

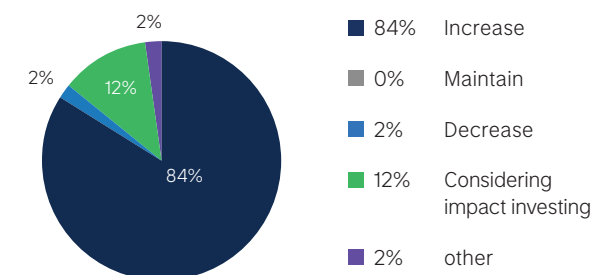
## Impact Creation and Investment Trends in Japan

Demand for impact investing in Japan is rising, with 84% of institutional investors planning to increase impact investing in the future, according to a new survey by the Global Steering Group for Impact Investment, National Advisory Board Japan (GSG-NAB Japan)<sup>1</sup>. This is against a background of strong growth during 2023, when AUM increased to JPY11.5 trillion (USD 72 billion)—almost double the previous year<sup>1</sup>.

This is still a small number compared to the global impact investing market of over USD 1.5 trillion<sup>2</sup> but further growth in Japan is likely due to government led initiatives promoting impact investing, heightened urgency to address social and environmental issues, and stakeholder expectations.

**Plans for future impact investing (impact investing organizations)**

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Source: GSG-NAB Japan FY2023

<sup>1</sup> GSG-NAB, 2024

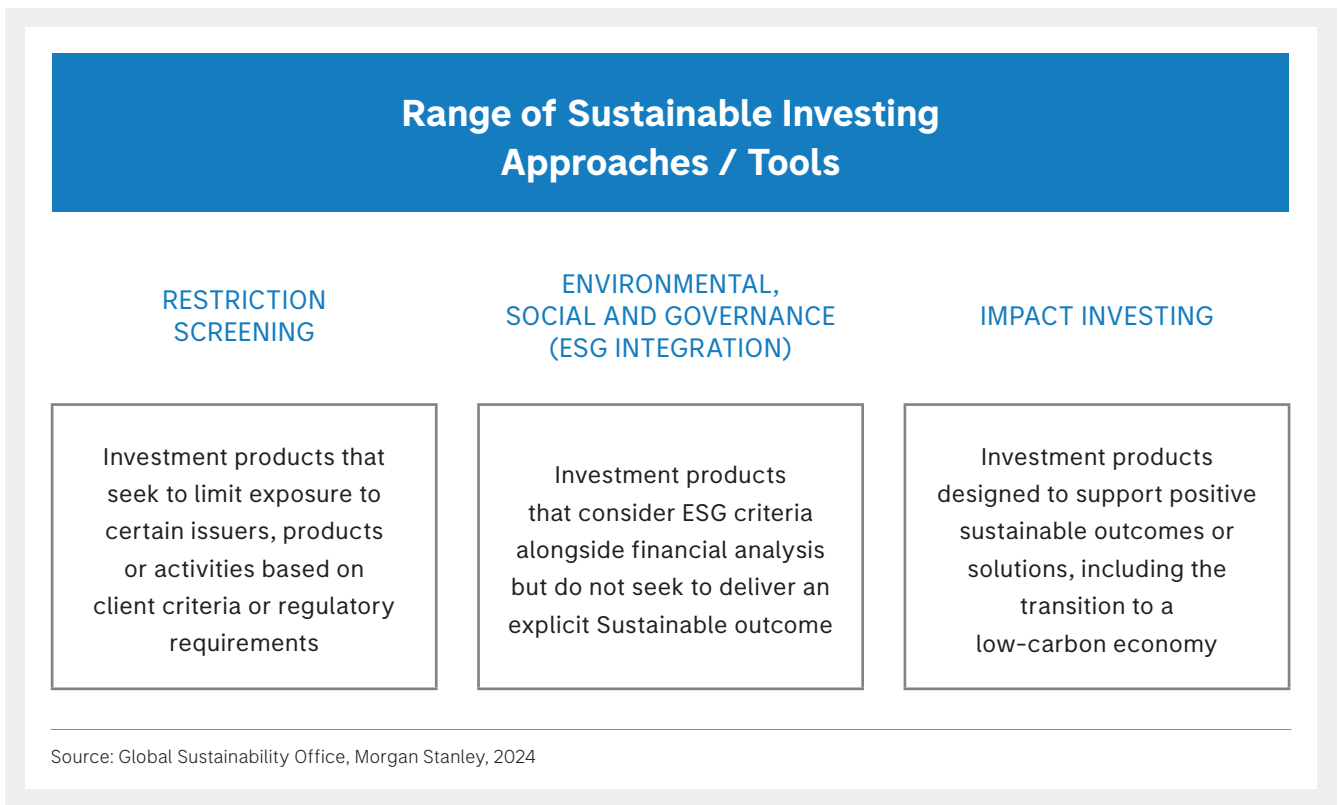
<sup>2</sup> GIIN, 2024

# What is impact investing?

## Impact Investing in a global context and in Japan

In a global context, impact investing is an investment strategy “made with the intention to generate positive, measurable social and/or environmental impact

alongside a financial return”<sup>3</sup>. It is one of several approaches within sustainable investing, sitting alongside restriction screening and ESG integration.



