka Kleinwort Benson Investors)	
KBI Global Investors Aquarius Fund	\$55.9
Knights of Columbus Asset Advisors	
Catholic Investor Core Bond Fund	\$103.9
Catholic Investor International Equity Fund	\$90.4
Catholic Investor Large Cap Growth Fund	\$83.1

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Catholia Investor Lorge Con Value Fund	\$20.7
Catholic Investor Large Cap Value Fund	\$80.7
Catholic Investor Limited Duration Fund	\$103.6
Catholic Investor Small Cap Equity Fund	\$86.5
Luther King Capital Management	
LKCM Aquinas Catholic Equity Fund	\$48.8
Macroclimate	
Dimensional International Sustainability Core Equity Portfolio	\$20.0
Dimensional US Sustainability Core Equity Portfolio	\$15.0
Dimensional Emerging Markets	\$5.4
Dimensional Sustainable Fixed Income	\$5.4
Vert Sustainable Real Estate	\$5.4
Matthews Asia	
Matthews Asia ESG Fund	\$55.3
Mesirow Financial Investment Management	
Mesirow Financial Small Cap Value Sustainability Fund	\$8.2
MFG Asset Management	
MFG US Sustainable	\$95.2
Miller/Howard Investments	
Miller/Howard Income-Equity Fund	\$79.8
Monteagle Funds	
Monteagle Select Value Fund	\$25.5
Morgan Stanley Investment Management	
Morgan Stanley Institutional Fund, Inc. Asia Opportunity Portfolio	\$137.4
Morgan Stanley Institutional Fund, Inc. Emerging Markets Leaders Portfolio	\$55.1
Morgan Stanley Institutional Fund, Inc. Global Opportunity Portfolio	\$3,780.0
Morgan Stanley Institutional Fund, Inc. International Advantage Portfolio	\$2,298.6
Morgan Stanley Emerging Markets Fixed Income Opportunities Portfolio	\$61.6
Morgan Stanley Emerging Markets Small Cap Portfolio	\$67.8
Morgan Stanley Frontier Markets Portfolio	\$137.0
Morgan Stanley Global Concentrated Portfolio	\$21.6
Morgan Stanley Global Core Portfolio	\$11.8
Morgan Stanley Global Fixed Income Opportunities Fund	\$895.2
Morgan Stanley Global Sustain Portfolio	\$29.5
Morgan Stanley Inception Portfolio	\$185.9
Morgan Stanley Insight Fund	\$2,200.0
Morgan Stanley Institutional Advantage Portfolio	\$453.0
1 31413110	

Morgan Stanley Institutional Corporate Bond Portfolio	\$139.6
Morgan Stanley Institutional Counterpoint Global	\$10.1
Morgan Stanley Institutional Discovery Portfolio	\$902.4
Morgan Stanley Institutional Fund, Inc. International Opportunity	\$1,835.0
Morgan Stanley Institutional Global Advantage Portfolio	\$142.7
Morgan Stanley Institutional Global Franchise Portfolio	\$2,130.4
Morgan Stanley Institutional Global Permanence Portfolio	\$2.5
Morgan Stanley Institutional Growth Portfolio	\$6,900.0
Morgan Stanley Institutional High Yield Portfolio	\$213.4
Morgan Stanley Institutional Short Duration Income Portfolio	\$267.8
Morgan Stanley Institutional Strategic Income Portfolio	\$10.5
Morgan Stanley US Core Portfolio	\$19.0
Nationwide	
Nationwide Global Sustainable Equity Fund	\$54.8
Natixis Investment Managers	
Mirova Global Green Bond Fund	\$36.8
Mirova Global Sustainable Equity Fund	\$146.9
Natixis Sustainable Future 2015 Fund	\$6.2
Natixis Sustainable Future 2020 Fund	\$6.1
Natixis Sustainable Future 2025 Fund	\$6.2
Natixis Sustainable Future 2030 Fund	\$6.7
Natixis Sustainable Future 2035 Fund	\$5.6
Natixis Sustainable Future 2040 Fund	\$5.8
Natixis Sustainable Future 2045 Fund	\$4.8
Natixis Sustainable Future 2050 Fund	\$4.4
Natixis Sustainable Future 2055 Fund	\$3.8
Natixis Sustainable Future 2060 Fund	\$3.2
Mirova International Sustainable Equity Fund	\$17.0
Neuberger Berman	
Mutual Funds - ESG Integration, Positive/ Best-In-Class & Impact Investing	\$13,420.0
New Alternatives Fund	
New Alternatives Fund	\$234.0
Newton Investment Management (North America)	
Sustainable US Equity	\$686.0



Northern Trust Asset Management	
Global Sustainability Index Fund	\$813.9
US Quality ESG	\$121.4
Nuveen	
T-C Social Choice Equity Fund	\$4,990.0
T-C Social Choice International Equity Fund	\$319.6
T-C Social Choice Low Carbon Equity Fund	\$260.6
T-C Core Impact Bond Fund	\$4,681.9
TIAA-CREF Green Bond	\$31.4
TIAA-CREF Short Duration Impact Bond	\$28.6
Pacific Investment Management Co. (PIMCO)	
PIMCO Low Duration ESG Fund	\$293.4
PIMCO Total Return ESG Fund	\$1,400.0
PIMCO Climate Bond Fund	\$5.0
Parnassus Investments	
Parnassus Core Equity Fund	\$20,852.0
Parnassus Endeavor Fund	\$3,842.0
Parnassus Fixed-Income Fund	\$230.1
Parnassus Mid-Cap Fund	\$5,074.8
Parnassus Mid Cap Growth Fund	\$986.2
Payden & Rygel	
Payden Absolute Return Bond Fund	\$629.0
Payden California Municipal Social Impact Fund	\$60.8
Payden Cash Reserves Money Market Fund	\$320.1
Payden Core Bond Fund	\$933.6
Payden Corporate Bond Fund	\$445.7
Payden Emerging Markets Bond Fund	\$848.1
Payden Emerging Markets Corporate Bond Fund	\$37.2
Payden Emerging Markets Local Bond Fund	\$182.5
Payden Equity Income Fund	\$2,600.0
Payden Floating Rate Fund	\$65.7
Payden Global Fixed Income Fund	\$147.5
Payden Global Low Duration Fund	\$87.6
Payden Gnma Fund	\$126.2
Payden High Income Fund	\$365.9
Payden Low Duration Fund	\$850.9
Payden Strategic Income Fund	\$134.3
Payden US Government Fund	\$41.3
Pekin Hardy Strauss Inc	
Appleseed Fund	\$97.0

PGIM Fixed Income	
Core Bond Fund	\$610.8
Corporate Bond Fund	\$30.6
Absolute Return Bond Fund	\$2,369.5
California Muni Income Fund	\$195.3
Emerging Markets Debt Local Currency Fund	\$72.4
Floating Rate Income Fund	\$533.7
Global Dynamic Bond Fund	\$75.2
Global Total Return Fund	\$2,651.2
Government Income Fund	\$447.5
Government Money Market Fund	\$444.1
High Yield Fund	\$9,763.4
International Bond Fund	\$35.2
Muni High Income Fund	\$863.9
National Muni Fund	\$705.8
Securitized Credit Fund	\$27.0
Short Duration High Yield Income Fund	\$2,956.0
Short Duration Multi-Sector Bond Fund	\$1,637.4
Short Duration Muni Fund	\$151.8
Short-Term Corporate Bond Fund	\$9,868.8
Strategic Bond Fund	\$1,459.1
Total Return Bond Fund	\$49,928.0
Ultra Short Bond ETF	\$563.0
PGIM Real Estate	
PGIM Global Real Estate Fund	\$1,717.3
PGIM Real Estate Income Fund	\$18.2
PGIM Select Real Estate Fund	\$28.3
PGIM US Real Estate Fund	\$27.4
Pictet Asset Management	
Absolute Return Fixed Income	\$221.2
Emerging Local Currency Debt	\$133.6
Global Thematic Opportunity	\$371.1
International Equity - EAFE	\$362.0
Timber	\$221.2
Praxis Mutual Funds	
Praxis Growth Index Fund	\$326.0
Praxis Intermediate Income Fund	\$587.0
Praxis International Index Fund	\$288.0
Praxis Small Cap Fund	\$120.0
Praxis Value Index Fund	\$254.0
Putnam Investments	
Putnam Sustainable Future Fund	\$442.7
Putnam Sustainable Leaders Fund	\$4,958.2



RBC Global Asset Management (Access Capital)	
Access Capital Community Investment Fund A	\$573.0
RBC BlueBay High Yield Bond Fund	\$59.0
RBC Emerging Markets Small Cap Equity Fund	\$10.0
RBC Global Opportunities Fund	\$66.0
RBC Impact Bond	\$27.0
RBC International Opportunities Fund	\$93.0
RBC Emerging Markets Equity Fund	\$1,506.0
RBC Emerging Markets Value Equity Fund	\$5.0
Redwood Investments	
Small Cap Growth	\$645.0
Reynders, McVeigh Capital Management	
Reynders, McVeigh Core Equity	\$25.0
Riverbridge Partners LLC	
Riverbridge Eco Leaders Fund	\$6.8
Rosenberg Equities Investment Management	
1290 SmartBeta Equity Fund	\$32.4
Russell Investments	
Russell Investments Sustainable Equity Fund	\$269.2
Saturna Capital	
Saturna Sustainable Bond Fund	\$28.1
Saturna Sustainable Equity Fund	\$8.8
Amana Developing World Fund	\$33.7
Amana Growth Fund	\$2,173.6
Amana Income Fund	\$1,371.2
Schroders	
Emerging Market Equity Fund	\$3,900.0
Schroders International Stock Fund	\$465.0
Schwartz Investment Counsel	
Ave Maria Catholic Bond Fund	\$394.9
Ave Maria Catholic Growth Fund	\$854.8
Ave Maria Catholic Rising Dividend Fund	\$953.1
Ave Maria Catholic Values Fund	\$247.7
Ave Maria World Equity Fund	\$73.9
Segall Bryant & Hamill	
Workplace Equality Fund	\$13.9
SEI Investments Management Corporation (SIMC)	
New Covenant Balanced Growth Fund	\$281.8
New Covenant Balanced Income Fund	\$76.3
New Covenant Growth Fund	\$430.0
New Covenant Income Fund	\$329.1

	007.7
Screened World Equity Ex-US Fund	\$97.7
Catholic Values Equity Fund	\$234.5
Catholic Values Fixed Income Fund	\$163.9
Shelton Capital Management	
Shelton Green Alpha Fund	\$70.0
California Tax-Free Income Fund	\$63.6
Sit Investment Associates, Inc.	
Sit ESG Growth Fund	\$6.8
SKBA Capital Management, LLC	
Baywood Socially Responsible Fund	\$3.1
State Street Global Advisors (SSGA)	
State Street ESG Liquid Reserves Fund - Premier Class	\$683.0
SunAmerica Asset Management	
AIG ESG Dividend Fund	\$27.6
T. Rowe Price	
Mutual Funds	\$682,700.0
TCW	
TCW Developing Markets Equity Fund	\$5.7
TCW New America Premier Equities Fund	\$202.3
Thornburg Investment Management	
Better World International Fund	\$77.2
Timothy Partners, Ltd.	
Timothy Plan Aggressive Growth Fund	\$24.4
Timothy Plan Conservative Growth Fund	\$46.8
Timothy Plan Defensive Strategies Fund	\$40.0
Timothy Plan Fixed Income Fund	\$101.3
Timothy Plan High Yield Bond Fund	\$71.2
Timothy Plan International Fund	\$86.3
Timothy Plan Large/Mid Cap Growth Fund	\$9.7
Timothy Plan Large/Mid Cap Value Fund	\$215.1
Timothy Plan Small Cap Value Fund	\$149.4
Timothy Plan Strategic Growth Fund	\$36.8
Timothy Plan Growth & Income Blend	\$20.3
Timothy Plan Israel Common Values Fund	\$80.3
Tortoise Index Solutions, LLC	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Tortoise Energy Evolution Fund	\$18.9
Touchstone Investments	Ψ10.0
Touchstone Global ESG Equity Fund	\$737.0
Touchstone Impact Bond Fund	\$324.3
Touchstone International ESG Equity Fund	\$33.8
Towle & Co	φου.ο
Towle Deep Value Fund	\$93.4
Towic Deep value I unu	ψ30.4

