

WHAT IS SOCIAL FINANCE?

Global environmental, social and governance trends are rapidly reshaping the economy. Addressing these interconnected and complex issues, including meeting the needs of a quickly growing population in a resource constrained world, will require trillions of dollars to fund innovative solutions. These seismic shifts are presenting significant risks and opportunities for mainstream investors.

Mainstream investors' portfolios need to serve their financial goals. And social finance can offer investors an opportunity to protect and grow their assets in the face of significant changes and to support solutions to some of the world's most pressing problems.

But what exactly is Social Finance? In short, Social Finance is any investment activity that includes a financial return and a significant social or environmental impact.

Although it encompasses a diverse range of investment strategies and products across asset classes, our definition of Social Finance includes four key strategies — Socially Responsible Investing, Environmental Finance, Development Finance, and Impact Investing. By our count, it's a \$22 trillion market – and growing.

And the benefit of a holistic Social Finance framework for mainstream investors is greater insight and access to investment opportunities with different levels of social impact.

So why hasn't the full potential of social finance been realized yet? Investor behavior has started to change, but there are some significant conditions to be met before mainstream investors may fully engage.

We believe that investors, policy makers, intermediaries, and issuers will need to work together to achieve 5 key conditions to grow social finance — Accessibility, Measurement, Transparency, Systemic Change and Collaboration.

We are bringing together experts from across BNY Mellon to build on our already strong capabilities in SRI and ESG integration, as well as our knowledge of market infrastructure, to address the conditions to scale and spur sustainable and inclusive market activity through product development, thought leadership and strategic partnerships.

Our vision is to enable positive change through investments.

To learn more about Social Finance at Scale, visit www.bnymellon.com/socialfinance.



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