

Insights

At Aneuvia, we believe in democratizing financial wellness and investment advice for the betterment of companies, communities and individuals. Here we share our insights, point of view and advice on global impact investing, corporate diversity and inclusion, new financial market trends, impact investment funds and more.

Stay ahead of the curve with insightful news and analysis that can help your company or organization make crucial decisions for better business outcomes.

Want more insights in to your finances? [Click here](#) to access Aneuvia's wealth management system.

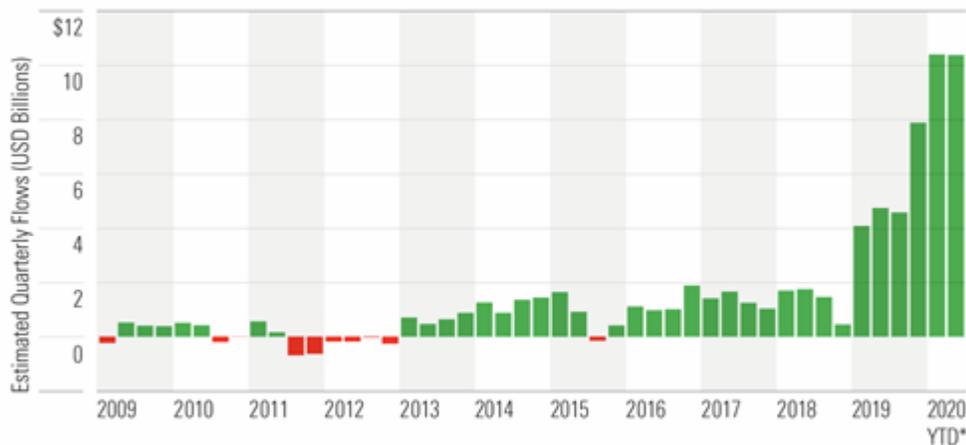
ESG Investing - the Best Way to Make an Impact on the Environment

Posted by Unknown

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ESG investing continues to be lucrative. In fact, [ESG-focused equity funds](#) have taken in nearly \$70 billion of assets just over the past year, while traditional equity funds have suffered almost \$200 billion of outflows over the same period. Investors, regardless of gender and age, are showing greater interest in sustainable investing in recent years. During the second quarter of this year, ESG-fund flows continued at a record pace, according to [Morningstar](#). In the United States, they totaled \$10.4 billion, which nearly equaled Q1 flows.

U.S. Sustainable Funds Quarterly Flows



Source: Morningstar Direct. Data as of 6/30/2020. *YTD 2020 as of 6/30/2020.

Includes ESG Integration, Impact, and Sustainable Sector funds as defined in Sustainable Funds U.S. Landscape Report, 2018. Includes funds that have been liquidated; does not include funds of funds.

ESG stands for Environmental, Social and Governance. ESG metrics are not part of mandatory financial reporting, however, investors are increasingly applying these factors to their analysis in order to identify material risks and growth opportunities. More companies are also increasingly making voluntary disclosures in their annual report or in a standalone sustainability report. In support of this, activist investment firms like Aneuvia, work with clients to reassess their ESG footprint and operations to increase value among investors.

Here's how to apply an ESG lens to investments:

Environmental

Investors are increasingly looking for companies to be more conscious of the world around them. Environmental factors that are taken into account are the negative and positive impacts on air, land, water, ecosystems and human health. Investors evaluate resource management and pollution, reducing emissions and climate change prevention, the use of green technologies and products, among other factors.

Social

Corporations have an opportunity to step up and solve critical societal problems. This is particularly imperative as consumers learn to navigate the "new normal" and live through unpredictable times. Contributing social factors are company culture, employee satisfaction and well-being, supplier net promoter scores, diversity and inclusion, among others.

Governance

Corporate governance is a critical aspect of ESG analysis. This relates to the way a company is run operationally - by a Board of Directors, C-Suite and senior management. Contributing factors include transparent accounting systems, disclosure of any and all grievances, ethical operations, executive compensation, among other factors.

In our latest whitepaper, we explore how ESG issues affect companies in different ways. For investors, it makes business sense to look at factors that affect financial performance, despite the fact, they are not financial metrics. This not only mitigates potential risks, but also helps to identify growth opportunities.

View our [latest whitepaper](#) for more on sustainable and impact investing.

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