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Variable Annuities	Assets (in Millions)
1919 Investment Counsel, LLC (part of Stifel Trust)	
1919 Variable Socially Responsive Balanced Fund	\$37.1
Amundi Pioneer Asset Management (fka Pioneer Investment Management Inc.)	
Pioneer Equity Income VCT Portfolio	\$128.5
Pioneer Fund VCT Portfolio	\$113.5
AXA Equitable Funds Management Group (subsidiary of AXA Equitable Life Insurance Company)	
1290 VT Socially Responsible Portfolio	\$2.9
Calvert Research and Management	
Calvert VP SRI Balanced Portfolio	\$367.3
Calvert VP SRI Mid Cap Portfolio	\$36.0
Macquarie Investment Management (formerly Lincoln National) (Sub-Advisor = Delaware Investments)	
LVIP Delaware Social Awareness Fund	\$732.7
Nationwide	
NB NVIT SOC RESP-I	\$119.0
Nuveen	
CREF Social Choice Account	\$15,154.8
T-C Life Social Choice Equity Fund	\$71.0
Rosenberg Equities Investment Management	
1290 VT Socially Responsible Portfolio	\$2.9
Timothy Partners, Ltd.	
Timothy Plan Conservative Growth Variable	\$13.6
Timothy Plan Strategic Growth Variable	\$17.1
Variable Annuity Life Insurance Co (VALIC)	
VALIC Company I Global Social Awareness Fund	\$327.0
VALIC Company II Socially Responsible Fund	\$682.4





ETFs	Assets (in Millions)
Alpha Architect	
Freedom 100 Emerging Markets ETF	\$19.2
ALPS Advisors	
ALPS Clean Energy ETF	\$133.5
Barclays Capital	
Barclays Women in Leadership ETN	\$40.9
Beyond Investing	
US Vegan Climate ETF	\$17.3
BlackRock	
iShares Global Clean Energy ETF	\$431.4
iShares MSCI KLD 400 Social Index Fund	\$1,845.2
iShares MSCI ACWI Low Carbon Target	\$491.9
iShares ESG 1-5 Year USD Corporate Bond ETF	\$163.7
iShares ESG USD Corporate Bond ETF	\$89.7
iShares MSCI EAFE ESG Optimized ETF	\$1,490.9
iShares MSCI EM ESG Optimized ETF	\$880.6
iShares MSCI Global Impact ETF	\$75.0
iShares MSCI USA ESG Optimized ETF	\$1,490.9
iShares MSCI USA ESG Select ETF	\$1,193.7
iShares ESG MSCI USA Leaders ETF	\$1,836.8
iShares ESG MSCI USA Small-Cap ETF	\$112.6
iShares ESG US Aggregate Bond ETF	\$155.3
iShares Global Green Bond ETF	\$42.8
iShares Self-Driving EV and Tech ETF	\$30.1
Candriam	
IQ Candriam ESG US Equity ETF	\$15.3
Change Finance	
Change Finance US Large Cap Fossil Fuel Free ETF	\$12.7
Columbia Threadneedle Investments	
Columbia Sustainable Global Equity Income ETF	\$16.2
Columbia Sustainable International Equity Income ETF	\$5.2
Columbia Sustainable US Equity Income ETF	\$4.3
DWS Investment Management Americas, Inc.	
MSCI ACWI ex USA ESG Leaders Equity ETF	\$7.6
Xtrackers MSCI EAFE ESG Leaders Equity ETF	\$9.6
Xtrackers MSCI Emerging Markets ESG Leaders Equity ETF	\$7.5
Xtrackers MSCI USA ESG Leaders Equity ETF	\$1,664.0
Xtrackers S&P 500 ESG ETF	\$120.7

Etho Capital	
Etho Climate Leadership US ETF	\$76.7
First Trust Advisors	\$70.7
First Trust NASDAQ Clean Edge Green Energy Index Fund	\$144.5
First Trust NASDAQ Clean Edge Smart Grid Infrastructure Index Fund	\$27.2
First Trust Global Wind Energy ETF	\$75.5
First Trust Water ETF	\$536.2
Global X Management Company	
Global X Conscious Companies ETF	\$199.4
Global X S&P 500 Catholic Values ETF	\$264.8
Impact Shares	
Ticker: NACP	\$2.9
Impact Shares Sustainable Development Goals Global Equity ETF	\$2.5
Impact Shares YWCA Women's Empowerment ETF	\$6.9
Impax Asset Management	
Global Women's Leadership ETF	\$18.
Inspire (CWM Advisors)	
Inspire 100 ETF	\$97.
Inspire Corporate Bond Impact ETF	\$118.
Inspire Global Hope ETF	\$167.
Inspire Small/Mid Cap Impact ETF	\$89.
Inspire International ESG ETF	\$12.
Invesco PowerShares Capital Management	
PowerShares Cleantech Portfolio	\$242.
PowerShares Global Clean Energy Portfolio	\$63.
PowerShares Global Water Portfolio	\$208.
PowerShares Water Resources Portfolio	\$1,200.
PowerShares WilderHill Clean Energy Portfolio	\$284.
Invesco ESG Revenue ETF	\$26.
Invesco Global ESG Revenue Fund	\$26.
Invesco Solar ETF	\$514.
Janus Henderson Investors (fka Janus Capital Management)	
The Organics ETF	\$5.
The Long-Term Care ETF	\$18.
The Obesity ETF	\$10.
Krane Funds Advisors	
KraneShares MSCI China Environment ETF	\$2.
Legg Mason Partners Fund Advisor	
Clearbridge Dividend Strategy ESG ETF	\$9.
Clearbridge Large Cap Growth ESG ETF	\$102.

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Nationwide	
Nationwide Maximum Diversification US Core Equity ETF	\$114.3
Nationwide Maximum Diversification Emerging Markets Core Equity ETF	\$16.5
Northern Trust Asset Management	
FlexShares STOXX Global ESG Impact Index Fund	\$96.9
FlexShares STOXX US ESG Impact Index Fund	\$63.4
Nuveen	
ESG Emerging Markets Equity ETF	\$62.3
ESG International Developed Markets Equity ETF	\$53.8
ESG Large-Cap Growth ETF	\$126.3
ESG Large-Cap Value ETF	\$129.5
ESG Mid-Cap Growth ETF	\$59.9
ESG Mid-Cap Value ETF	\$51.3
ESG Small-Cap ETF	\$53.8
ESG US Aggregate Bond ETF	\$79.1
Nuveen ESG High Yield Corporate Bond ETF	\$52.9
Nuveen ESG Large-Cap ETF	\$14.8
Pacer Advisors	
Pacer Military Times Bes ETF	\$1.4
Pacific Investment Management Co. (PIMCO)	
PIMCO Enhanced Short Maturity Active ESG ETF	\$17.0
PIMCO RAFI ESG US ETF	\$13.0
PGIM Fixed Income	
Active High Yield Bond ETF	\$27.6
ProShares	
ProShares S&P 500 ex-Energy ETF	\$14.3
Sage Advisory Services	
Sage ESG Intermediate Credit ETF	\$19.0
State Street Global Advisors (SSGA)	
SPDR Emerging Markets Fossil Fuel Reserves Free	\$28.0
SPDR MSCI EAFE Fossil Fuel Reserves Free	\$93.9
SPDR MSCI Low Carbon Target	\$59.4
SPDR S&P 500 Fossil Fuel Free	\$494.0
SPDR SSGA Gender Diversity Index	\$118.9
SPDR S&P Kensho Clean Power ETF	\$39.0
Strategy Shares	
EcoLogical Strategy ETF	\$53.3

Timothy Partners, Ltd.	
Timothy Plan High Dividend Stock ETF	\$99.4
Timothy Plan International ETF	\$25.6
Timothy Plan US Large Cap Core ETF	\$140.1
US Small Cap Core ETF	\$23.0
Tortoise Index Solutions, LLC	
Tortoise Global Water ESG Fund	\$15.6
Van Eck Associates Corporation (subsidiary of Van Eck Global)	
VanEck Vectors Environmental Services ETF	\$37.9
VanEck Vectors Global Alternative Energy ETF	\$110.5
VanEck Vectors Green Bond ETF	\$26.7
Vanguard	
Vanguard ESG International Stock ETF	\$699.3
Vanguard ESG US Stock ETF	\$1,000.0



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Appendix 3

Community Investing Institutions

Community Development Banks

American Plus Bank, N.A.

Amory Federal Savings and Loan Association

Bank 2

Bank of Anguilla Bank of Brookhaven

Bank of Cherokee County, Inc.

Bank of Commerce
Bank of Franklin
Bank of Kilmichael
Bank of Lake Village
Bank of Okolona
Bank of St Francisville

Bank of Winona Bank of Zachary

BankFirst Financial Services

BankPlus Bay Bank

Beneficial State Bank

BNA Bank BOM Bank

Broadway Federal Bank Caldwell Bank & Trust Co. Carver Federal Savings Bank

Carver State Bank
Catahoula LaSalle Bank
Central Bank of Kansas City
Century Bank of the Ozarks

Citizens Bank

Citizens Bank & Trust Company

Citizens Bank of Weir

Citizens National Bank of Meridian

Citizens Progressive Bank

Citizens Savings Bank and Trust Company

Citizens Trust Bank
City First Bank of DC, NA
City National Bank of New Jersey

Colfax Banking Company

Columbia Savings and Loan Association

Commercial Bank, Kemper County, DeKalb Mississippi

Commercial Capital Bank

Commonwealth National Bank

Community Bank of the Bay Community Commerce Bank Concordia Bank and Trust Co.

Copiah Bank Cross Keys Bank Delta Bank

Farmers and Merchants Bank

Farmers-Merchants Bank & Trust Company

FBT Bank & Mortgage (Fordyce Bank & Trust Company)

First American National Bank

First Bank of Linden
First Choice Bank
First Eagle Bank
First General Bank
First Independence Bank
First National Bank and Trust

First Security Bank First Southwest Bank First State Bank FNB Oxford Bank

FNBC Bank

Franklin State Bank & Trust Company

Friend Bank
GN Bank
Golden Bank, NA
Great Southern Bank
Guaranty Bank & Trust

Guaranty Bank and Trust Company of Delhi

Harbor Bank of Maryland

Holmes County Bank and Trust Company

Homeland Federal Savings Bank

Industrial Bank
INSOUTH Bank

International Bank of Chicago Legacy Bank & Trust Company Liberty Bank and Trust Company

Magnolia State Bank

Mechanics and Farmers Bank

Mechanics Bank

Merchants & Farmers Bank of Greene County

Merchants & Farmers Bank of Holly Springs, MIssissippi



Merchants & Marine Bank Merchants & Planters Bank

Metro Bank

Mission National Bank Mission Valley Bank

Mitchell Bank

Native American Bank, NA Neighborhood National Bank

New Haven Bank Noah Bank OneUnited Bank Optus Bank

Oxford University Bank Pacific Global Bank

Pan American Bank & Trust

Partners Bank Peoples Bank Pike National Bank

Planters Bank & Trust Company

Ponce Bank PriorityOne Bank

Progressive National Bank Pulaski Savings Bank

Quontic Bank

Richton Bank and Trust Company

RiverHills Bank

Robertson Banking Company

Royal Business Bank

Savoy Bank

Security Bank and Trust Company

Security Federal Bank

Security State Bank of Oklahoma South Georgia Banking Company

Southern Bancorp Bank Southern Independent Bank

Spring Bank

St Landry Homestead Federal Savings Bank

State Bank & Trust Company

Sunrise Banks, NA
Sycamore Bank
Tensas State Bank
Texas National Bank
The Bank of Vernon
The Cleveland State Bank
The Cottonport Bank

The First, A National Banking Association

The Jefferson Bank

The Samson Banking Company Tri-State Bank of Memphis Union Bank & Trust Company

United Bank

United Bank of Philadelphia United Mississippi Bank

VCC Bank

West Alabama Bank & Trust Winnsboro State Bank & Trust Co.

