

GLOSSARY

ESG integration	Explicit inclusion and documentation of environmental, social and governance (ESG) risks and opportunities in company analysis and investment decisions, and engaging with companies on ESG topics.
Norms-based screening	Screening of investments based on globally recognised exclusions by international bodies such as the European Union (EU) or the United Nations (UN).
Targeted voting policy >80%	Funds voting participation is over 80%, subject to a sustainability report, engagement with company when voting against sustainability recommendations.
SRI approach	Socially Responsible approach and ESG extra financial criteria in security selection in the Fund's prospectus
Low carbon approach	Carbon emissions close to the MSCI ESG low carbon target benchmark; fund avoids investments in fossil fuels, thermal coal.
Exclusions	Hard exclusions: controversial weapon companies, tobacco producers, coal producers. "Controversies" alerts: nuclear companies.
Best-in-universe	Selection of companies with best ESG practice within selected sectors.
Best efforts	Selection of companies with improving ESG policies.
Best-in-class	Selection of companies with the best ESG practice within each sector.
Green bonds	Participate in sovereign or corporate Green bond issues.
Positive impact	Investments made into companies with the intention to generate a measurable social and environmental impact alongside a financial return.
Thematic approach	Funds with environment or social sustainability themes (renewable energy, promoting healthcare to underprivileged...); often Positive Impact funds.

Carbon emissions analytics

Full report on carbon footprint, attribution analysis, clean tech allocation, carbon risk management; scoring versus benchmark and low carbon benchmark.

ESG analytics

Full assessment on E, S and G factors; scoring versus reference indicator and ESG benchmark.

Morningstar 'Socially Conscious' tag

Any fund that invests according to non-economic guidelines. Such funds may make investments based on such issues as environmental responsibility, human rights, or religious views. A socially conscious fund may take a pro-active stance by selectively investing in, for example, environmentally-friendly companies, or firms with good employee relations. This group also includes funds that avoid investing in companies involved in promoting alcohol, tobacco, or gambling, or in the defense industry. ©2018 Morningstar. All Rights Reserved.

SRI label

Recognised SRI label certification and yearly audit by a government approved body.
