



INVESTMENTS

ESG Investor Worksheet



ESG Investing

As values-driven investors embrace environmental, social, and governance (ESG) investing, you must ask yourself: Do I know enough to take advantage of this investment opportunity?

What is ESG investing?

ESG investing is broken down into three central factors used in measuring the sustainability and societal impact of an investment in a company or business:



Environmental

Issues relating to the quality and functioning of the natural environment, including areas such as greenhouse gas (GHG) emissions, climate change, renewable energy, energy efficiency (e.g. air, water or resource depletion, or pollution), and waste management.



Social

Issues relating to the rights, well-being, and interests of people and communities, including areas such as human rights, labor standards, workplace health and safety, employee relations, diversity, and consumer protection.



Governance

Issues relating to the governance of companies and their stakeholders, including topics such as board structure, size, diversity, skills, and independence (e.g. executive pay, shareholder rights, stakeholder interaction, disclosure of information, business ethics, internal controls, and risk management).



ESG investing incorporates these nonfinancial factors alongside traditional financial analysis when selecting investments. Your portfolio would include investments in companies engaging in practices consistent with your ESG values. A common misconception is that ESG investing doesn't bring the same returns as traditional investing. However, that performance myth has been debunked, as many sustainable equity funds outperformed their traditional peers in 2020, according to a Morningstar report.¹

Is ESG investing right for you?

Even understanding how ESG is defined, every investor has unique ideas about what ESG investing is and how it can fit into their portfolio. Use the questions below to explore what ESG investing means to you and how you might use it to invest based on your values and financial goals.

There are no right or wrong answers, only your answers.



What does ESG investing mean to you?



What's important to you in addition to financial returns? Are there causes or charities important to you? If so, do you regularly donate or volunteer your time?



What are some companies you do business with as a consumer that you believe could be a good fit for your ESG investment portfolio?



Which of these four statements describes you most closely?

- It's important for me to make a positive, measurable impact with my ESG investing.
- I want to invest in companies that align with the good causes I support.
- I want to choose strategies run by investment managers who share my values and only include industries or companies with sustainable practices and policies in my portfolio.
- ESG is just another criterion that helps me make the best investment decisions. It can help me assess the nonfinancial aspects of a company that are important to me.



How important is overall financial performance to you in ESG investing on a scale of 1–10?



Are there other nonfinancial factors that you consider when making an investment? (For example, a company's CEO, the company's carbon footprint, environmental impact, diversity of employees or senior management, etc.)



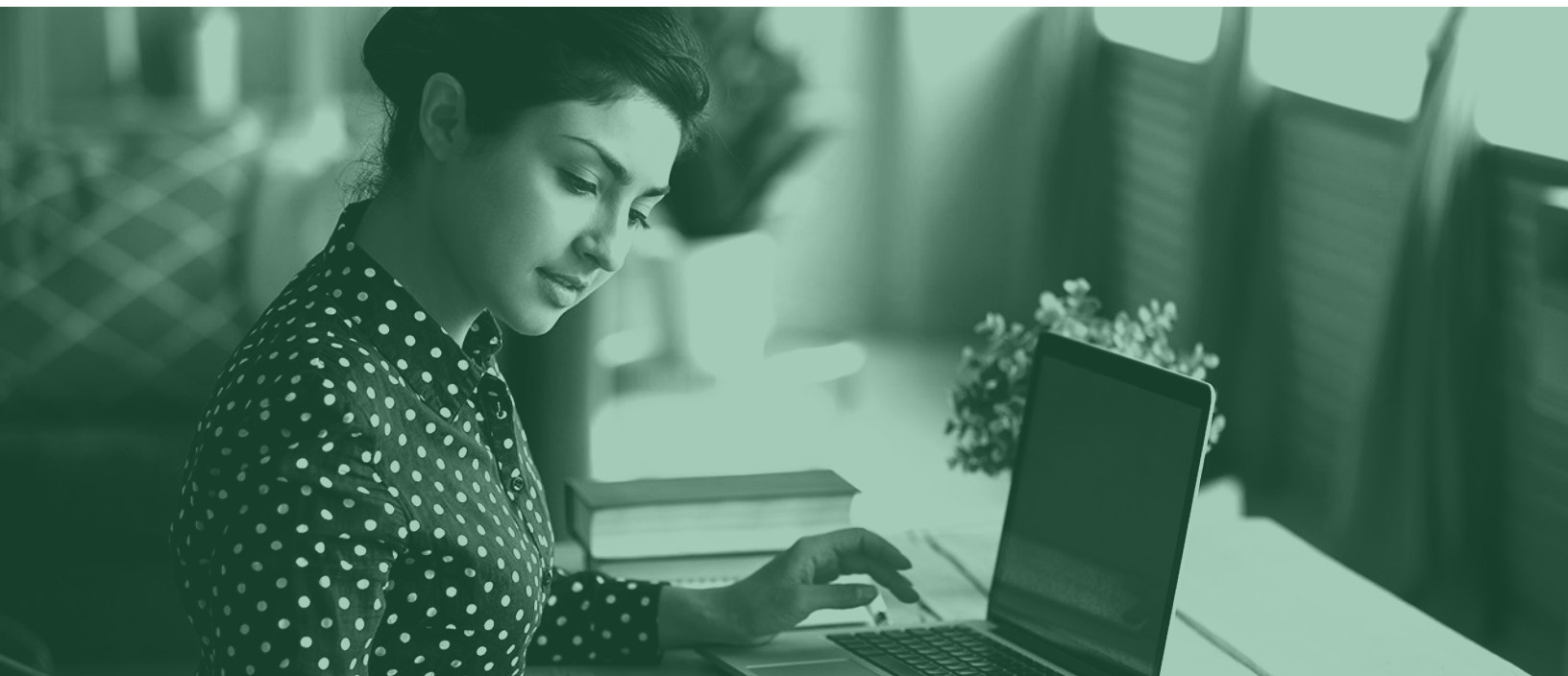
What concerns come to mind when you think of ESG investing, if any?



What level of ongoing support and education do you expect from your financial professional on ESG investing? How would you like to learn more? (For example, reading articles, attending seminars/webinars, talking to your financial professional one-on-one, etc.)



Are you ready to start ESG investing today? If not, what's holding you back?



ESG investing resources

New York Life Investments provides a wealth of ESG insights and education at your fingertips. By clicking on the link below, you can gain access to a variety of resources on a broad scope of ESG-related topics.

[Learn more about ESG investing](#)

1. Source: Morningstar, "Sustainable Equity Funds Outperform Traditional Peers in 2020," 1/8/21.

Impact investing and/or environmental, social, and governance (ESG) managers may take into consideration factors beyond traditional financial information to select securities, which could result in relative investment performance deviating from other strategies or broad market benchmarks, depending on whether such sectors or investments are in or out of favor in the market. Further, ESG strategies may rely on certain values-based criteria to eliminate exposures found in similar strategies or broad market benchmarks, which could also result in relative investment performance deviating.

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