Community Development Credit Unions

1199 SEIU Federal Credit Union121 Financial Federal Credit Union1st Bergen Federal Credit Union

1st Choice Credit Union

1st Financial Federal Credit Union

Abyssinian Baptist Church Federal Credit Union

Advia Federal Credit Union

Afena

Alive Credit Union

All Souls Federal Credit Union

Allegan Community Federal Credit Union

Allegiance Credit Union
Alliance Credit Union

Alpena Community Credit Union Alternatives Federal Credit Union

Altra Federal Credit Union ANECA Federal Credit Union

Appalachian Community Federal Credit Union

Arbuckle

Ascension Credit Union Ascentra Credit Union

Assemblies Of God Credit Union Associated Credit Union of Texas

Astera Credit Union

Atchison Village Credit Union

Athol Credit Union

Awakon Federal Credit Union

BOND Community Federal Credit Union Banco Cooperativo de Puerto Rico

Bay Federal Credit Union Bayport Credit Union

Blackhawk Community Credit Union

Border Federal Credit Union Brewery Credit Union

Brightstar Federal Credit Union Brookland Federal Credit Union

Brooklyn Cooperative Federal Credit Union

Buckeye State Credit Union

Buffalo Cooperative Federal Credit Union

Calcoe Federal Credit Union
Campco Federal Credit Union

Caribe Federal Credit Un

Caribe Federal Credit Union

Carolina Foothills Federal Credit Union

Carter Federal Credit Union

CASE Credit Union

Cencap Federal Credit Union Central Willamette Community



Centric Federal Credit Union

Chadron Federal Credit Union

Chicago Municipal Employees Federal Credit Union

Chippewa County

Choctaw Federal Credit Union

Church of the Master Federal Credit Union

Citizens Choice Federal Credit Union

City Center Credit Union

Civic Federal Credit Union

Clean Energy Federal Credit Union

Clearwater Credit Union

Clinchfield

Coastal Community Federal Credit Union

Coastal Federal Credit Union

Cobblestone Country Federal Credit Union

Columbine Federal Credit Union

Commodore Perry Federal Credit Union

Community 1st Credit Union
Community Choice Credit Union

Community Credit Union

Community Credit Union of Florida

Community First Credit Union

Community First Guam Federal Credit Union

Community Plus Federal Credit Union

Community Promise Federal Credit Union

Community South Credit Union

Concord Federal Credit Union

Consolidated Federal Credit Union

Cooperativa de Ahorro y Crédito Aguas Buenas

Cooperativa de Ahorro y Crédito Aiboniteña

Cooperativa de Ahorro y Crédito Barrio Quebrada de Camuy

Cooperativa de Ahorro y Crédito Caribe Coop

Cooperativa de Ahorro y Crédito Cidreña

Cooperativa de Ahorro y Crédito Credit Unionpey Alto

Cooperativa de Ahorro y Crédito de Adjuntas

Cooperativa de Ahorro y Crédito de Arecibo

Cooperativa de Ahorro y Crédito de Barranquitas

Cooperativa de Ahorro y Crédito de Cabo Rojo

Cooperativa de Ahorro y Crédito de Camuy

Cooperativa de Ahorro y Crédito de Florida

Cooperativa de Ahorro y Crédito de Jayuya

Cooperativa de Ahorro y Crédito de Juana Díaz

Cooperativa de Ahorro y Crédito de la Asociación de Maestros de Puerto Rico

Cooperativa de Ahorro y Crédito de la Federación de Maestros de Puerto Rico

Cooperativa de Ahorro y Crédito de la Universidad de Puerto Rico

Cooperativa de Ahorro y Crédito de Lajas

Cooperativa de Ahorro y Crédito de Lares y Región

Central

Cooperativa de Ahorro y Crédito de Manati

Cooperativa de Ahorro y Crédito de Maunabo

Cooperativa de Ahorro y Credito de Mayaguez

Cooperativa De Ahorro y Crédito de Moca

Cooperativa de Ahorro y Crédito de Oficiales de Credit

Unionstodia de Puerto Rico

Cooperativa de Ahorro y Crédito de Rico Dairy

Cooperativa de Ahorro y Crédito de Rincón

Cooperativa de Ahorro y Crédito de Salinas

Cooperativa de Ahorro y Crédito de Santa Isabel

Cooperativa de Ahorro y Crédito de Yauco

Cooperativa de Ahorro y Crédito del Colegio de

Ingenieros y Agrimensores de Puerto Rico

Cooperativa de Ahorro y Crédito del Sindicato

Puertorriqueño de Trabajadores

Cooperativa de Ahorro y Crédito Dr. Manuel Zeno Gandía

Cooperativa de Ahorro y Crédito Familiar Progresista

Cooperativa de Ahorro y Crédito Hatillo

Cooperativa de Ahorro y Crédito Hermanos Unidos

Cooperativa de Ahorro y Crédito IslaCoop

Cooperativa de Ahorro y Crédito Jesús Obrero

Cooperativa de Ahorro y Crédito La Comerieña

Cooperativa de Ahorro y Crédito La Sagrada Familia

Cooperativa de Ahorro y Credito Las Piedras

Cooperativa de Ahorro y Crédito Lomas Verdes

Cooperativa de Ahorro y Crédito Municipales Guaynabo

Cooperativa de Ahorro y Crédito Naguabeña

Cooperativa de Ahorro y Crédito Oriental

Cooperativa de Ahorro y Crédito Padre Macdonald

Cooperativa de Ahorro y Crédito Pepiniana

Cooperativa de Ahorro y Crédito Rodríguez Hidalgo

Cooperativa de Ahorro y Crédito Roosevelt Roads

Cooperativa de Ahorro y Crédito San José

Cooperativa de Ahorro y Crédito Saulo D. Rodríguez

Cooperativa de Ahorro y Crédito TUCOOP

Cooperativa de Ahorro y Crédito Vega Alta

Cooperativa de Ahorro y Crédito Vegabajeña

Cooperative Center Federal Credit Union

Cooperative Federal

Core Credit Union

Corpus Christi SP Credit Union

Cosmopolitan Federal Credit Union

CoVantage Credit Union

Credit Union of Atlanta

Credit Union One Federal Credit Union

Credit Uniontting Edge Federal Credit Union

Dade County Federal Credit Union

Day Air Federal Credit Union

DC Credit Union

Deer Valley Federal Credit Union

Democracy Federal Credit Union

Demopolis Federal Credit Union

Diamond Lakes Federal Credit Union

Dupaco Community

DuPont Community Credit Union

Eagle One Federal Credit Union



East Baton Rouge Teachers Federal Credit Union
East End Baptist Tabernacle Federal Credit Union

East End Food Co-Op Federal Credit Union El Paso Area Teachers Federal Credit Union

ELGA Credit Union

Embark Federal Credit Union

Empire Financial Federal Credit Union

Empower Federal Credit Union

Empowerment CD Federal Credit Union

Engage Federal Credit Union

Entertainment Industries Federal Credit Union

Envision

Episcopal Community Federal Credit Union

EquiShare Credit Union Essential Federal Credit Union Everence Federal Credit Union Everyone's Federal Credit Union

Express Credit Union

Fairwinds Federal Credit Union
Faith Community United Credit Union
Faith Cooperative Federal Credit Union

Federation of Greene County Employees Federal Credit

Union

Ferguson Federal Credit Union

FIDECOOP

Fidelis Federal Credit Union

Financial Partners Federal Credit Union

First American Credit Union First Central Credit Union

First Family

First Financial Credit Union
First Imperial Credit Union
First Unity Federal Credit Union
FirstLight Federal Credit Union

Five Star Credit Union

Florida A&M University Federal Credit Union

Florida Credit Union

Florida State University Federal Credit Union

Fort Financial Federal Credit Union

Fox Valley Credit Union
Frankenmuth Credit Union

Franklin First Federal Credit Union

Freedom Credit Union

Freedom First Federal Credit Union
Freedom Northwest Federal Credit Union

GECredit Union of El Paso

Genesee Co-op Federal Credit Union

Gesa Credit Union

Glamour Community Federal Credit Union

Goldenwest Federal Credit Union

Government Printing Office Federal Credit Union

Grasslands Federal Credit Union

Great Lakes Credit Union

Greater Centennial Federal Credit Union

Greater Cleveland Community Credit Union

Greater Kinston Credit Union

Greater New Orleans Federal Credit Union

GreenState Credit Union Greylock Federal Credit Union GTE Federal Credit Union

Guadalupe Centers Federal Credit Union

Guadalupe Credit Union Guardians Credit Union Gulf Coast Community Harborstone Credit Union

Hawaii Central Federal Credit Union

Hawaii Federal Credit Union
Hawaii First Federal Credit Union
Heritage Financial Federal Credit Union
Hill District Federal Credit Union
Holy Rosary Credit Union

Hope Credit Union

HopeSouth Federal Credit Union

Horizon Credit Union

Horizon Federal Credit Union

Houston Metropolitan Federal Credit Union

Icon Federal Credit Union

IH Mississippi Valley Credit Union Illiana Financial Credit Union

Industrial Credit Union of Whatcom County

Innovations Federal Credit Union

Interstate Unlimited

Ironworkers USA Federal Credit Union Israel Methcomm Federal Credit Union Jefferson Financial Federal Credit Union

JetStream Federal Credit Union Katahdin Federal Credit Union

Kauai Government Employees Federal Credit Union

Kerr County Federal Credit Union Kinecta Federal Credit Union LAFederal Credit Union

Lake Huron Federal Credit Union

Lake Trust Credit Union
Lakota Federal Credit Union
Lanai Federal Credit Union
Latah Federal Credit Union
Latino Community Credit Union

Leaders Credit Union

Legacy Financial Federal Credit Union

Lewis Clark Credit Union

Lexington Avenue Federal Credit Union

Light Commerce Credit Union

Lighthouse Community Credit Union
Local Government Federal Credit Union

Louisiana Federal Credit Union

Lower East Side People's Federal Credit Union

Lower Valley Credit Union Magnolia Federal Credit Union



Manatee Community Federal Credit Union

Maple Federal Credit Union MariSol Federal Credit Union Maroon Financial Credit Union Mazuma Federal Credit Union MECredit Union of Baltimore

Members Credit Union Members Exchange

Members First Community Credit Union

Members First Credit Union Meritus Credit Union Metropolitan Teachers

Miami Postal Service Federal Credit Union Michigan First Federal Credit Union

Michigan State University Federal Credit Union

Mid Minnesota Federal Credit Union Mid Oregon Federal Credit Union

Molokai Community Federal Credit Union Mount Airy Baptist Church Federal Credit Union

Mount Lebanon Federal Credit Union

Mount Vernon NY Postal Employees Federal Credit

Union

Mountain Star Federal Credit Union Mt. Zion Indianapolis Federal Credit Union

Multipli Credit Union

Muskegon Co-op Federal Credit Union

NAS JRB Credit Union Natco Credit Union

Nebraska Rural Community Federal Credit Union

Neighborhood Trust Federal Credit Union

Neighbors Federal Credit Union

New Community Federal Credit Union

New Covenant Dominion Federal Credit Union

New Horizon Federal Credit Union

New Life Credit Union

New Orleans Firemen's Federal Credit Union

New Pilgrim Federal Credit Union

New York University Federal Credit Union

Newrizons Federal Credit Union NextMark Federal Credit Union Norstate Federal Credit Union North Coast Credit Union