In Japan, the Financial Services Agency (FSA) defines impact investing as an investment that intends to realize social or environmental impact, at the same time to secure financial return, regardless of investees, investors, or asset classes. It is aiming to incorporate a broad range of impact investments without limiting the scope, to encourage development in both private and public markets for mainstreaming sustainability impact considerations in investments<sup>4</sup>.

As a result, while impact investing in Japan aligns with the global goals of generating positive social

and environmental impact alongside financial returns, the focus areas, investment strategies, and measurement frameworks may differ from those in the US and Europe. This could mean that certain investments that are considered impactful in Japan may not always meet the exact criteria for impact investing in other regions. As the global impact investing market matures, we would expect increasing collaboration and alignment, but some regional distinctions may persist.

<sup>3</sup> [What you need to know about impact investing - The GIIN.](#)

<sup>4</sup> [Linklaters on Japan FSA's "Draft Basic Guidelines on Impact Investment"](#)

## Definition and frameworks of impact investing

Various organizations, such as the Global Impact Investing Network (GIIN), the Japan Social Innovation and Investment Foundation (JSIIF), and Japan Sustainable Investment Forum (JSIF) have contributed to the understanding and development of impact investing

by providing definitions and frameworks that guide investors. These frameworks could also inform how other stakeholders, such as corporates, communicate their strategy and goals.

Organization	2023 Impact Investing AUM \$	Definition	Returns	Asset Classes
<b>GIIN<sup>2</sup></b>	\$1.5 trillion+ in global assets	Generate positive, measurable social and environmental impact alongside a financial return.  Impact needs to be intentional and measurable.	A broad range from below-market to market-rate returns.	Various including cash equivalents, fixed income, venture capital and private equity.
<b>JSIIF<sup>5</sup></b>	\$115 billion+ in Japanese assets	Aims to generate simultaneous social and economic impacts alongside financial returns.  Requires IMM.	Risk-adjusted financial returns that are commensurate with the level of impact and market conditions.	Various instruments that support sustainable infrastructure, renewable energy, and other sectors aligned with Japan’s SDGs.  AUM reported includes stocks and bonds, lending, and leasing, but excludes donations, grants, and subsidies.
<b>JSIF<sup>6</sup></b>	\$10 billion+ in Japanese assets	Contributes to the improvement of the environment and/or society focusing on Japan through investment.  Requires theory of change.  Impact needs to be assessed, monitored, and disclosed.	Appropriate risk-return pursued over the medium to long term, based on the definition of impact finance provided by the Ministry of the Environment’s Positive Impact Finance Task Force.	Primarily focuses on equity and debt investments in sectors like clean energy, healthcare, and social infrastructure, often with a local impact focus.

<sup>5</sup> [JSIIF: Impact Investing](#)

<sup>6</sup> [JSIF: Definition of Impact Investing](#)

While there is no one universally standard definition of impact investing, common themes shared across the frameworks of each organization are:

- **Intentionality:** intention to create positive social or environmental impact.
- **Measurability:** ability to measure and report on the impact generated.
- **Financial Returns:** financial returns can range from below-market to market-rate.

## Distinction between impact investing and other sustainable investing

The distinction between impact investing and other sustainable investing strategies lies primarily in the intent, measurement of impact, and the degree of financial return expectations. While all sustainable investment strategies seek to integrate environmental,

social, and governance (ESG) factors into decision-making, impact investing is more specific in its focus on generating positive, measurable social or environmental outcomes alongside financial returns:

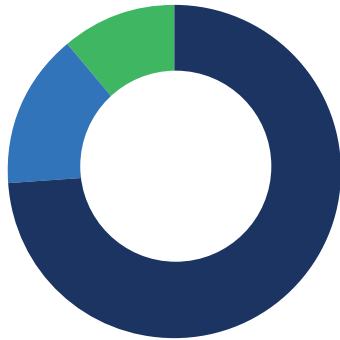
	Impact Investing	Sustainable Investing (Restriction Screening/ ESG Integration)
<b>Objective</b>	Intentional generation of measurable social/environmental impact alongside financial return.	Restriction/incorporation of ESG factors into investment decisions to manage risk and create long-term value.
<b>Focus</b>	Focus on direct, measurable impact.	Focus on risk management and corporate behavior without a direct emphasis on measurable outcomes.
<b>Measurement</b>	Impact measurement and reporting are essential.	Focus on ESG metrics with less emphasis on outcome measurement.
<b>Return Expectations</b>	Market-rate or below-market returns depending on the sector or stage of investment.	Primarily market-rate returns, driven by managing ESG risks for better long-term performance.

## Expectations for investment returns can vary

Globally, the majority of impact investors want market rate returns over time, whilst also creating positive social and environmental impact. According to the latest

survey by the GIIN, 74% of global institutional investors target risk-adjusted market rate returns.

### Target financial returns



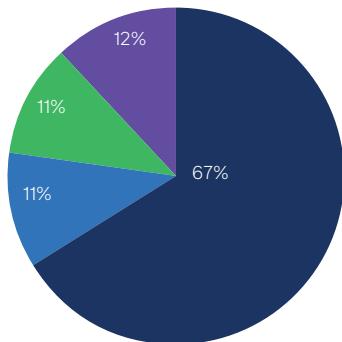
- Below market-rate, closer to capital preservation 11%
- Below market-rate, closer to market-rate 15%
- Risk-adjusted, market-rate returns 74%

Source<sup>7</sup>: 2024 GIINsight; Impact Investor Demographics

This is slightly lower in Japan, where 67% of Japanese investors<sup>8</sup> expect return exceeding the market level after risk adjustment.

