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Socially Responsible Investment

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Why ESG / Green Investing



ESG is defined as...

...three central factors in measuring the sustainability and ethical impact of an investment in a company or business.



Environmental:
carbon emissions, water consumption, waste generation, etc.



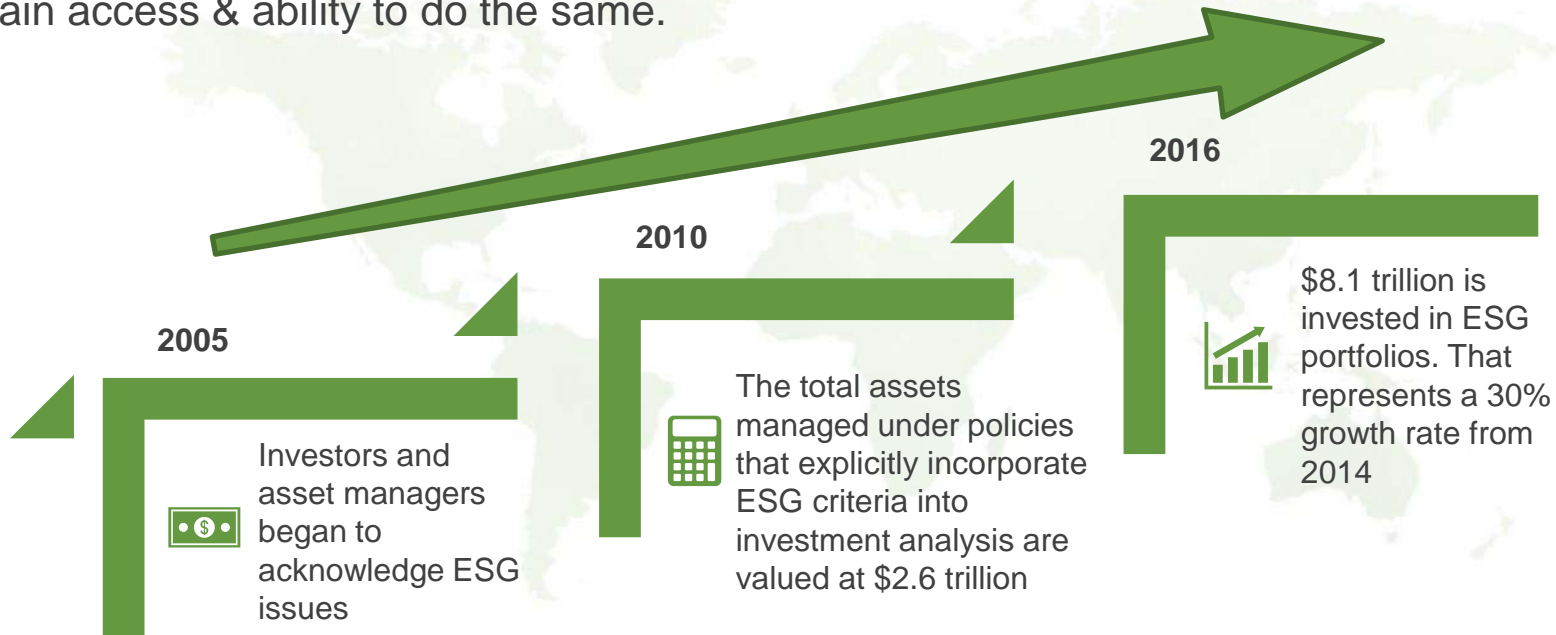
Social:
workforce, human rights, etc.



Governance:
management, shareholders, etc.

ESG Investment going Mainstream

- The world is changing. With it, the world of investment is changing too.
- Finance Industry has increased focus on investing with positive social impact, and the availability of ESG-focus investment products has allowed the general public to gain access & ability to do the same.





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What is Socially Responsible Investment (SRI)?



What is SRI?



Socially Responsible Investment (SRI)

- Responsible investment is an approach to investing that aims to incorporate environmental, social and governance (ESG) factors into investment decisions, to better manage risk and generate sustainable, long-term returns. (PRI 2019)
- The United Nations Sustainable Development Goals (UN SDG) is one of the generally used standards to measure ESG impact.

The UN Sustainable Development Goals



Sustainable Strategies aims to address one or more of the US Sustainable Development Goals (SDG)



Socially Responsible Investment

One of the methods to responsible investment is to develop positive list and exclusion list in the investment policy

Example of positive list



Education

Healthcare

Renewable Energy

Environmental and Green Industries

Affordable Housing

Businesses aligned with the United Nations Sustainable Development Goals

Example of exclusion list



Gaming

Alcohol

Tobacco

Weapons

Adults Products

Fossil Fuels





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Why SRI for NGOs



Why SRI for NGOs



Image & Performance

Alignment of NGO's mission with investments will enhance its image & reputation
It also helps to amplify the social impact beyond the services provided by the organization



Amplify social impact



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Sample of ESG issues and Risks



Examples of ESG issues and risks relevant to NGOs



01 Environmental Management, Policy, Reporting and Performance



02 Chemicals of Concern, Mining and Quarrying

05 Labour Standards and Supply Chains

03 Climate Change and Greenhouse Gases

06 Controversial Industries e.g. Tobacco, Alcohol, Gambling, Military, etc

04 Pollution

07 Animal Testing





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Best Practice for Charity investing



Best Practice for Charity investing



- Balance both generating investment returns for an NGO + Protects its core values
- Consider relevance of different ESG criteria and the impact of ESG issues
- State preferred / concerned investment sectors in the investment policy



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We should be aware of
the **important role** we can play
to foster a **healthier and greener**
world when we invest.





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Thank You