North Jersey Federal Credit Union Northeast Community Credit Union

Northeast Community Federal Credit Union

Northern New Mexico School Employees Federal Credit

Union

NorthPark Community Federal Credit Union

Notre Dame Federal Credit Union

Nova Credit Union

NRS Community Development Federal Credit Union

Nueva Esperanza Community Credit Union

Nusenda Federal Credit Union

Nutmeg State Financial Federal Credit Union

Nuvista Federal Credit Union
Omni Community Credit Union

One Detroit Credit Union

One Source Federal Credit Union
OnPath Federal Credit Union

Ontario Montclair Schools Federal Credit Union

Opportunities Credit Union

Orion

Orlando Federal Credit Union

Oswego County
Ouachita Valley

Our Mother Of Mercy Federal Credit Union

Panhandle Educators

Park Community Credit Union

Park Manor Christian Church Credit Union

Partners Federal Credit Union

Pasadena Service Federal Credit Union
Paul Quinn Federal Credit Union

Peach State Federal Credit Union

Pelican State Credit Union

Peninsula Community Federal Credit Union Peoples Advantage Federal Credit Union

Phenix Pride Federal Credit Union
Pheple Federal Credit Union
Pine Bluff Cotton Belt
Point West Credit Union

Premier America Credit Union
Premier Federal Credit Union
Prime Financial Credit Union

Primera Cooperativa de Ahorro y Crédito de Puerto Rico

Priority Credit Union

Profinance Federal Credit Union
Public Service Credit Union
Puerto Rico Federal Credit Union
Pyramid Federal Credit Union

Ravalli County

Regional Federal Credit Union Resource One Federal Credit Union

REV Federal Credit Union
Rio Grande Credit Union
Rio Grande Valley Credit Union
River City Federal Credit Union
River Region Credit Union
Rocket Federal Credit Union

Royal Credit Union

RVA Financial Federal Credit Union

San Mateo Credit Union San Rafael Cooperativa

Santa Ana Federal Credit Union
Santa Cruz Community Credit Union

SCE Federal Credit Union Seattle Credit Union

SeCredit Unionrity Credit Union

Seguros Multiples



SELCO Community Credit Union

Select Federal Credit Union

Select Seven Credit Union

Self-Help Credit Union

Self-Help Federal Credit Union

Sentinel Federal Credit Union

Simplicity Credit Union

Siskiyou Central Credit Union

Sisseton-Wahpeton Federal Credit Union

SIU Credit Union

Skypoint Federal Credit Union

Smart Choice Credit Union

Softite Community Federal Credit Union

South Side Community Federal Credit Union

Southern Chautauqua Federal Credit Union

Southern SeCredit Unionrity

Southern Teachers & Parents Federal Credit Union

Southwest 66 Credit Union

Southwest Louisiana

St. Augustine Presbyterian Federal Credit Union

St. Louis Community Credit Union

St. Mark United Methodist Church Credit Union

St. Philips Federal Credit Union

St. Tammany Federal Credit Union

Star Of Texas Credit Union

State Employees Credit Union

Stepping Stones Community Federal Credit Union

Straits Area Federal Credit Union

Strata Credit Union

Sunbelt Federal Credit Union

Suncoast Credit Union

Tabernacle Federal Credit Union

Tallahassee-Leon Federal Credit Union

Tampa Bay Federal Credit Union

Teachers Credit Union

Team Financial Federal Credit Union

Telhio Federal Credit Union

Texas Bay Area

Texas Community Federal Credit Union

The Finest Federal Credit Union

The United Federal Credit Union

Tidemark Federal Credit Union

Tinker Federal Credit Union

Toledo Urban Federal Credit Union

Tongass Federal Credit Union

Total Choice

Total Community Action Federal Credit Union

Trailhead

Transfiguration Parish Federal Credit Union

Travis Credit Union

Trius Federal Credit Union

Trouvaille

True Sky Credit Union

Trust Federal Credit Union

Tucoemas Federal Credit Union

Tucson Old Pueblo Credit Union

UBC Credit Union

UBC Southern Council of Industrial Workers Federal

Credit Union

Unified Homeowners Of Illinois Federal Credit Union

Union Baptist Church Federal Credit Union

Union Baptist Greenburgh Federal Credit Union

United Consumers Federal Credit Union

United Federal Credit Union

University Federal Credit Union

University of Louisiana Federal Credit Union

University Of Michigan Federal Credit Union

University Settlement Federal Credit Union

Uno Federal Credit Union

UP Federal Credit Union

Upstate Federal Credit Union

Urban UpBound Federal Credit Union

US Community Credit Union

USAlliance Federal Credit Union

USC Credit Union

Vacationland

Vantage West

Varick Memorial Federal Credit Union

Veridian Credit Union

Vermont State Employees Credit Union

Vision Financial Federal Credit Union

Vocal Credit Union

Vocality Community Credit Union

WBRT Federal Credit Union

Washington State Employees Federal Credit Union

Wayne-Westland

We Florida Financial Federal Credit Union

Wescom Central Federal Credit Union

Whatcom Educational Credit Union

White Earth Reservation Federal Credit Union

Workers' Credit Union

YS Federal Credit Union

Zeal Federal Credit Union

Depository Institution Holding Companies

American Bancorp of Illinois

Bancorp Of Okolona

Bancorp of Winona

BancPlus Corporation

BankFirst Capital Corporation

Bay Bancorporation

Beneficial State Bancorp

BSJ Bancshares

Caldwell Holding Company



Capital Bancorp

Carver Financial Corporation

Catahoula Holding Company

Central Bancshares of Kansas City

Central Louisiana Capital Corporation

Century Bancshares CFBanc Corporation

CheckSpring Community Corporation

Chickasaw Banc Holding Company

Citizens Bancshares Corporation

Citizens National Bancorp

City National Bancshares Corporation

Cleveland State Bancorp

CNB Bancorp

Commerce Bancorp

Commercial Capital Corporation

Community Bancshares of Mississippi

Concordia Capital Corporation

Copiah Bancshares
Delhi Bancshares

FBT Bancshares

First American Bancshares

First City Fund Corporation

First Community Bancorp

First Eagle Bancshares

First National Holding Company

First SouthWest Bancorporation

First State Corporation

First Suncoast Trust Bancshares

First Union Financial Corporation

First Vernon Bancshares

FNBC Bancorp

Franklin Bancorp

Franklin Bancshares

Grant Bancshares

Great Southern Capital Corporation

Guaranty Capital Corporation

Harbor Bankshares Corporation

Haven Capital Corporation

Helena Bancshares

Holmes County Capital Corporation

Homeland Bancshares

IBC Bancorp

Independent Southern Bancshares

Kilmichael Bancorp

Lafayette Bancorp

Liberty Financial Services

Louisville Development Bancorp

M&F Bancorp

Merchants & Farmers Bancshares

Merchants & Marine Bancorp

MIssion Valley Bancorp

Mitchell Bank Holding Corporation

MNB Holding Corporation

MNB Ventures

Native American Bancorporation

Neighborhood Bancorp

Ozarks Heritage Financial Group

PDL Community Bancorp

Peoples Bancshares

PGB Holdings

Planters Holding Company

PriorityOne Capital Corporation

Pyramid Financial Corporation

Quontic Bank Holdings Corp

RBB Bancorp

RBC

Riverhills Capital Corporation

SCCB Financial Corporation

Security Bancshares Corporation

Security Capital Corporation

Security Federal Corporation SNB Holdings

South Georgia Bank Holding Company

Southeast Arkansas Bank Corporation

Southern Bancorp

Southern Independent Bankshares

Southwest Security

St. Francisville Bancshares

State Capital Corporation

Tensas Bancshares

The First Bancshares

The Magnolia State Corporation

United Bancorporation of Alabama

University Financial Corporation

Virginia Community Capital

Winnsboro Bancshares

Zachary Bancshares

Loan Funds

DOMESTIC COMMUNITY DEVELOPMENT LOAN FUNDS

3CORE

AAFE Community Development Fund

Access to Capital for Entrepreneurs

ACCION East

ACCION San Diego

ACCION/Chicago

Adirondack Economic Development Corporation

Affiliated Tribes of Northwest Indians Financial Services

Affordable Homes of South Texas

Affordable Housing Resources

Affordable Mortgage Solutions

African Development Center

African Economic Development Solutions





Alaska Benteh Capital

Alaska Growth Capital BIDCO
Albany Community Together
Albina Opportunities Corporation
All Credit Considered Mortgage

AltCap

AmPac Tri-State CDC ANDP Loan Fund AnewAmerica CDFI Apoyo Financiero

Appalachian Community Capital Corporation

Appalachian Growth Capital

Arcata Economic Development Corporation

Arkansas Capital Corporation

ASSETS Lancaster
Aura Mortgage Advisors
Baltimore Community Lending

Bankers Small Business CDC of California Beaufort County Black Chamber of Commerce

Beech Capital Venture Corporation

Biddeford-Saco Area Economic Development

Corporation Bii Gii Wiin CDLF

Black Business Investment Fund Black Economic Development Coalition Black Hills Community Loan Fund

BlueHub Loan Fund Blueprint Investment Fund BOC Capital Corporation Border Financial Resources

Brattleboro Development Credit Corporation

Brazos Valley CDC Bridge Impact Capital

Bridge Investment Community Development Corporation

Bridgeway Capital Brightbridge

Brightpoint Development Fund Brooklyn Alliance Capital

Build Fund Build Wealth

Building Hope...A Charter School Facilities Fund

Business Development Corp of SC Business Ownership Initiative

Business Resource and Investment Service Center

Business Seed Capital Businesses Invest in Growth

Butte Local Development Corporation

CAHEC Capital

California Capital Small Business Financial Development

Corporation

California Coastal Rural Development Corporation California Community Reinvestment Corporation

California FarmLink

CAMBA Economic Development Corporation

Cape & Islands Community Development

Capital for Change
Capital Impact Partners
Capital Plus Financial
Carolina Community Impact

Carolina Small Business Development Fund (The

Support Center)

Catalytic Development Funding Corp. of Northern

Kentucky

CDCLI Funding Corporation

Center for Community Development for New Americans

Center for Financial Independence & Innovation CEN-TEX Certified Development Corporation

Century Housing Corporation

Champions Funding
Charleston LDC

Charter Schools Development Corporation Chattanooga Neighborhood Enterprise Chautauqua Opportunities for Development

Chehalis Tribal Loan Fund

Cherokee Nation Economic Development Trust Authority

Chi Ishobak

Chicago Community Loan Fund

Chicago Neighborhood Initiatives Micro Finance Group

Children's Investment Fund

Choctaw Home Finance Corporation

Cincinnati Development Fund Cinnaire Lending Corporation

Citizen Potawatomi Community Development

Corporation
City First Enterprises
City First Homes

Clearinghouse Community Development Financial

Institution

Cleveland Development Advisors Community

Reinvestment Fund CMHP Mortgage Coastal Enterprises Colorado Enterprise Fund

Colorado Housing Assistance Corporation

Colorado Housing Enterprises Columbus Housing Initiative Commerce Home Mortgage

Common Capital
Communities Unlimited

Community and Shelter Assistance Corporation

Community Assets for People Community Business Partnership Community Capital New York Community Capital of Vermont

Community Development and Affordable Housing Fund

Community Development Capital

Community Development Financial Institution of the

Tohono O'odham Nation



Community Development Fund of Utah Community Development Resources

Community Development Trust

Community Enterprise Development Services

Community First Fund
Community First Lending

Community Fund of North Miami-Dade Community Health Center Capital Fund

Community Housing Capital Community Housing Fund

Community Housing Services Agency Community Investment Corporation Community Investment Fund of Indiana

Community LendingWorks

Community Loan Fund of New Jersey
Community Loan Fund of the Capital Region
Community Neighborhood Housing Services

Community Partnership Development Corporation

Community Preservation Corporation Community Reinvestment Fund Community Ventures Corporation

Community Vision Capital and Consulting

CommunityWorks

CommunityWorks in West Virginia CommunityWorks North Dakota Cook Inlet Lending Center

Cooperative Business Assistance Corporation

Cooperative Fund of New England

Core Tech Capital

Corporacion para el Financiamiento Empresarial del Comercio y de las Comunidades (COFECC)

Corporation for Supportive Housing Council for Native Hawaiian Advancement

Craft3 Credit Inc.