### Expected level of financial returns

n=57



- 67% Return exceeding the market level after adjusting risks
- 11% Below the return of market level (however, it is closer to the return of the market level)
- 11% Below the return of market level (however, it is closer to investment principal preservation)
- 12% Other

Source: GSG-NAB FY2023

<sup>7</sup> GIIN Sight 2024

<sup>8</sup> Investors include Investment managers, venture capitals, institutional investors, funding agencies, etc., and those who manage at least 10 million dollars in impact investing assets and/or have made at least five impact investments.

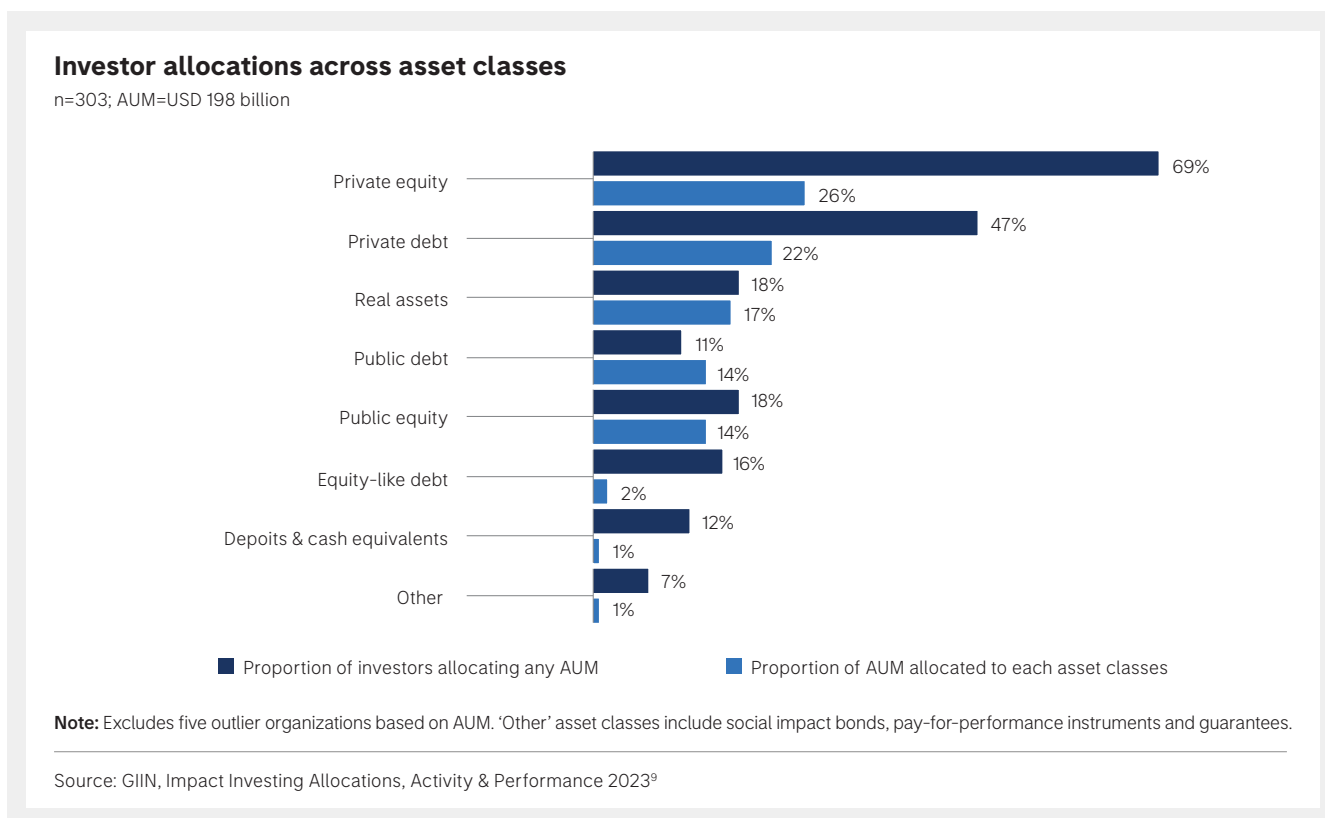
# How do investors engage in impact investing?

## Private vs Public markets

Impact investing is generally easier to implement in private markets compared to the public market, due to the greater influence that impact investors can have through their investments. Private market impact investing may startups, or projects that address specific environmental or social issues,

such as building affordable housing or developing clean energy projects.

As can be seen in the chart below, significant portion of impact investing is still done in private equity globally, followed by private debt.



