



# Global Sustainable Investment Alliance (GSIA) Definitions

The following Global Sustainable Investment Alliance (GSIA) definitions of sustainable investment have emerged as a global standard of classification.

- **Negative/exclusionary screening:** the exclusion from a fund or portfolio of certain sectors, companies, or practices based on specific ESG criteria;
- **Positive/best-in-class screening:** investment in sectors, companies, or projects selected for positive ESG performance relative to industry peers;
- **Norms-based screening:** screening of investments against minimum standards of business practice based on international norms;
- **Integration of ESG factors:** the systematic and explicit inclusion by investment managers of environmental, social, and governance factors into traditional financial analysis;
- **Sustainability-themed investing:** investment in themes or assets specifically related to sustainability (such as clean energy, green technology, or sustainable agriculture);
- **Impact/community investing:** targeted investments, typically made in private markets, aimed at solving social or environmental problems, and including community investing, where capital is specifically directed to traditionally underserved individuals or communities, as well as financing that is provided to businesses with a clear social or environmental purpose; and
- **Corporate engagement and shareholder action:** the use of shareholder power to influence corporate behavior, including through direct corporate engagement (i.e., communicating with senior management and/or boards of companies), filing or co-filing shareholder proposals, and proxy voting that is guided by comprehensive ESG guidelines.

## Definitions

**Environmental, Social And Governance (ESG) Criteria:** The Environmental, Social And Governance (ESG) Criteria is a set of standards for a company's operations that socially conscious investors use to screen investments.

**Sustainable investing:** An investment discipline that considers environmental, social and corporate governance criteria to generate long-term competitive financial returns and positive societal impact.

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