Cumberland Capital Partners

Dakota Resources

Dayton Region New Market Fund

Delaware Community Investment Corporation (DCIC)

Detroit Development Fund Detroit Rehabilitation Initiatives

Dorchester Bay Neighborhood Loan Fund

DreamSpring

Eastern Maine Development Corporation

EBSV Community Development
ECDC Enterprise Development Group

Economic and Community Development Institute (ECDI)

Economic Development and Financing Corporation

Economic Opportunities Fund

Edge Fund

El Paso Collaborative for Community and Economic

Development

Enterprise Center Capital Corporation Enterprise Community Loan Fund **Enterprise Development Fund of Erie County**

Entrepreneur Works Fund

Evergreen Business Capital Community Finance Federation of Appalachian Housing Enterprises

Feed the Hunger Foundation

Fig Loans Texas

Finance Fund Capital Corporation

FINANTA

First American Capital Corporation

First Childrens Finance

First Nations Community Financial First Nations Oweesta Corporation Flagship Enterprise Capital Florida Community Loan Fund

Forward Community Investments
Four Bands Community Fund

Four Directions Development Corporation Fresno Community Development Institution

Frontier Housing

Gateway Community Development Fund

Genesis Fund

Genesis LA Economic Growth Corporation

Georgia Cities Foundation

Grameen America

Grand Rapids Opportunities for Women Great Falls Development Authority Great Lakes Womens Business Council Great Northern Development Corporation

Great Rivers Community Capital Greater Berks Development Fund

Greater Cincinnati Microenterprise Initiative Greater Jamaica Local Development Company Greater Metropolitan Housing Corporation

Greater Minnesota Housing Fund Greater Newark Enterprises Corporation Greater Rochester Housing Partnership Greenline Community Development Fund

Grow America Fund
Grow South Dakota
Growth Partners Arizona
Habitat for Humanity NYC Fund
Habitat for Humanity of Dane County

Habitat for Humanity of Iowa Habitat for Humanity of Minnesota Habitat for Humanity of Oregon

Harbor Bank of Maryland Community Development

Corporation

Harlem Entrepreneurial Fund Hartford Community Loan Fund

Hartford Economic Development Corporation

Hawaii Community Lending

Hawaii Habitat for Humanity Association

HDC Community Fund HFHI FlexCAP Lender



HHOC Mortgage

Hmong American Partnership ECDC
Hmong Wisconsin Chamber of Commerce

Ho-Chunk Community Capital

Home Headquarters
Homeownership Lending
Homes Are Possible

HomesFund (La Plata Homes Fund

HomeSight Homewise

Hope Enterprise Corporation Hopi Credit Association Housing Assistance Council Housing Development Fund Housing Partnership Fund

Housing Trust Fund of Santa Barbara County

Housing Trust Silicon Valley Houston Business development

Human/Economic Appalachian Development Corporation

IFF

Impact CIL

Impact Development Fund

Impact Loan Fund Impact Seven Impacto Fund

Indian Land Capital Company

Indianapolis Neighborhood Housing Partnership

Initiative Foundation Innovative Changes

Institute for Community Economics

International Institute CDC Invest Detroit Foundation Iowa Community Capital

Ithaca Neighborhood Housing Services

JARI Growth Fund Just Community

Kalamazoo Neighborhood Housing Services

Karuk Community Loan Fund Kentucky Habitat for Humanity Knoxville Area Urban League

La Fuerza Unida Community Development Corporation

Lafayette Neighborhood Housing Services Lake County Community Development Corp. Lake Superior Community Development Corp.

Lakeview Community Capital

Lakota Fund

Lancaster Housing Opportunity Partnership Landmarks Community Capital Corporation Latino Economic Development Center

Latino Economic Development Corporation (LEDC)

Leech Lake Financial Services Legacy Redevelopment Corporation

Lei Hoolaha Lendify Financial Lendistry

Leviticus 25:23 Alternative Fund

Life Asset LiftFund

Local Enterprise Assistance Fund Local Initiatives Support Corporation

Long Island Housing Partnership Community

Development Financial Institution

Long Island Small Business Assistance Corporation Louisiana Community Development Capital Fund Louisville Housing Opportunities and Micro-Enterprise

Community Development Loan Fund

Low Income Investment Fund Lowell Community Loan Fund

Lower Brule Community Development Enterprise Lummi Community Development Financial Institution

Main Street Launch
MaineStream Finance
Maryland Capital Enterprises

Massachusetts Housing Investment Corporation

Mazaska Owecaso Otipi Financial

Mercy Community Capital

MetroAction

Metropolitan Consortium of Community Developers Metropolitan Economic Development Association

MHIC

Miami Bayside Foundation

Miami-Dade Affordable Housing Foundation

Michigan Community Capital
Micro Enterprise Services of Oregon
Midlands Housing Trust Fund

Midlands Latino Community Development Corporation

Midwest Housing Development Fund

Midwest Minnesota Community Development

Corporation

Milwaukee Economic Development Corporation Minnesota Chippewa Tribe Finance Corporation

Mission Asset Fund

Mission Community Loan Fund

Montana Community Development Corporation

Montana Homeownership Network

Mountain Association for Community Economic

Development Mountain BizCapital

Mountain Housing Opportunities Loan Fund

Mvskoke Loan Fund NACDC Financial Services National Asian American Coalition

National Association for Latino Community Asset

Builders

National Community Reinvestment Coalition Community

Development Fund

National Council on Agricultural Life and Labor Research

Fund



National Federation of Community Development Credit Unions

National Housing Trust Community Development Fund

National Minority Supplier Development Council

Business Consortium Fund

Native American Development Corporation

Native Capital Access Native Community Finance Native Partnership for Housing

Native360 Loan Fund

Natural Capital Investment Fund NDC Community Impact Loan Fund

Nebraska Enterprise Fund NeDA Centro de Finanzas

Neighborhood Development Center

Neighborhood Economic Development Corporation

Neighborhood Finance Corporation Neighborhood Housing Finance

Neighborhood Housing Services of Baltimore Neighborhood Housing Services of Duluth

Neighborhood Housing Services of Greater Berks Neighborhood Housing Services of Hamilton Neighborhood Housing Services of New York City Neighborhood Housing Services of Orange County Neighborhood Housing Services of Richmond Neighborhood Housing Services of Rochester

Neighborhood Housing Services of San Antonio Neighborhood Housing Services of South Florida Neighborhood Housing Services of the Inland Empire

Neighborhood Housing Services of Toledo Neighborhood Housing Services of Waco Neighborhood Lending Partners of Florida

Neighborhood Lending Services

Neighborhood Partnership Housing Services

NeighborWorks Capital

Network for Oregon Affordable Housing New Bedford Economic Development Council

New Entrepreneurs Opportunity Fund New Hampshire Community Loan Fund

New Hope Community Capital

New Mexico Community Development Loan Fund

New Roots Fund NEWCORP

NewWest Community Capital

NHS Lending

NiiJii Capital Partners

Nimiipuu Community Development Fund **Nogales Community Development Corporation**

Nonprofit Finance Fund

North Alabama Revolving Loan Fund North Carolina Comm. Dev. Initiative Capital

North Central Massachusetts Development Corporation

North Philadelphia Financial Partnership

Northeast Entrepreneur Fund

Northeast South Dakota Economic Corporation (NESDEC)

Northern Community Investment Corporation

Northern Great Lakes Initiatives

Northern Maine Development Commission Northern Shores Community Development

Northland Foundation

Northside Community Development Fund

Northwest Access Fund

Northwest Minnesota Foundation Northwest Native Development Fund

Northwest Side Community Development Corporation

NYBDC Local Development Corporation Office of Rural and Farmworker Housing Ohio Capital Finance Corporation

Oklahoma Assistive Technology Foundation

Omaha 100 **Opening Doors** Oportun

Opportunity Finance Network

Opportunity Fund Community Development

Opportunity Resource Fund Oregon Trail Corporation Osage Financial Resources

OTR Fund I LLC Our Microlending

PACE Finance Corporation

Pacific Coast Regional Small Business Development

Corporation

Pacific Community Ventures

Paragon Florida

Partners for Self-Employment Partners for the Common Good PathStone Enterprise Center

Pennsylvania Assistive Technology Foundation

People Incorporated Financial Services

People Trust **PeopleFund**

Peoples Opportunity Fund

Peoples Partners for Community Development

PIDC Community Capital Piedmont Business Capital Piedmont Housing Alliance

Pocatello Neighborhood Housing Services Ponce Neighborhood Housing Services

Portland Housing Center

Poverty Solutions

PPEP Microbusiness and Housing Development

Corporation Prestamos CDFI

Primary Care Development Corporation

Prince Georges Financial Services Corporation

Progress Fund Propel Nonprofits





Providence Revolving Fund

Puerto Rico NHS

Quaboag Valley Business Assistance Corporation Rainier Valley Community Development Fund

Raza Development Fund Redbud Financial Alternatives

Reinvestment Fund

Renaissance Community Loan Fund

Renaissance Economic Development Corporation

Resident Ownership Capital

Rio Grande Valley Multibank Corporation Ripple Effect Entrepreneurs Fund Rising Tide Community Loan Fund

River City Capital Investment Corporation Rockingham Economic Development Corp.

Rocky Mountain Community Reinvestment Corporation

Rocky Mountain MicroFinance Institute Rural Community Assistance Corporation Rural Electric Economic Development

Rural Investment Corporation

Rural Nevada Development Corporation
Rutland West Neighborhood Housing Services

Sabre Finance

Sacramento Neighborhood Housing Services Salt Lake Neighborhood Housing Services Salt River Financial Services Institution San Carlos Apache Tribe Relending Enterprise

san francisco housing accelerator fund San Luis Obispo County Housing Trust Fund

Santa Fe Community Housing Trust Seattle Economic Development Fund

Self-Help Ventures Fund

Seneca Nation of Indians Economic Development

Company

Shared Capital Cooperative

Sixup Lending

Small Business Assistance Corporation Small Business Captial Fund of Mississippi

SNAP Financial Access

Solar and Energy Loan Fund of St. Lucie County

Solitas House

South Carolina Community Capital Alliance South Carolina Community Loan Fund South Eastern Development Foundation

South Eastern Economic Development Corporation Southeast Community Capital Corporation DBA Pathway

Lending

Southeast Kentucky Economic Development Corporation

Southeast Rural Community Assistance Project

Southern Bancorp Capital Partners

Southern Illinois Coal Belt Champion Community

Southern Mutual Financial Services

Southwest Georgia United Empowerment Zone Southwest Michigan Community Development

Corporation

Springboard CDFI

Springfield Neighborhood Housing Services

Spruce Root

Strafford Economic Development Corporation

Sustainable Communities Fund Sustainable Neighborhoods

Taala Fund TCHFH Lending

Technical Assistance Corporation TELACU Community Capital

Tennessee Rural Development Fund

Texas Mezzanine Fund

The Affordable Housing Trust for Columbus and Franklin

County

The Alliance CDFI
The Capital Good Fund
The Cares Project

The Center for Rural Health Development The Community Development Trust

The Disability Fund
The Housing Fund

The Housing Partnership Network

The IRC's Center for Economic Opportunity

The OpenDoor Housing Fund

The Real Estate Council Community Fund

The Sequoyah Fund The Working World Three Roots Capital

Tierra del Sol Housing Corporation

Tigua Community Development Corporation

Tiwa Lending Services

Topeka Shawnee County First Opportunity Fund

Trellis

Trenton Business Assistance Corporation

Tricolor Auto Acceptance Triple Bottom Line Foundation

TRP Lending

True Access Capital Corporation
TruFund Financial Services

Tulsa Economic Development Corporation

Union County Economic Development Corporation

United Housing

Upper Manhattan Empowerment Zone Utica Industrial Development Corporation Utica Neighborhood Housing Services

Valley Small Business Development Corporation

Ventana Fund

Ventura County Community Development Corporation

Ventura County Housing Trust Fund Venture North Funding & Development Vermont Community Loan Fund