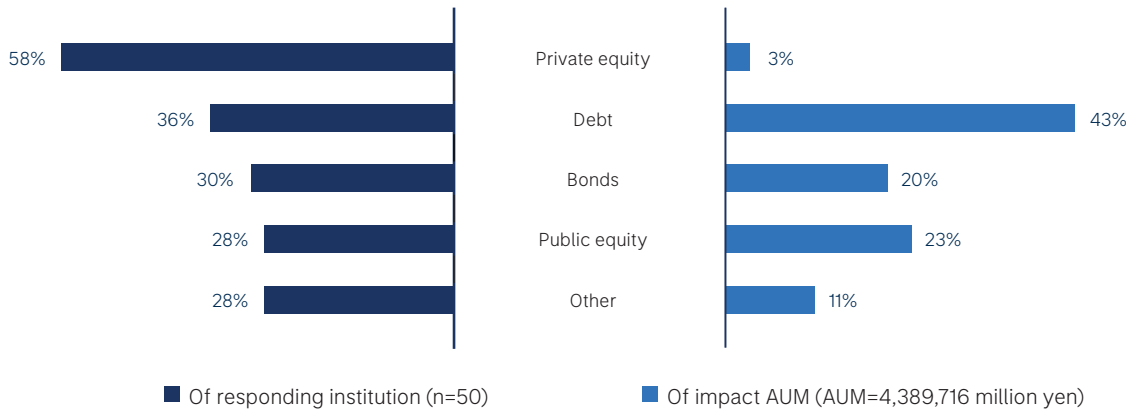
In Japan, though, 23% of impact AUM is allocated to public equity and only 3% is allocated to private equity. Some of the largest public equity funds are Baillie Gifford Impact Investment Fund, Global Impact Investment Fund, and Nomura ACI Advanced Medical Impact Investment. For more examples, please see JSIF SRI Data 2024<sup>10</sup>.

Public markets can provide greater accessibility for a wider range of investors and the potential to scale impact through investments in larger, publicly traded companies. Typically, these funds will invest in sectors such as green buildings, clean energy, circular economy, healthcare, or other impact driven areas.

<sup>9</sup> GIIN: [Impact Investing Allocations, Activity & Performance 2023](#)

<sup>10</sup> [JSIF SRI Data 2024](#)

### Asset classes of impact investing



Source: GSG-NAB FY2023

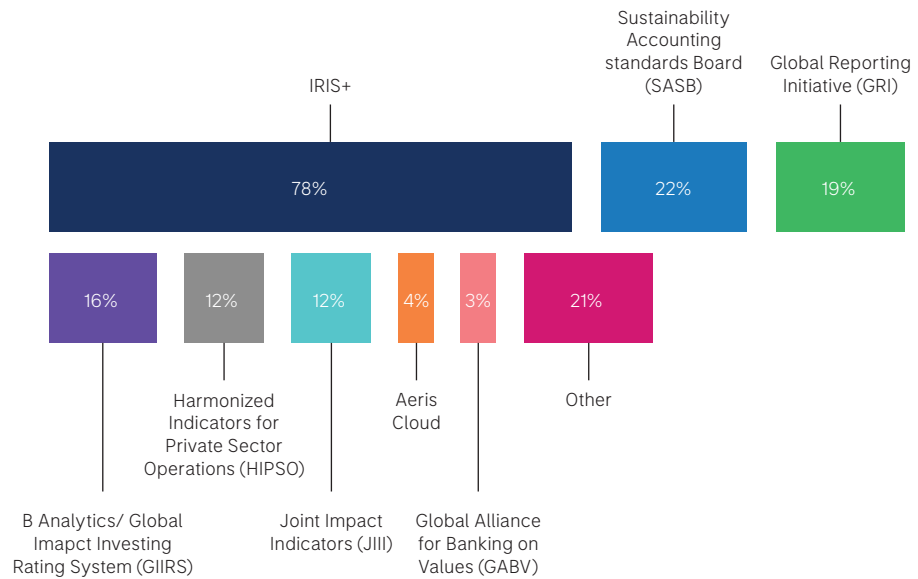
## How do investors measure impact?

Measuring and managing impact is a critical component of impact investing to ensure investments achieve the intended social or environmental outcomes. The most commonly used tool is IRIS+ managed by the GIIN at 78%, followed by the Sustainability Accounting Standards Board (SASB) at 22%, Global Reporting

Initiative (GRI) at 19%, B Analytics/Global Impact Investing Rating System (GIIRS) at 16%. Several tools and frameworks are available that can be used to measure, manage, and report on the impact of investments, help guide investors' impact strategy and inform decision-making processes.

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Tools & systems used for impact Measurement and management



Source: [2023 GIINSight](#)

The chart below summarizes the features, methodologies, and key differences of the most widely used impact measurements tools:

Tool	Developed By	Key Features	Primary Use	Key Differences
<b>Impact Reporting and Investment Standards (IRIS+)</b>	Global Impact Investing Network (GIIN)	Standardized metrics, flexible selection, integration with other frameworks	Investors seeking consistency across sectors and geographies	Widely recognized standard, suitable for diverse impact themes
<b>Sustainability Accounting Standards Board (SASB)</b>	SASB	Industry-specific standards for disclosing material sustainability information	Investors looking for information on company’s ESG risks and opportunities	Integrates sustainability reporting into financial disclosures
<b>Global Reporting Initiative (GRI)</b>	GRI	Framework for sustainability reporting, covering economic, environmental, and social impacts.	Suitable for wide range of industries and organization	Broad framework for sustainability reporting aimed at a wide audience
<b>Global Impact Investing Rating System (GIIRS)</b>	B Lab	Comprehensive ratings, benchmarking, certification	Investors looking for in-depth company or fund evaluations	Certification and benchmarking system for holistic impact assessment

Selecting the appropriate impact measurement tool depends on several factors, including the investor’s objectives, the nature of the investment, and the desired level of detail in impact reporting.

