



Principles and Performance®

December 2020

Valuable Resources for Responsible Investors

ESG investing is no longer a novelty. More and more people are looking to align their investments with their values, and many believe that ESG factors can improve performance. Below, we offer some resources that can help you learn more about ESG issues and evaluate potential investments.

Morningstar's Sustainability Ratings

Morningstar is widely known for its standardized rating systems and easy-to-access [information](#) that is designed to help investors evaluate their choices. In addition, the company regularly offers free articles and more extensive reports on important industry topics.

Morningstar's sustainability ratings range from

five globes for the top 10% of each Morningstar peer category to one globe for the bottom 10% of the category. The rating is based on an assessment of the financially material ESG risks of a portfolio relative to its peer group using data from ESG research provider Sustainalytics. In addition, Morningstar discloses percentile ranks and provides a breakdown of the investment's risks into environmental, social, and governance components. A separate measure allows investors to identify funds that receive Morningstar's Low Carbon Designation. Morningstar has also launched a new measure of asset managers' and strategies' [commitments to ESG](#) within their investment processes and organizations. The rating categories include Leader, Advanced, Basic and Low.

As You Sow

As You Sow was founded nearly 30 years ago to promote corporate responsibility. The organization focuses on filing shareholder resolutions to encourage companies to improve their ESG practices. A nonprofit shareholder advocate, As You Sow directly engages corporate CEOs, senior management and institutional investors to encourage positive change. The organization was named the #1 top corporate watchdog by Ethos for 2020.

The As You Sow website offers [tools](#) to evaluate and compare funds on metrics like fossil fuels and gender equality. The organization also issues free [reports](#) on topics of interest to ESG investors and conducts free webinars on current ESG issues, including workplace equity, racial justice and social initiatives. Each year, As You Sow publishes Proxy Preview, a free guide to proxy voting.

US SIF: The Forum for Sustainable and Responsible Investment

US SIF advocates sustainable investing across all asset classes. It seeks to rapidly shift investment practices toward positive social and environmental outcomes. US SIF members range from asset management firms to community investing organizations.

The organization publishes the US SIF Trends Report that contains market research on ESG themes and developments. US SIF offers courses for individuals and investment professionals, along with a program for investment managers who would like to obtain certification as socially responsible investment providers. US SIF also provides a free screening [tool](#) to compare sustainable criteria across mutual funds and provides [guides](#) to help advisors incorporate sustainable investing into their practices.

The views expressed are subject to change at any time in response to changing circumstances in the markets and are not intended to predict or guarantee the future performance of any individual security, market sector or the markets generally, or the Parnassus Funds.

Mutual fund investing involves risk, and loss of principal is possible. There are no guarantees any investment strategy, including a socially responsible (ESG) investment strategy, will be successful in any market environment.

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Before investing, an investor should carefully consider the investment objectives, risks, charges and expenses of the Funds and should carefully read the prospectus or summary prospectus, which contains this information. A prospectus or summary prospectus can be obtained on the website, www.parnassus.com, or by calling (800) 999-3505.