Vermont-Slauson LDC
Village Capital Corporation



Virginia Community Development Fund

Vital Healthcare Capital

VSJF Flexible Capital Fund L3C

Washington Area Community Investment Fund

Washington Community Reinvestment Association

WBD Advantage Fund

West Central Development Corporation

West Philadelphia Financial Service Institution

Westminster Economic Development Initiative

Westwater Financial

White Earth Investment Initiative

William Mann, Jr. Community Development Corporation

Wind River Development Fund Wisconsin Native Loan Fund

Wisconsin Womens Business Initiative Corporation

Women's Economic Self-Sufficiency Team

Womens Economic Ventures

Women's Opportunities Resource Center

Womens Venture Fund

WomenVenture

Woodlands Community Lenders

Worcester Community Housing Resources

Working Solutions CDFI

INTERNATIONAL MICROFINANCE LOAN FUNDS

ACCION International

ACDI/VOCA

Acumen

Calvert Impact Capital

CHF International

Creation Investments

DB ECC

DB FINCA Microfinance Fund

DB GCMC II

DB Microcredit Development Fund

DB Start-up Fund

Developing World Markets

EcoEnterprises II

Elevar Equity III

Envest Microfinance Cooperative

Equal Exchange

FINCA International

Fonkoze USA

Freedom from Hunger

Global Partnerships

Grassroots Business Fund

Grey Ghost Ventures

Habitat Microbuild Fund

Hope International

Impact Assets Microfinance Note

Impact Assets Sustainable Ag Note

Media Development Loan Fund

Mercy Corps

Microcredit Enterprises

MicroVest

Oikocredit USA

Opportunity International

Pro Mujer

Root Capital

SERRV International

Shared Interest

ShoreBank International / Enclude

Sostenica

TriLinc

Unitus Capria

Unitus Impact Fund

Unitus Seed Fund

VisionFund International (VFI)

Womens World Banking Isis Fund

Working Capital for Community Needs

COMMUNITY DEVELOPMENT VENTURE CAPITAL FUNDS

Ariel Economic Development Fund, LLC

BCLF Ventures II LLC

BCLF Ventures

Bronze Valley Corp

The Capital Corps LLC

The Community Development Venture Capital Alliance

Fund Good Jobs

Innovation Works

Kentucky Highlands Investment Corporation

Launch New York Inc.

MetaFund Corporation

National Community Investment Fund

New Orleans Startup Fund

Renewable Manufacturing Gateway

RFLF 2 LLC





Appendix 4

Money Managers Incorporating ESG Criteria

13D Management

1919 Investment Counsel LLC

3Sisters Sustainable Management

747 Capital

Abbott Capital

Aberdeen Standard Investments

Acadian Asset Management

Accrued Equities Inc.

Acumen Fund

Adams Street Partners

Addenda Capital

Aegon Asset Management US

Affiliated Managers Group (AMG)

Affirmative Investment Management

AFL-CIO Building Investment Trust

AFL-CIO Housing Investment Trust

Agriculture Capital

AIO Financial

AJF Financial Services

Akeida Capital Management

Albright Capital Management

Allegheny Financial Group

AllianceBernstein

Alliant Strategic Investments

Allianz Global Investors

Allied Asset Advisors Inc.

Alpha Architect

ALPS Advisors

Amalgamated Bank

American Century Investments

American Trust Investment Advisors

Amundi Pioneer Asset Management

Andrew Hill Investment Advisors

AQR Capital Management

Arabesque Asset Management

Arabesque Partners

Arborview Capital

Ariel Investments

Aristotle Credit Partners LLC

Artisan Partners

ASB Capital Management LLC

Ascendant Advisors LLC

Ascension Investment Management

Aspiration

Avanath Capital Management

Avanz Capital

AXA Equitable Funds Management Group

AXA Investment Managers

Azzad Asset Management Inc.

Baillie Gifford & Co

Bain Capital LP

Barclays Capital

Barings

Beartooth Capital

BentallGreenOak

Bessemer Investment Management

Beyond Investing

BlackRock



Blue Wolf Capital Management

Bluehub Capital

BNY Mellon Asset Management North America (AMNA)

Boston Common Asset Management

Boston Trust Walden

Breckinridge Capital Advisors

Bridgeway Capital Management

Brightwood Capital Advisors LLC

Brookfield Asset Management Inc.

Brown Advisory

BRP Investment Management

Cadence Capital Management

Calvert Impact Capital

Calvert Research and Management

Candriam

Cantillon Capital Management

Capital Dynamics

Capital Group

Capital Innovations Sustainable Investments

Capricorn Investment Group

Cardinal Capital Management

Carlson Funds Enterprise

Cartica Management

CBIS (Christian Brothers Investment Services)

CBRE Global Investors

CDC Deposits Corp

CEI Ventures Inc. (CVI)

Change Finance

Cherokee Investment Partners LLC

Clarion Partners

ClariVest Asset Management LLC

Clean Yield Group

ClearBridge Investments

Closed Loop Partners

Cohen & Steers

Coho Partners

Columbia Threadneedle Investments

Commonfund

Community Capital Management Inc.

Community Development Venture Capital Alliance

Community Investment Management LLC

Community Reinvestment Fund USA

Conning

Conservation Resource Partners

Contact Fund LLC

Core Innovation Capital

CoreCo Holding

Cornerstone Capital Group

Craft3

Creation Investments Capital Management LLC

Crossmark Global Investments

Cultivian Sandbox Venture Partners LLC

Dalton, Greiner, Hartman, Maher & Co. LLC

Dana Funds

Dana Investment Advisors

DBL Partners LLC

DDJ Capital Management

Dev Equity

Diamond Ventures

Dimensional Fund Advisors

Dodge & Cox

Domain Timber Advisors (Timbervest)

Domini Impact Investments LLC

DWS Investment Management Americas Inc.

Earth Equity Advisors

EcoEnterprises Capital Management

Ecosystem Integrity Management

Ecosystem Investment Partners

Ecotrust Forest Management Inc.

Elevar Equity

Emerging Capital Partners

Endeavor Global

Enterprise Community Partners

Esplanade Capital

Essex Investment Management Company LLC

Etho Capital

Eventide Asset Management

F.L. Putnam Investment Management Company

Falcon Investment Advisors

Farmland LP

Fermat Capital Management

Fidelity Management & Research Company



Fifth Season Ventures

First Reserve Corp.

First Trust Advisors

Firsthand Capital Management

Fisher Investments

Forefront Analytics

Franklin Templeton Investments

Fred Alger Management Inc.

Freeman Spogli & Co

Fresh Source Capital

Friends Fiduciary Corporation

Frontier Partners

GAMCO Investors Inc. (Gabelli Asset Management Company)

Gazelle Finance

GCM Customized Fund Investment Group, LP

Generation Investment Management US

Genstar Capital

Gerding Edlen Fund Management LLC

Gerdling Edlen

Glenmede Investment Management

Global Partnerships

Global X Management Company

GMO (Grantham, Mayo, Van Otterloo & Co.)

Goelzer Investment Management

Goldman Sachs Asset Management

Good Capital

Gotham Asset Management

Gramercy Funds Management

Grassroots Business Fund

Great Lakes Advisors

Great-West Capital Management

Green Alpha Advisors LLC

Green Canopy, Inc

Green Century Capital Management

GreenWood Resources (GWR)

GSSG Solar

GuideStone Capital Management LLC

Guinness Atkinson Asset Management Inc.

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GW&K Investment Management

Hamilton Lane Advisors LLC

Hampshire Companies

HarbourVest Partners LLC

Harrington Investments Inc.

Hartford Funds Management Company

Hartford Investment Management Company (HIMCO)

HCAP Partners

Highland Capital Management

Highmore Funds

HIP Investor Inc.

Horace Mann Life Insurance Company

Horizon Investment Services

Hotchkis and Wiley Capital Management

HSBC Global Asset Management

Hudson Clean Energy Partners

Impact Community Capital LLC

Impact Engine

Impact Shares

Impax Asset Management

Income Research & Management

Insight Investment

Inspire (CWM Advisors)

Invesco PowerShares Capital Management

Iroquois Valley Farms

Jamestown

Janus Henderson Investors

Jennison Associates

Jensen Investment Management Inc.

JLens Network

John Hancock Investments

Jonathan Rose Companies

JP Morgan Asset Management

Kairos Investment Management Company

Karner Blue Capital

KBI Global Investors

Kennedy Capital Management

Kleiner Perkins Caufield & Byers

Knights of Columbus Asset Advisors

Kohlberg Kravis Roberts & Co. (KKR)

Krane Funds Advisors

Kranenburg Financial Group

LaSalle Investment Management



Lazard Asset Management

Legg Mason Partners Fund Advisor

Lexington Partners

LFE Capital

Lindsay Goldberg LLC

Loomis, Sayles & Company

Los Angeles Capital Management

Low Income Investment Fund

LSV Asset Management

Luther King Capital Management

Macquarie Investment Management

Macroclimate

Magni Global Asset Management

Mariner Investment Group

Martin Investment Management LLC

Matthews Asia

Media Development Investment Fund

Meritus Ventures

Mesirow Financial Investment Management

MFG Asset Management

MFS Investment Management

MicroVest Capital Management

Miller/Howard Investments

Mindful Investors

Minerva Capital Group LLC

Monteagle Funds

Morgan Stanley Investment Management

National Community Investment Fund (NCIF)

Nationwide

Natixis Investment Managers

Neuberger Berman

Neumeier Poma Investment Counsel

New Alternatives Fund

New Energy Capital Partners LLC

New Markets Venture Partners

New Summit Investments

New Summit Investments LLC

Newground Social Investment

Newton Investment Management (North America)

NewWorld Capital Group

Next Wave Impact

Nia Impact Capital

Nomura Corporate Research and Asset Management

North Sky Capital

Northern Trust Asset Management

NorthStar Asset Management

Nuveen

Oak Hill Capital Partners

Oblate International Pastoral Investment Trust

Olympus Capital Asia

Pacer Advisors

Pacific Investment Management Co. (PIMCO)

Panagora

Parnassus Investments

Pathway Capital Management

Payden & Rygel

Pegasus Capital Advisors

Pekin Hardy Strauss Inc

PGIM Fixed Income

PGIM Investments

PGIM Real Estate

Pictet Asset Management

Portfolio Advisors

Praxis Mutual Funds

Princeton Global

Principal Global Investors

ProShares

Provenance Capital Group

Putnam Investments

QMA

RBC Global Asset Management (Access Capital)

Reach Capital

Real Estate Management Services Group (REMS Group)

REAL Infrastructure Capital Partners LLC

Red Mountain Capital Partners

Redwood Investments

Resource Capital Funds

Rethink Education

Reynders, McVeigh Capital Management

Riverbridge Partners LLC

Riverstone Investment Group LLC

Riverwater Partners



Robasciotti & Philipson

Root Capital

Rosenberg Equities Investment Management

RSF Social Finance

Russell Investments

Safer Made

Sage Advisory Services

Satori Capital

Saturna Capital

Schroders

Schwartz Investment Counsel

Segall Bryant & Hamill

SEI Investments Management Corporation (SIMC)

SFE Investment Counsel Inc.

Shelton Capital Management

Siguler Guff & Company

Silchester International Investors

Silver Creek Capital Management

Sit Investment Associates Inc.

SJF Ventures

SKBA Capital Management LLC

SKY Harbor Capital Management

Small Enterprise Assistance Funds (SEAF)

Social Equity Group

Social Finance

Sonen Capital

Southern Appalachian Fund

Stance Capital

State Street Global Advisors (SSGA)

Stone Harbor Investment Partners LP

Strategy Shares

Sun Life Capital (SLC) Management (US)

SunAmerica Asset Management

SunFunder

Sustain VC

Sustainability Group at Loring, Wolcott & Coolidge

Sustainable Insight Capital Management

Sustainvest Asset Management

T. Rowe Price

TCW

Terra Alpha Investments

The BELLE Michigan Fund

The Builders Fund

The Forestland Group LLC

The Jumpfund

The Lyme Timber Company LP

The Water Council

Thornburg Investment Management

Timothy Partners, Ltd.