Whether seeking standardized metrics, certification, or financial valuation of impact, there are robust tools

available to support effective impact measurement and reporting. As the impact investing market continues to grow, these tools could play a crucial role in driving accountability, transparency, and the overall effectiveness of impact investments.



## Why Impact Investing Now in Japan?

The impact investing market may offer opportunities for investors to advance social and/or environmental solutions through investments that also produce

financial returns. But what is driving the growing interest in Japan?

## The Japanese Government has identified impact investing as a priority

Under the directive of the former Prime Minister Kishida's Cabinet Office, the Japanese Financial Services Agency (JFSA) published a [framework on impact investing](#) in April 2024, following the launch of its [Impact Consortium](#) initiative to promote impact investing in November 2023. The JFSA sees impact investing as a mechanism for mobilizing capital required to solve Japan's pressing long-term social and environmental issues, such as its aging population, climate change, and inequality.

### 1. Aging Population and Declining Birth Rate

Japan has one of the fastest-aging populations in the world. As of 2023, **28% of Japan's population** is over 65 years old<sup>11</sup>, the highest proportion of elderly people globally, and this is expected to rise to 38% by 2050. Together with a very low **fertility rate** in Japan of **1.2 children per woman**<sup>12</sup>, this is leading to a shrinking labor force and creating challenges in healthcare, pensions and caregiving. By 2040, the working-age population (ages 15–64) will have decreased by **over 10 million people**, affecting productivity and economic growth<sup>13</sup>.

### 2. Gender Inequality and Workforce Participation

Despite recent improvements, Japan has a significant gender gap in the workforce. Women's labor force participation in Japan stands at **54.9%**<sup>14</sup>, lower than the **OECD average** of **66.6%**. For those

women that do work, they are underrepresented in leadership roles (only **16.6% of board members** in major companies are women<sup>15</sup>) and earn approximately **22% less than men** on average<sup>16</sup>. Gender inequality limits economic growth and the full potential of the workforce, contributing to social and economic disparities.

### 3. Energy Dependency and Transition to Renewable Energy

Japan is heavily dependent on imported fossil fuels for energy, importing around 80% of its energy. Japan faces challenges in achieving energy sustainability, reducing carbon emissions, and addressing climate change while ensuring energy security. The share of **renewable energy** in Japan's total energy mix was about **18%** in 2020, with the government targeting **22–24%** by 2030<sup>13</sup>.

Elsewhere, the Ministry of Economy, Trade and Industry has launched the J-Startup Program<sup>17</sup> to foster and support impact startups in Japan. More than 70% of entrepreneurs responded to the survey conducted by Venture Enterprise Center in 2021<sup>18</sup> that their motives for launching a new business were to solve social and environmental issues. About half of university students prefer startups to start their career, which is evident from the increasing number of university startups contributing to the increase in deep tech which has grown 2.5 times from 1,749 in 2014 to 4,288 in 2023.

<sup>11</sup> [Statistics Bureau of Japan](#)

<sup>12</sup> <http://www.ipss.go.jp/>

<sup>13</sup> [National Institute for Population and Social Security Research](#)

<sup>14</sup> [Japan | World Bank Gender Data Portal](#)

<sup>15</sup> [Nikkei September 2023](#)

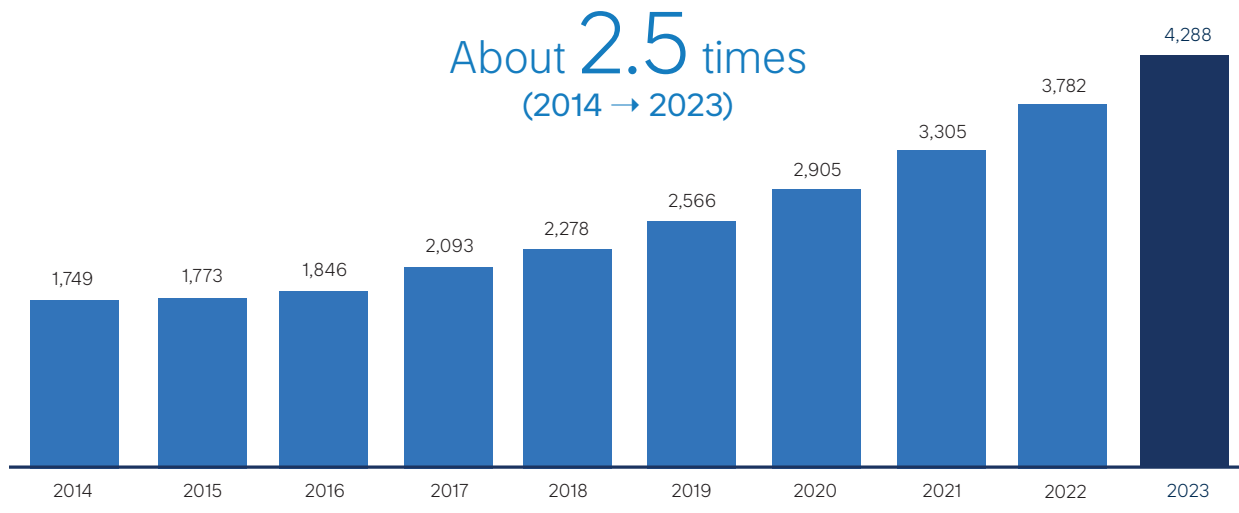
<sup>16</sup> [OECD Data 2023](#)

<sup>17</sup> [METI: J-Startup Program](#)

<sup>18</sup> [FSA: Report by the Working Group on Impact Investment](#)

**Number of university startups is increasing, contributing to the increase of deep tech startups**

Number of university startups



Source: METI “Japan Startup Ecosystem June 2024”<sup>19</sup>

## Growing awareness amongst the individuals on the need to address social and environmental challenges

In an effort to encourage consumers to change their behavior and lifestyle, the Ministry of the Environment (MOE) launched the National Movement for New and Prosperous Lifestyles toward Decarbonization in October 2022. Such efforts, in conjunction with other public-private initiatives, may have resulted in the growing awareness by Japanese citizens on the need to address social and environmental challenges<sup>20</sup>, and what actions they can take to address them.

