

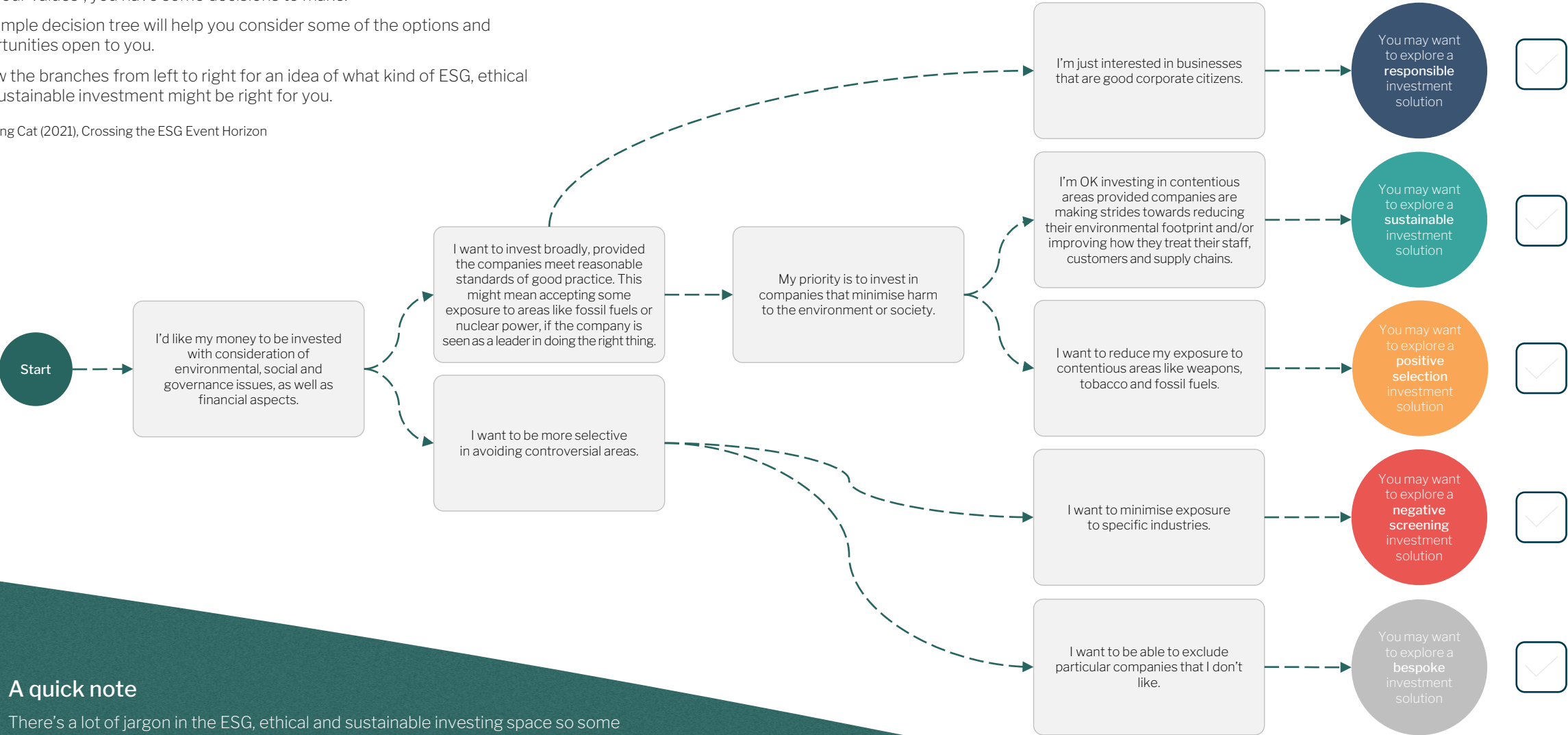
Ethical, sustainable and ESG investing decision tree

If, like more and more people, you want to use your money in a way that aligns with your values¹, you have some decisions to make.

Our simple decision tree will help you consider some of the options and opportunities open to you.

Follow the branches from left to right for an idea of what kind of ESG, ethical and sustainable investment might be right for you.

¹The Lang Cat (2021), Crossing the ESG Event Horizon



A quick note

There's a lot of jargon in the ESG, ethical and sustainable investing space so some definitions may differ. There can also be a lot of subjectivity. So, this is our take on the landscape of ethical investing, based on over a decade of creating investment solutions in this space.

Ethical, sustainable and ESG investing decision tree

Understanding the differences between different ethical investment approaches

Responsible investment solutions

This type of investment solution typically focuses on investing in well-managed companies that aim to benefit the environment and society with strong governance.

Clients who want broad exposure to ethical investing may prefer this approach.

Sustainable investment solutions

This type of investment solution typically focuses on investing in companies that provide products and services which help tackle today's most critical social and environmental challenges. This often leads to overweight allocations to healthcare, technology, and renewable energy.

Clients who care most about sustainability may prefer this approach.

Positive selection investment solutions

This type of investment solution typically focuses investing in companies that are aiming to address environmental and social challenges, but with some negative screening. This usually takes the form of reducing exposure to controversial sectors.

Clients interested in investing in companies with a positive ethical purpose and some negative screening may prefer this approach.

Negative screening investment solutions

This type of investment solution typically focuses on avoiding investing in controversial business practices and contentious sectors, as much as practically possible.

Clients who want to avoid certain sectors with strict screening might prefer this approach.

Bespoke investment solutions

This type of investment solution is custom-made for an individual client and considers their views on sectors or companies. It then aims to avoid investing in those companies and/or sectors.

Clients who want more control over which companies they invest in might prefer this approach.



Struggling with the terminology?

Our handy **A-Z of ESG** breaks down some of the most commonly used terms in the world of ESG, ethical and sustainable investing. To get your copy, click [here](#).

Important information:

- This decision tree is meant to be used as a general guide to help start a conversation with your financial adviser about the type of ethical investing approach you might like to explore. It shouldn't be seen as financial advice from Parmenion Capital Partners LLP.
- If you'd like to get advice on whether an investment is suitable for your needs, you should speak to regulated financial adviser.
- Any views expressed within this document are meant as general information and shouldn't be seen as financial advice or a personal recommendation. All investment carries risk, and its important you understand this.
- Past performance is not an indicator of future performance and investment returns can go down as well as up.
- Parmenion accepts no duty of care or liability for loss to any person acting or refraining from acting because of reading anything in this document.

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