Tortoise Index Solutions LLC

Touchstone Investments

Towle & Co

TPG Capital Advisors

Transformative Wealth Management, LLC

Treetops Capital LP

Triboro Investment Management LLC

TriLinc Global

Trillium Asset Management

True Wealth Ventures

Turner Impact Capital LLC

UBS Asset Management

Ullico

Unreasonable Capital

US Fund for UNICEF Bridge Fund

US Renewables Group

Van Eck Associates Corporation

Vanguard

Variable Annuity Life Insurance Co (VALIC)

Vert Asset Management

Viking Fund Management LLC

VilCap Advisory

Water Asset Management

Wellington Management Company LLP

Wells Fargo Asset Management

Wespath Investment Management

Western Asset Management

Westfield Capital Management Company

William Blair & Company

Wunder Capital

Zeo Capital Advisors

Zevin Asset Management



Appendix 5

Institutional Investors Incorporating **ESG** Criteria

AARP Foundation

Accion

Adrian Dominican Sisters

AIG

Allstate

Altman Foundation

American Baptist Churches USA

American Baptist Home Mission Society

American Cancer Society

American Family Life Insurance

American Heart Association

American Medical Association Foundation

American Public Health Association (APHA)

American University

Amherst College

Annie E. Casey Foundation

Aria Foundation

Arizona Community Foundation

Arizona State University & Foundation

Arkay Foundation

Armonia LLC

Austin Community Foundation

Bader Philanthropies

Ball State University Foundation

Bank of the West Charitable Foundation

Baptist Foundation of Oklahoma

Baptist Health South Florida

Barberton Community Foundation

Baylor University

Becker College

Ben and Jerry's Foundation

Benedictine Sisters of Mount St. Scholastica

Bill and Melinda Gates Foundation

Bloomberg Philanthropies

Blue Haven Initiative

Bon Secours Mercy Health

Boston Foundation

Boston University

Brandeis University

Brevard College

Bricklayers and Trowel Trades International Pension

Brotherhood Mutual Insurance Comapny

Brown University

Bullitt Foundation

California - ScholarShare 529

California Academy of Sciences

California Community Foundation

California Healthcare Foundation

California Institute of Technology

California Institute of the Arts

California Public Employees' Retirement System (CalPERS)

California State Compensation Insurance Fund

California State Teachers' Retirement System (CalSTRS)

California State Treasurer's Office

California State University, Chico

Capuchin Franciscan Province of St. Joseph (Midwest Capuchins)

Carnegie Mellon University

Catholic Charities Diocese of Stockton

Catholic Health Association of the USA



Catholic Relief Services

Catholic University of America

Cedar Tree Foundation

Ceniarth LLC

Center for Community Change

Center for Humans and Nature

Charles and Lynn Schusterman Family Foundation

Charles Stewart Mott Foundation

Chatham University

CHE Trinity Health

Chicago Municipal Employees' Annuity and Benefit Fund

Chicago Medical Society

Chicago Policemen's Annuity and Benefit Fund

Chicago Teachers' Pension Fund

Christopher Reynolds Foundation

CHRISTUS Health

Chubb Limited

Church of the Brethren Benefit Trust

Church Pension Fund

Clean Water Action / Clean Water Fund

Cleveland Foundation

Colby College

Colgate University

College of the Atlantic

Colorado Fire and Police Pension Association

Colorado Public Employees' Retirement Association (PERA)

Colorado State University

Columbia University

CommonSpirit Health

Community Foundation for Greater Atlanta

Community Foundation of the Ozarks

Community Foundation Serving Boulder County

Community of Christ

Congregation of St. Joseph

Connecticut Higher Education Trust

Connecticut Innovations

Connecticut Retirement Plans and Trust Funds

Conrad N. Hilton Foundation

Conservation Breeding Specialist Group

Cordes Foundation

Cornell University

Dartmouth College

David and Lucile Packard Foundation

David Rockefeller Fund

Denison University

Denver (CO) Employee Retirement Program

District of Columbia Retirement Board

Domestic and Foreign Missionary Society of the Protestant Episcopal Church

Dominican Sisters of Hope

Dominican Sisters of San Rafael, CA

Doris Duke Charitable Foundation

Duke University

Earlham College

Earthjustice

Ecotrust

Edward W. Hazen Foundation

Edwards Mother Earth Foundation

Emory University

Endowment for Health

Environment America

Environmental and Energy Study Institute

ESF College Foundation (SUNY)

Evangelical Lutheran Church in America

Everence Association

Everence Foundation

FB Heron Foundation

Field Museum in Chicago

Florida Bureau of Deferred Compensation

Florida State Board of Administration

Foothill-De Anza Community College Foundation

Ford Foundation

Foundation for Louisiana

Franciscan Sisters of Perpetual Adoration

Friends of the Earth

Fund for Nonviolence

Galvan Foundation

Gates Family Foundation

Gaylord and Dorothy Donnelley Foundation

General Service Foundation

George Gund Foundation



George School

George Washington University

Georgetown University

Georgia Employees' Retirement System

Goddard College

Gordon and Betty Moore Foundation

Grand Rapids Community Foundation

Gray Matters Capital Foundation

Great American Insurance Company

Greater Cincinnati Foundation

Green Mountain College

Grinnell Mutual

Gundersen Health System

Hampshire College

Hanley Foundation

Harris and Eliza Kempner Fund

Harvard Management Company

Hawaii Employees' Retirement System

Headwaters Foundation for Justice

Heifer International Foundation

Heinz Endowments

Hull Family Foundation

Humboldt State University Advancement Foundation

IDP Foundation

Illinois Municipal Retirement Fund

Illinois State Board of Investment (ISBI)

Illinois State Treasurer

Illinois State Universities Retirement System

Illinois Teachers' Retirement System

Incourage Community Foundation

Indiana Public Retirement System

Inter-American Development Bank (IDB)

International Finance Corporation (IFC)

Iowa Municipal Fire and Police Retirement System (MFPRSI)

Iowa Public Employees' Retirement System (IPERS)

Iowa State University

Jacksonville (FL) Police and Fire Pension Fund

Jenifer Altman Foundation

Jessie Smith Noyes Foundation

John D. and Catherine T. MacArthur Foundation

Johns Hopkins University

Jubitz Family Foundation

Kaiser Permanente

Kalliopeia Foundation

Kentucky Teachers' Retirement System

KL Felicitas Foundation

Kresge Foundation

Laird Norton Family Foundation

Lane Community College

Laughing Gull Foundation

League of Conservation Voters

Lemelson Foundation

Lesley University

Lewis and Clark College

Lincoln Community Foundation

Living Cities Catalyst Funds

Los Angeles County Employees Retirement Association (LACERA)

Los Angeles Fire and Police Pensions (LAFPP)

Louisiana Baptist Foundation

Louisiana State Employees Retirement System

Louisiana Teachers' Retirement System

Loyola University of Chicago

Lumina Foundation for Education

Lydia B. Stokes Foundation

Maine Community Foundation

Marin Community Foundation

Market American Insurance Company

Mary Black Foundation

Mary Reynolds Babcock Foundation

Maryknoll Sisters

Maryland State Retirement and Pension System

Massachusetts Pension Reserves Investment Trust (PRIT) Fund

Mennonite Education Agency

Mennonite Retirement Trust

Merck Family Fund

Mercy Investment Services

MetLife

MetLife Foundation

Meyer Memorial Trust

Miami (FL) Firefighters' Relief and Pension Fund



Michigan Retirement Systems (SMRS)

Middlebury College

Minneapolis Foundation

Minnesota State Board of Investment

Missionary Oblates of Mary Immaculate

MissionPoint Partners

Missouri Public School and Education Employee Retirement Systems (PSRS/PEERS)

Missouri State Employees' Retirement System (MOSERS)

Missouri State Treasurer's Office

Mize Family Foundation

Montgomery County Employees' Retirement System (MD)

Munich Reinsurance America

Naropa University

Nathan Cummings Foundation

Natural Resources Defense Council

Needmor Fund

Nevada Public Employees Retirement System

New Energy Nexus

New England Biolabs Foundation

New Jersey Pension Fund

New Mexico State Investment Council

New School University

New York City Investment Fund

New York Community Trust

New York Quarterly Meeting Religious Society of Friends (Quakers)

New York State Common Retirement Fund

North Carolina Retirement Systems

North Carolina State University

North Dakota State Investment Board

Northeast Wilderness Trust

Northland College

Northwest Women Religious Investment Trust

Northwestern University

Oakland (CA) Police and Fire Retirement Systems (PFRS)

Oberlin College

Office of the New York City Comptroller

Ohio Police and Fire Pension Fund

Ohio Public Employees' Retirement System (OPERS)

Ohio School Employees' Retirement System

Ohio State University

Ohio Teachers' Retirement System

Omidyar Network

Oneida Nation Trust Enrollment Committee

Oregon Community Foundation

Oregon Metro

Oregon State Treasurer's Office

Oregon State University Foundation

Pacific School of Religion

Palette Fund

Park Foundation

Pathstone

Pennsylvania Municipal Retirement System

Pennsylvania Public School Employees' Retirement System

Pennsylvania State Employees' Retirement System

Pennsylvania State Treasurer

Pennsylvania State University

Peralta Community College District

Peter and Carmen Lucia Buck Foundation

Philadelphia Public Employees Retirement System

Pittsburgh Foundation

Pitzer College

Pomona College

Portico Benefit Services

Portland State University Foundation

Pratt Institute

Presbyterian Church (USA)

Presbyterian Foundation

Prescott College

Princeton University

Prudential Financial

Prudential Foundation

Rasmuson Foundation

Reform Pension Board

Rhode Island Employees' Retirement Systems

Rhode Island School of Design

Rice University

Robert and Patricia Switzer Foundation

Robert Treat Paine Association





Robert Wood Johnson Foundation

Rockefeller Brothers Fund

Rockefeller Foundation

Rose Foundation for Communities and the

Environment

Roy A. Hunt Foundation

RSF Social Finance (Foundation)

Saint Louis University

Saint Paul Foundation

Salem State University

Salvation Army

San Francisco Employees' Retirement System

San Francisco Foundation

San Francisco State University Foundation

San Jose State University & Tower Foundation

Santa Clara University

Santa Fe Art Institute

Schmidt Family Foundation

School Sisters of Notre Dame, Central Pacific Province

Seattle City Employees' Retirement System

Seattle Foundation

Seattle University

Service Employees International Union (SEIU) Master Trust

Sierra Club Foundation

Silicon Valley Community Foundation

Sisters of St. Dominic of Caldwell, NJ

Sisters of St. Francis of Philadelphia

Sisters of St. Joseph of Philadelphia

Skoll Foundation

Society for the Psychological Study of Social Issues

Solidago Foundation

South Carolina Retirement System Investment Commission

South Dakota Retirement System

Springcreek Foundation

SSM Health Care

St. Paul (MN) Teachers Retirement Fund Association

Stanford University

State of Wisconsin Investment Board

Sterling College

Sun Life Assurance Company of Canada (US)

Sundance Family Foundation

SUNY New Paltz Foundation

Surdna Foundation

Swarthmore College

Swift Foundation

Syracuse University

Tara Health Foundation

Texas Employees' Retirement System (ERS)

Texas County and District Retirement System

Texas Emergency Services Retirement System

Texas Municipal Retirement System

The California Endowment

The CAPROCK Group

The Educational Foundation of America

The Hanover Insurance Group

The Hartford Insurance Company

The Island Institute

The McKnight Foundation

The Nature Conservancy

The Russell Family Foundation

Threshold Foundation

Tides Foundation

Tiedemann Advisors

Town Creek Foundation

Treehouse Investments

Triple EEE Foundation

Triskeles Foundation

Tufts University

UAW Retiree Medical Benefits Trust

Union of Concerned Scientists

Union Theological Seminary

Unitarian Universalist Association

United Church Funds

United Church of Christ (UCC) Pension Boards

United Methodist Church Foundation

United Nations Joint Staff Pension Fund

Unity College

University of California Regents

University of Colorado Foundation

University of Connecticut Foundation

University of Dayton



University of Florida Foundation

University of Georgia

University of Hawaii

University of Illinois & Foundation

University of Iowa & Foundation

University of Maine Foundation

University of Maryland

University of Massachusetts Foundation

University of Michigan

University of Minnesota

University of North Carolina at Asheville

University of North Carolina at Chapel Hill & Foundations

University of North Carolina at Greensboro Investment Fund

University of Northern Iowa

University of Notre Dame

University of Oregon Foundation

University of Puget Sound

University of Rochester

University of Southern Maine

University of Washington

University of Wisconsin Foundation

University System of New Hampshire & Foundations

V. Kann Rasmussen Foundation

Vassar College

Vermont 457 Deferred Compensation Plan

Vermont Community Foundation

Vermont Municipal Employees' Retirement System (VMERS)

Vermont State Employees' Retirement System (VSERS)

Vermont State Teachers' Retirement System (VSTRS)

Villanova University

WR Berkley Corporation

WK Kellogg Foundation

Wake Forest University

Wallace Global Fund

Walton Family Foundation

Warren Wilson College

Washington State Investment Board

West Bend Mutual Insurance Company

Western Oregon University

Wheaton College (MA)

Whitman College

The Wilderness Society

William Bingham Foundation

Williams College

Winslow Foundation

Winthrop Rockefeller Foundation

World Resources Institute

Yale Dwight Hall Socially Responsible Investment Fund

Yale University







Appendix 6

ESG Shareholder Proponents

444S Foundation

Active Home LLC

Addenda Capital

Adrian Dominican Sisters

AFL-CIO

AJF Financial Services

Akonadi Foundation

Amalgamated Bank

American Baptist Churches USA

American Baptist Home Mission Society

American Federation of State, County and Municipal Employees (AFSCME)

Arjuna Capital

Arkay Foundation

As You Sow

Azzad Asset Management Inc.