Growing interest in sustainable investing by individual investors was also observed to be on the rise, in the latest survey performed by the Morgan Stanley Institute for Sustainable Investing targeting individual investors, where the majority of Japanese investors indicated that they believe they can achieve both financial returns and positive social or environmental impact<sup>21</sup>.

<sup>19</sup> [Japan Startup Ecosystem](#)

<sup>20</sup> [Ministry of Environment: Annual Report on the Environment of Japan 2023](#)

<sup>21</sup> Morgan Stanley Institute for Sustainable Investing: Sustainable Signals 2024 – Individual Investors

## Impact Investing Networks and Organizations

Impact investing networks and organizations have also been instrumental in raising awareness and driving the growth of impact investing in Japan, through providing education, creating frameworks for measurement, and fostering collaboration between investors, corporates,

and policymakers. Involvement with the global impact investing community may have also encouraged the growing interest. Key impact investing networks and organizations active in Japan include:

<p><b>Global Steering Group for Impact Investment (GSG) / GSG-NAB Japan</b></p>	<p>A global network aimed at catalyzing impact investment worldwide. GSG-NAB Japan is the Japanese arm of this network and focuses on advancing impact investment within Japan’s financial ecosystem.</p>
<p><b>JSIIF (Japan Social Innovation and Investment Foundation)</b></p>	<p>An important player in the country’s impact investing ecosystem, focusing on social impact and social finance. Also acts as the secretariat of GSG-NAB Japan.</p>
<p><b>Japan Sustainable Investment Forum (JSIF)</b></p>	<p>A key industry group founded in 2007, focusing on sustainable investment in Japan, with a broader emphasis on environmental, social, and governance (ESG) investing.</p>
<p><b>Global Impact Investing Network (GIIN)</b></p>	<p>A global leader in advancing the impact investing market. playing a crucial role in supporting the development of impact investing ecosystems in Japan by providing knowledge, resources, and networking opportunities.</p>
<p><b>Japan Impact Investment Initiative (JIII)</b></p>	<p>A pioneering organization focused specifically on the development and promotion of impact investing in Japan, serving as a facilitator for growing the impact investing ecosystem by engaging investors, social enterprises, and other stakeholders.</p>
<p><b>The United Nations Development Programme (UNDP) Japan</b></p>	<p>A major player in promoting impact investing as a solution to achieving the SDGs from the Japan office, working on initiatives that link private sector investment to social impact.</p>

# What are the challenges faced by investors?

There are three key challenges that need to be overcome for the impact investing market in Japan to grow further:

## 1. Data Availability to Compare Impact & Measure/Report

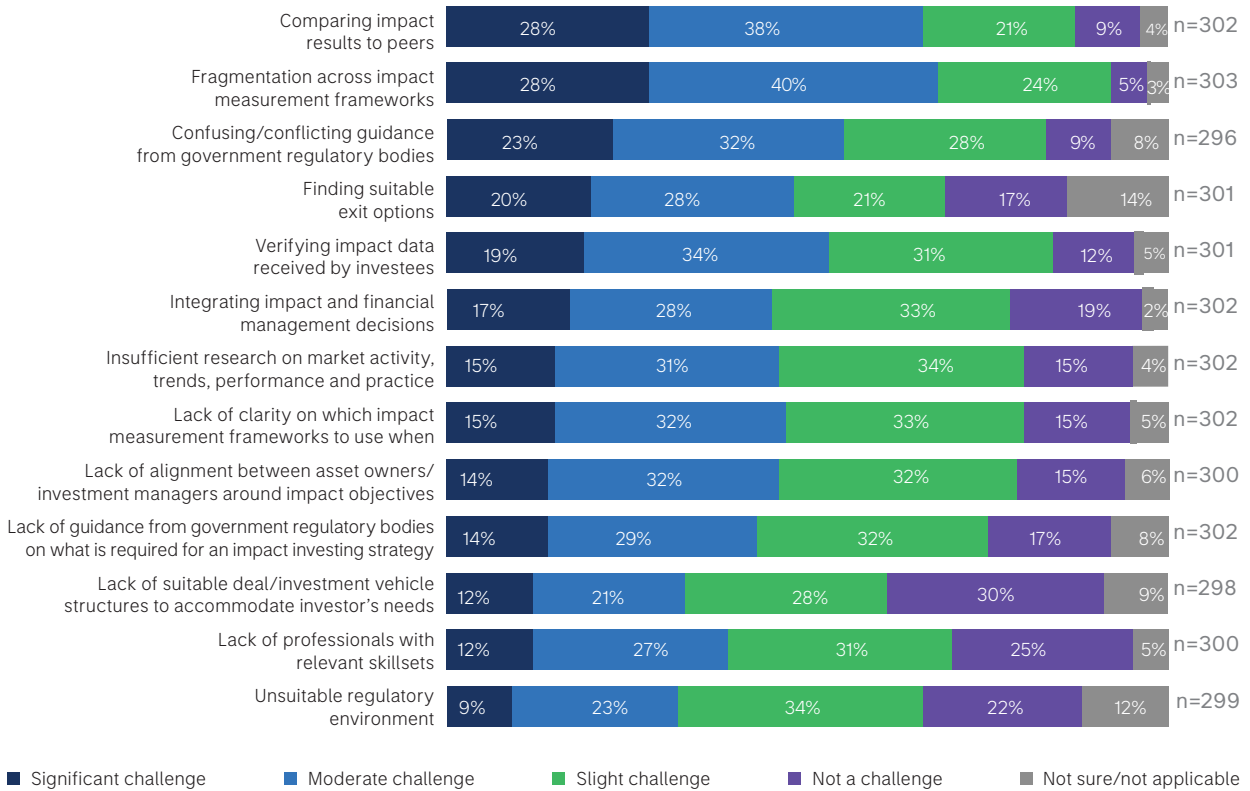
When needing to assess and measure impact of investee companies, investors may find fragmented or lack of data in certain industries and markets to evaluate. According to the latest survey by the GIIN, 87% of investors indicated that comparing impact is

