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Sustainable Investing Strategies for a Better Planet

BETTER FINANCE
The European Federation of Investors and Financial Services Users
Fédération Européenne des Épargnants et Usagers des Services Financiers

This capital supports innovation and infrastructure development, helping these activities eventually achieve climate neutrality.

Transition investing involves allocating capital to improve economic activities that are currently not environmentally friendly.

It includes investments in stocks, bonds, and other securities aimed at gradually reducing carbon footprints.

For example, a fossil fuel company transitioning to a wind and solar power model.

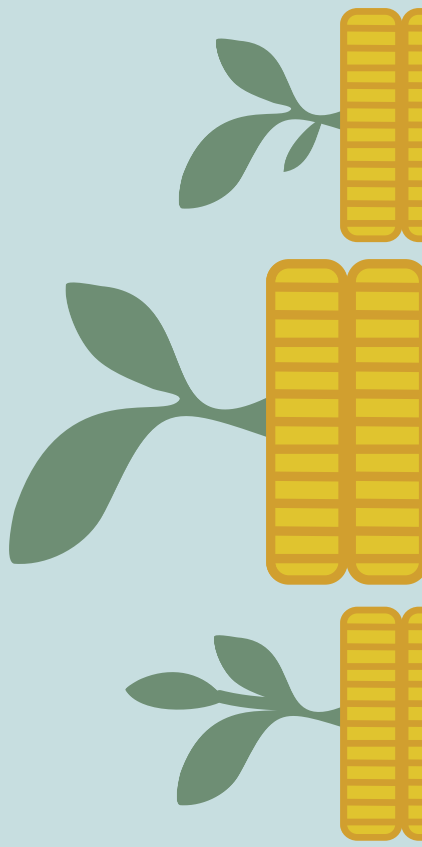
Impact investing refers to the practice of investing in companies or projects specifically to generate positive social or environmental outcomes, alongside financial returns.

Impact-oriented products can include green thematic equity funds, green equity crowdfunding, and other sustainable securities.

However, measuring the social and environmental impacts, such as a company's impact versus the investor's contribution to that impact, can be challenging.

Exclusion or negative screening, avoids investing in companies or sectors that are harmful or do not meet specific ethical criteria.

The aim is to prevent negative impacts and align investments with ethical values.



This can occur either before investing or during the investment lifecycle.

For example, if you do not wish to invest in the tobacco or weapons industries, you can exclude them from your portfolio.

If these sectors are part of your existing investments, you can divest and reinvest elsewhere.

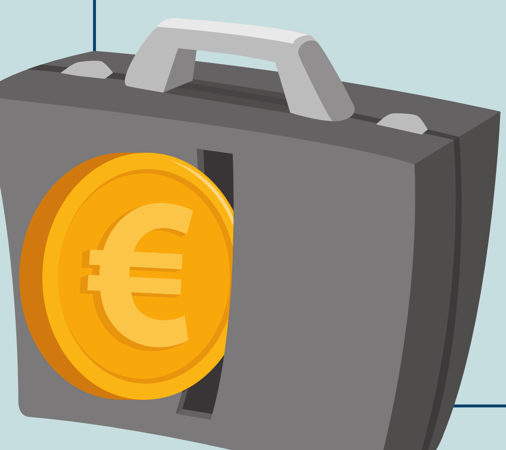
Engagement involves using shareholder influence to shape corporate behaviour.

This is a key tool for investors to align companies with net-zero goals, for instance.

With the aim of driving corporate change, engagement can take the form of:

- direct communication with senior management or company boards
- filing or co-filing shareholder proposals
- proxy voting guided by ESG principles

Portfolio Without Sustainability Considerations	**Portfolio With Sustainability Practices**
Investing Strategy	**Types of Investing Strategies**
Traditional securities and high carbon-emitting sectors, focusing solely on financial returns.	Investments aimed at improving environmental, social, and governance (ESG) aspects, as well as achieving financial returns.
	Transition Investing Portfolio with investments in companies transitioning to renewable energy and electric vehicles.
	Impact Investing Portfolio with investments in low-carbon equity funds, green current and savings accounts, and green equity crowdfunding.
	Exclusion Portfolio excluding coal mining, tobacco, and weapons industries.
	Engagement Portfolio with integrated and measurable active engagement practices targeting improvements in business governance and corporate behaviour.



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