Bard College

Benedictine Sisters of Baltimore - Emmanuel Monastery

Benedictine Sisters of Chicago

Benedictine Sisters of Cullman, Alabama

Benedictine Sisters of Mount St. Scholastica

Benedictine Sisters of Virginia

Benedictine Sisters, Sacred Heart Monastery

Blue Haven Initiative

BMO Asset Management Corp. (F&C Investments)

BNP Paribas Asset Management USA

Bon Secours Mercy Health

Boston Common Asset Management

Boston Trust Walden

Bricklayers and Trowel Trades International Pension

California Public Employees' Retirement System (CalPERS)

California State Teachers' Retirement System (CalSTRS)

Calvert Research and Management

Candriam

Capital Innovations Sustainable Investments

Capuchin Franciscan Province of St. Joseph (Midwest Capuchins)

Carlson Funds Enterprise

CBIS (Christian Brothers Investment Services)

Change to Win

CHE Trinity Health

Christensen Family Foundation

Christensen Fund

Christopher Reynolds Foundation

Church of the Brethren Benefit Trust

Clean Yield Group

CommonSpirit Health

Congregation of Benedictine Sisters of Boerne (TX)

Congregation of Divine Providence of San Antonio (TX)

Congregation of Sisters of St. Agnes

Congregation of St. Joseph

Congregation of St. Joseph of Peace

Congregation of the Sisters of St. Joseph of Brighton

Congregation of the Sisters of the Holy Cross

Connecticut Retirement Plans and Trust Funds

Consumer Health Foundation

Creation Investments Capital Management LLC

Dana Investment Advisors

Daughters of Charity, Province of St. Louise

David Rockefeller Fund

Dignity Health

Domestic and Foreign Missionary Society of the Protestant Episcopal Church





Domini Impact Investments LLC

Dominican Sisters of Hope

Dominican Sisters of Springfield, IL

Edward W. Hazen Foundation

Edwards Mother Earth Foundation

Felician Sisters/Felician Health Services Inc.

First Affirmative Financial Network

Franciscan Sisters of Perpetual Adoration

Fresh Pond Capital

Friends Fiduciary Corporation

GAMCO Investors, Inc. (Gabelli Asset Management Company)

George Gund Foundation

Glenmary Home Missioners

Green Alpha Advisors LLC

Green Century Capital Management

Harrington Investments Inc.

Heartland Initiative

Hermes (Federated)

Hexavest

HSBC Global Asset Management

IDP Foundation Inc.

Illinois State Treasurer

Impact Shares

Impax Asset Management

Indiana Laborers' Pension Fund

International Brotherhood of DuPont Workers

International Brotherhood of Electrical Workers Pension Benefit Fund

International Brotherhood of Teamsters

Investor Voice

Jantz Management LLC

JCP Investment Partnership

Jessie Smith Noyes Foundation

Jesuit Conference USA

JLens Network

Kestrel Foundation of Maine

Laborers' District Council and Contractors' Pension Fund of Ohio

Laird Norton Family Foundation

Land & Buildings Capital Growth Fund LP

Lyons Capital LLC

Maryknoll Sisters

Maryland State Retirement and Pension System

Max and Anna Levinson Foundation

Mennonite Education Agency

Merck Family Fund

Mercy Investment Services

Miller/Howard Investments

Missionary Oblates of Mary Immaculate

Missouri Coalition for the Environment

Nathan Cummings Foundation

Needmor Fund

New York City Employees' Retirement System

New York City Fire Dept. Pension Fund

New York City Police Dept. Pension Fund

New York City Teachers' Retirement Fund

New York State Common Retirement Fund

Newground Social Investment

NewsGuild Sector of the Communications Workers of America

Nia Impact Capital

Northstar Asset Management

Northwest Women Religious Investment Trust

Office of the New York City Comptroller

Oneida Nation Trust Enrollment Committee

Oregon Department of State Lands

Oregon State Treasurer's Office

Oxfam America

Park Foundation

Pathstone

Pax World Funds

Pekin Hardy Strauss Inc.

People for the Ethical Treatment of Animals (PETA)

Philadelphia Public Employees Retirement System

Portico Benefit Services

Praxis Mutual Funds

Presbyterian Church (USA)

Priests of the Sacred Heart

Providence St. Joseph Health

Providence Trust

REAL Infrastructure Capital Partners LLC

Religious of the Sacred Heart of Mary, Western American Province





Reynders, McVeigh Capital Management

Rhode Island Employees' Retirement Systems

Riverwater Partners

Roaring Blue Lion Capital Management

Sarissa Capital Management

School Sisters of Notre Dame, Central Pacific Province

School Sisters of St. Francis

Segal Marco Advisors

Service Employees International Union (SEIU) Master Trust

Shared Earth Foundation

Sierra Club Foundation

Singing Field Foundation

Sisters of Charity of St. Elizabeth (NJ)

Sisters of Charity of the Blessed Virgin Mary

Sisters of Notre Dame de Namur (MA)

Sisters of Providence, Mother Joseph Province

Sisters of St. Dominic of Caldwell, NJ

Sisters of St. Dominic of Grand Rapids

Sisters of St. Dominic of Racine, WI

Sisters of St. Francis Charitable Trust - Dubuque

Sisters of St. Francis of Philadelphia

Sisters of St. Joseph of Carondelet of St. Paul Province

Sisters of St. Joseph of Philadelphia

Sisters of St. Joseph, Brentwood, NY

Sisters of the Good Shepherd

Sisters of the Holy Family (CA)

Sisters of the Holy Names of Jesus and Mary

Sisters of the Humility of Mary

Sisters of the Presentation of the Blessed Virgin Mary

Society of Jesus -- US Central and Southern Province

Society of Jesus -- US Midwest Province

Sonen Capital

Southwest Regional Council of Carpenters Pension Fund

Sundance Family Foundation

Sustainability Group at Loring, Wolcott & Coolidge

Sustainvest Asset Management

Swift Foundation

Tara Health Foundation

The Educational Foundation of America

The McKnight Foundation

The Russell Family Foundation

Threshold Foundation

Tides Foundation

Tiedemann Advisors

Timken Matthews Family Foundation

Trillium Asset Management

Trio Foundation

Triskeles Foundation

Trowel Trades Funds (owned by Comerica Bank & Trust)

UAW Retiree Medical Benefits Trust

Unitarian Universalist Association

Unite Here

United Brotherhood of Carpenters and Joiners of America

United Church Funds

United Church of Christ (UCC) Pension Boards

United Steelworkers

Ursuline Sisters of Tildonk, US Province

Vermont 457 Deferred Compensation Plan

Vermont Municipal Employees' Retirement System (VMERS)

Vermont Pension Investment Committee

Vermont State Employees' Retirement System (VSERS)

Vermont State Teachers' Retirement System (VSTRS)

Voce Capital Management

Wallace Global Fund

Wespath Investment Management

Zevin Asset Management













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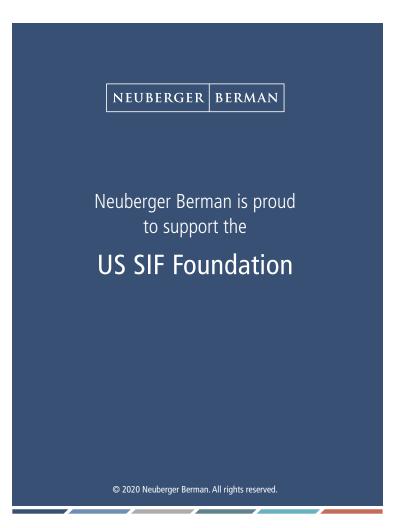


















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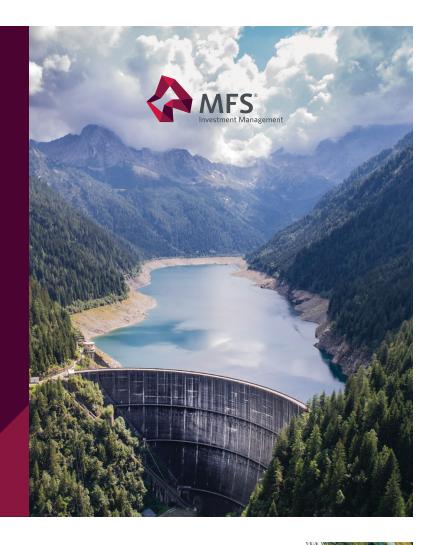


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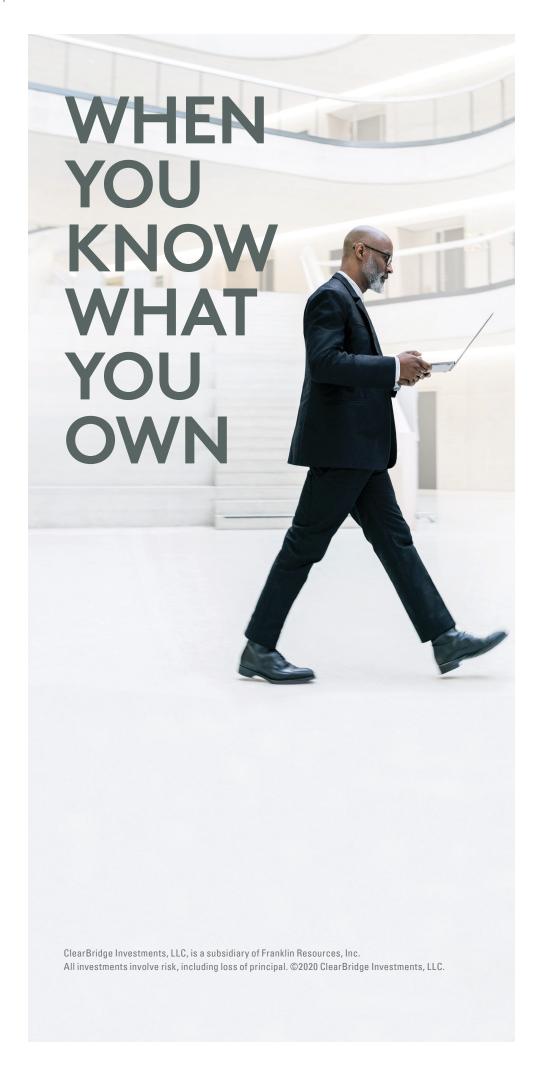
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