a challenge to at least some degree and 28% noted that it is a significant challenge.

The complexity of measurement and reporting arises from the need to capture not just financial returns, but also social and environmental impacts, which are often qualitative, long-term, and context dependent.

One of the core challenges is the absence of universally accepted standards for measuring and reporting impact. Different organizations, funds, and

Perceived challenges in industry development over the past five years



Source: 2024 GIINsight: Emerging Trends in Impact Investing

investors can use different frameworks and metrics, leading to inconsistency and lack of comparability. While there are some widely adopted frameworks like the Global Impact Investing Network (GIIN) IRIS+ system, SASB, and GRI, there is no single, standardized method for assessing impact that is used universally across the different industries, making it difficult for investors to compare impact of different companies

## 2. Lack of Understanding Around Impact

According to the latest consumer survey conducted by Dentsu<sup>22</sup>, Japanese consumers have good awareness of global sustainability frameworks, but their awareness of how individuals can support these with their investments remains low. The latest market research by the SIIF<sup>23</sup>, also indicates that one of the barriers to raising awareness and interest from consumers seems to be in the Japanese language environment, where the term “impact” is frequently associated with “shock,” rather than “solving social or environmental problems”, suggesting needed education on the definition of impact investing and how it works.

## 3. Lack of Products

There is also a lack of investment products available despite the New Individual Saving Account (NISA) eligible products being open for new sustainable investment products, and investment ideas from the Financial Advisors as per the findings from

[the Morgan Stanley Institute for Sustainable Investing’s survey](#)<sup>24</sup> conducted to individual investors. Of 2000+ products currently available on the New Individual Savings Account (NISA) scheme, only around 80 are sustainable investing products, and less than 10 have impact label<sup>25</sup>. Also, on the list of sustainable equity funds listed in the JSIF report, only 16 are labelled as impact funds<sup>8</sup>.

For investors who are already engaged in impact investing and are already knowledgeable, the challenge is in finding investee companies and investment opportunities that meet both their impact and financial return criteria, especially when such information is often lacking, making it difficult to compare with peers, or publicly not disclosed.

# How can the impact investing market grow?

The impact investing market in Japan has seen significant progress, but it still faces challenges and opportunities for further growth. In order to develop the

- Corporates to define and tell their impact story more clearly, enabling investors to identify investment opportunities.
- Corporates to be transparent about their impact data and where they are in their impact journey.
- Capacity building to foster expertise in impact investing amongst the investors and financial

impact investing market further, the following may be considered by corporates, investors, and other stakeholders:

- advisors, and to raise broader public awareness on impact investing.
- Investors to consider development of impact investing product.
- Leading asset managers to share their successes/ challenges to provide clarity on what works in the impact investing market

<sup>22</sup> [Dentsu Sixth Consumer Survey on Sustainable Development Goals](#)

<sup>23</sup> [インパクト投資に関する 消費者意識の定性調査](#)

<sup>24</sup> [Institute for Sustainable Investing: Sustainable Signals 2024](#)

<sup>25</sup> [NISA eligible products](#)

## Appendix

### Timeline of impact investing: Global vs Japan

Year	Global	Japan
2007	The Rockefeller Foundation used the term “impact investing” for the first time and started to promote impact investing	
2008	The Dormant Accounts Act was enacted in the UK	
2009	Global Impact Investing Network (GIIN), a global network of impact investors, was established IRIS, a reporting standard for impact investing, began operating	
2011	The U.S. gave legal recognition to benefit Corporation, as a category for social enterprises (Maryland, as the first U.S. state)	The 21st Century Financial Behavior Principles were adopted mainly by private financial institutions
2012	Big Society Capital, a wholesale fund funded by dormant back accounts, was established in the UK	
2012	Global Steering Group for Impact Investment (GSG) was established (at the time, it was called “G8 Impact Investment Task Force,” which was renamed :“GSG” in 2015).	
2014		GSG National Advisory Board was established GSG National Advisory Board issued a report on the current state of impact investing in Japan for the first time.
2015		GSG National Advisory Board proposed 7 key recommendations towards promotion of impact investing The promotion of impact investing is mentioned for the first time in the government’s growth strategies and in basic policies for regional revitalization The Government Pension Investment Fund (GPIF) signed the UN Principles of Responsible Investment (PRI)
2016	Impact Management Project (MEP), an initiative for impact measurement and management, was established	Social Impact Management Initiative (SIMI) was established (at the time, it was called the “Social Impact Measurement Initiative,” which was later renamed) The Dormant Deposits Utilization Act was promulgated

