Responsible investment: Why some asset owners ‘do’ and some ‘do not’

RI Research – Plenary 6 - 06/06/2018
Snapshot Phase 1

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First cut of responses

- 115 PF responses from 15 European Countries
- In-depth semi-structured interviews of 15 PF
- AUM - median: €8.15bn, total: €3.58trn

![Fund types chart]

- Corporate - publicly listed company: 25%
- Corporate - private company: 34%
- Public fund: 27%
- Other: 14%

**48% corporate Pension Funds**
So what’s the current ‘state of the nations’?
Did we reach out beyond PRI-signatories?

- **PRI** 50%
- **Non-PRI** 50%

**DOERS**: 95
- Want-TOS: 5
- Non-DOERS: 0

**%**: 100.0
0.0
10.0
20.0
30.0
40.0
50.0
60.0
70.0
80.0
90.0
100.0

**DOERS**: 67
- Want-TOS: 20
- Non-DOERS: 13
Focusing on those who ‘do’…

Analysis so far mostly focused on ‘doers’

More data required!
Who are the European ‘doers’?

Corporate Pension Funds?

- CORPORATE
  - PRI: 50%
  - non-PRI: 50%

- PUBLIC + OTHER
  - PRI: 59%
  - non-PRI: 41%
Reasons for ‘doing’ ESG...

- **MATERIALITY OF RISK ASSOCIATED WITH NOT CONSIDERING ESG FACTORS**: 89%
- **CONSISTENT WITH FIDUCIARY DUTY**: 65%
- **POSITIVE EFFECT ON FINANCIAL PERFORMANCE**: 59%

Impact of ESG on financial performance:
- **Positively**: 56%
- **Negatively**: 28%
- **Neither**: 14%
- **Too early to say / Don’t know**: 2%

Only 2% reported a negative impact on performance!
Investment consultants’ attitude towards ESG is mostly positive

So what is holding ESG back from becoming a main-stream offering?

- More data required from ‘want-tos’ & ‘non-doers’
### Key-findings until now...

**Interesting cohort:**
- 50% non-PRI
- 48% corporate PF

**Many PF ‘fly under the radar’:**
- 67% of non-PRI signatories take ESG into account

**Want to:**
- Some funds interested but don’t know how to take first steps

**Doers at different levels:**
- 28% holistically integrate ESG
- 72% see ESG as positive in a manager
- 71% already take ESG into account during manager search & selection
Research timeframe

Europe (since March ’18)

Phase 1

Americas

Phase 2

Asia & Oceania

Phase 3

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