

2022 REPORT ON US SUSTAINABLE INVESTING TRENDS

2022 TRENDS REPORT HIGHLIGHTS

As of year-end 2021, the US SIF Foundation identified \$8.4 trillion in total US-domiciled assets under management (AUM) using sustainable investing strategies. This represents 13 percent – or 1 in 8 dollars – of the total US assets under professional management.

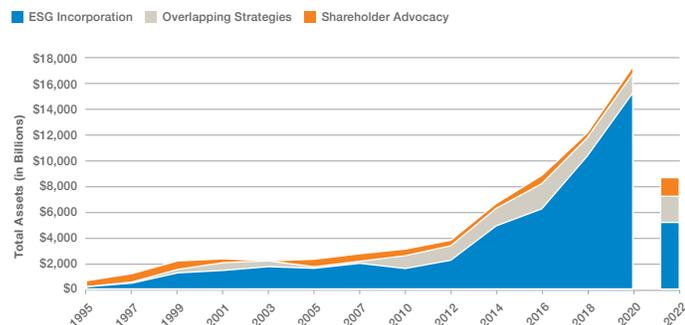
NEW METHODOLOGY

This year, the US SIF Foundation modified its methodology in response to the rapid growth and evolution of the sustainable investment field. The revised methodology required more granular information regarding the incorporation of ESG issues in order to be included in the tally of sustainable investment assets under management. In a departure from previous editions, this report does not include the AUM of investors who stated that they practice firmwide ESG integration but did not provide information on any specific ESG criteria they used (such as biodiversity, human rights or tobacco) in their investment decision-making and portfolio construction.

US SUSTAINABLE INVESTING GROWTH

Since 1995, when the US SIF Foundation began tracking and measuring sustainable investing assets in the United States, the field has evolved into a multi trillion dollar industry.

Sustainable Investing in the United States 1995–2022



SOURCE: US SIF Foundation

NOTE: Assets under management in 2022 represent US SIF's new modified methodology.

BREAKDOWN OF US SUSTAINABLE INVESTING ASSETS

- \$7.6 trillion in US-domiciled assets at the beginning of 2022 held by 497 institutional investors, 349 money managers and 1,359 community investment institutions that practice “ESG incorporation” — applying various ESG criteria in their investment decision-making and portfolio selection.
- \$3.0 trillion in US-domiciled assets at the beginning of 2022 held by 224 institutional investors or money managers that filed or co-filed shareholder resolutions on ESG issues at publicly traded companies from 2020 through 2022.
- After eliminating double counting for assets involved in both strategies, the net total of sustainable investing assets under management at the beginning of 2022 was \$8.4 trillion.

MONEY MANAGER FINDINGS

The US SIF Foundation identified 349 money managers and 1,359 community investing institutions incorporating ESG criteria into their investment decision-making and portfolio construction across a total of \$5.6 trillion in AUM. Within registered investment company assets, mutual funds comprised the largest number of funds with 444 funds across \$590 billion, while exchange-traded funds (ETFs) were largest in terms of assets, with \$613 billion, despite there being only 177 ETFs. Among alternative investment vehicles, property funds and real estate investment trusts (REITs) were the largest in terms of AUM with \$424 billion across 90 funds, while private equity and venture capital represented the largest number of funds with 220 and representing \$299 billion. Community investing experienced rapid growth, with AUM increasing 72 percent to \$458 billion over the past two years and increasing more than 600 percent over the last decade. Climate change was the most important specific ESG issue reported by money managers in asset-weighted terms, addressed across \$3.4 trillion in assets.

INSTITUTIONAL INVESTOR FINDINGS

The US SIF Foundation also researched the ESG incorporation practices of institutional asset owners (e.g., public funds, educational institutions, foundations, etc.). The report identified 497 institutional investors applying ESG incorporation practices across \$6.6 trillion in AUM. Public funds represented both the largest value of ESG AUM and the greatest number of institutional investors incorporating ESG in their investments. For the first time, institutional investors reported climate change and carbon emissions as the leading ESG criteria they addressed, in asset-weighted terms. Other leading ESG issues include the restriction of investments in companies doing business with conflict risk countries, board issues, sustainable natural resources/agriculture and exclusions on tobacco.

Leading ESG Criteria for Money Managers 2022

Climate Change/ Carbon	Military/Weapons	Tobacco	Fossil Fuel Divestment	Anti-Corruption
				
\$3.45 Trillion	\$1.78 Trillion	\$1.70 Trillion	\$1.23 Trillion	\$1.02 Trillion

SOURCE: US SIF Foundation

Leading ESG Criteria for Institutional Investors 2022

Climate Change/ Carbon	Conflict Risk (Terrorist or Repressive Regimes)	Board Issues	Sustainable Natural Resources/ Agriculture	Tobacco
				
\$3.96 Trillion	\$3.28 Trillion	\$2.87 Trillion	\$2.79 Trillion	\$2.67 Trillion

SOURCE: US SIF Foundation

About the 2022 Trends Report

The US SIF Foundation's biennial Trends Report is the only report providing a detailed breakdown of the professional assets under management—across all asset classes—that are engaged in sustainable investing strategies. It provides extensive data on the numbers of money management firms, institutional asset owners and investment vehicles using sustainable investment strategies. It also distills the range of environmental, social and governance (ESG) issues that investors consider. To obtain a copy, visit www.ussif.org/trends.

About US SIF

US SIF: The Forum for Sustainable and Responsible Investment is the leading voice advancing sustainable investing across all asset classes. Its mission is to rapidly shift investment practices toward sustainability, focusing on long-term investment and the generation of positive social and environmental impacts.

The US SIF Foundation is a 501(c)(3) organization that supports the work of the work of US SIF by undertaking educational, research and programmatic activities to advance the mission of US SIF.

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