Year	Global	Japan
2017	TPG, a major private equity firm, established a JPY 200 billion Impact Investment fund	
2018	<p>“Impact investing” was included in the leaders’ declaration of G20 Buenos Aires Summit</p> <p>The United Nations Development Programme(UNDP) started the SDG Impact in the expectation that the flow of private funds will expand to achieve the goals of the SDGs</p>	The Dormant Deposits Utilization Act came into effect
2019	<p>Prime Minister Abe declared at the G20 Osaka Summit that Japan will lead in innovative financing schemes such as impact investing and dormant bank accounts</p> <p>IFC developed operation principles for impact investing</p>	<p>The Cabinet Office designated Japan Network for Public Internet Activities (JANPIA) as the designated utilization organization based on the Dormant Deposits Utilization Act</p> <p>Japan International Cooperation Agency (JICA) signed up for operation principles of impact investing as the first organization in Japan</p>
2020	UK’s Big Society Capital and a major private-sector asset management institution partner to establish an impact investment trust company	Assistance for solving social issues using dormant bank accounts commenced
2021	<p>The Impact Taskforce was set up, raised by the UK, the chair of 2021 G7 summit</p> <p>The Impact Management Platform was set up as the successor to the Impact Management Project</p>	<p>Prime Minister Kishida mentioned impact investing in his first policy speech</p> <p>21 financial institutions signed the Japan Impact-driven Financing Initiative</p>
2022	<p>Impact AUM reached 160 trillion yen (1.2 trillion dollars) worldwide, according to a global survey by the GIIN</p> <p>The IWAI created and published a tentative proposal for an impact weighted accounting framework (IWAF)</p> <p>Big Society Capital (BSC) opened an impact venture capital community, ImpactVC, for those engaged in impact investing</p>	<p>In the “Grand Design and Action Plan for a New Form of Capitalism” and “Basic Policies for Economic and Fiscal Management and Reform 2022.” The Cabinet and Cabinet Secretariat clearly stated that the government will promote impact investing</p> <p>The Financial Services Agency established the Working Group on Impact Investment</p> <p>The Impact Startup Association was established</p> <p>Keidanren (Japan Business Federation) published the report “Using Impact Metrics to Promote Dialogue with Purpose as Starting Point”</p>
2023	<p>The World Economic Forum (WEF) published a new white paper about impact investing titled “Private Market Impact Investing: A Turning Point.”</p> <p>The Global Impact Investing Network (GIIN) Published the “2023 GIINsights” series based on data collected from 308 impact investing organizations around the world</p>	<p>The Cabinet Secretariat announced the “Impact Investment Initiative for Global Health” at the G7 Hiroshima Summit.</p> <p>The FSA organized a launch event for the Impact Consortium, a Conference for collaboration between the public and private sector on impact investing.</p> <p>Keizai Doyukai (Japan Association of Corporate Executives) entered into the Partnership Agreement for Collaboration between the Impact Startup Association, the Japan Association of New Public, and the Japan Association of Corporate Executives</p>

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Because of their narrow focus, sector investments tend to be more volatile than investments that diversify across many sectors and companies.

Certain portfolios may include investment holdings that consider one or more Environmental, Social and Governance (“ESG”) factors (referred to as “ESG investments”). For reference, environmental (“E”) factors can include, but are not limited to, climate change, water, waste, and biodiversity. Social (“S”) factors can include, but not are not limited to, employees, diversity & inclusion, cyber security, data privacy, health & wellness, supply chains, product safety & security, community engagement, and human rights. Governance (“G”) factors can include, but are not limited to, board structure & oversight, leadership composition, pay and incentive structures, corruption & bribery, ethics & business conduct, shareholder rights, accounting & audit practices, tax evasion, and risk management. You should carefully review an investment product’s prospectus or other offering documents, disclosures and/or marketing material to learn more about how it incorporates ESG factors into its investment strategy.

ESG investments may also be referred to as sustainable investments, impact aware investments, socially responsible investments or diversity, equity, and inclusion (“DEI”) investments. It is important to understand that ESG definitions and criteria used within the industry can vary, and ESG ratings of the same subject companies and/or securities can vary among different ESG ratings providers for several reasons including, differences in definitions, methodologies, processes, data sources and subjectivity among ESG rating providers when determining a rating. Certain issuers of investments including, but not limited to, separately managed accounts (“SMAs”), mutual funds and exchange traded funds (“ETFs”) may have differing and inconsistent views concerning ESG criteria where the ESG claims made in offering documents or other literature may overstate ESG impact. Further, socially responsible norms vary by region, and an issuer’s ESG practices or Morgan Stanley’s assessment of an issuer’s ESG practices can change over time.

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