

# ESG 101:

## Information for the Forest and Wood Products Sector



### ESG FOR INVESTORS

“ESG” stands for **environmental**, **social**, and **governance** factors. ESG investing supports companies committed to one or more ESG factors. Also called **sustainable investing**, **socially responsible investing**, and **impact investing**.

### INTERNATIONAL COLLABORATION

5,319

As of December 2022, there are **5,319 signatories** to the United Nations’ Principles for Responsible Investment (PRI) representing US \$121 trillion (five times the annual US GDP).



### FINANCIAL SECURITY

A review completed by NASDAQ found that over a five-year period, companies that are **ESG LEADERS** exhibited both **higher returns** and **less risk**.

### FINANCIAL IMPACT

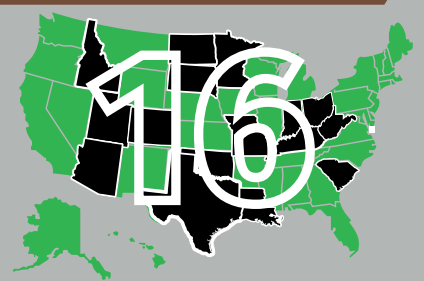
70%

An analysis of more than 2,000 academic studies concluded that 70% reported a **POSITIVE CORRELATION** between ESG and financial returns.



### LEGISLATIVE ACTION

Anti-ESG or “boycott bills” have been proposed in **16 US states** and five have enacted investment restrictions.



### CORPORATE REPORTING

96%

**96% of the S&P 500** are producing sustainability and climate change related reports



### ESG DEVELOPMENTS

The **forest and wood products** sector is active in ESG, companies are being recognized for their leadership, and sector-wide strategies should be considered as ESG moves into more consistent regulatory frameworks.