ESG – Do you or Don’t you?

Why some asset owners ‘do’ responsible investment, while others ‘do not’
Demographics

437 respondents from 28 countries
- Europe (Phase 1): 321
- Americas (Phase 2): 116

AUM:
- Total: $8.83trn
- Median: $7.5bn

49% corporate Pension Funds
Demographics – Participants 2018

Phase 1
Phase 2

# respondents
So what is the current ‘state of the nations’?

- **DOERS**: 77%
- **ADOPTERS**: 18%
- **NON-DOERS**: 5%
So what is the current ‘state of the nations’?

Phase 1 - Europe

- DOERS: 81%
- ADOPTERS: 16%
- NON-DOERS: 3%

Phase 2 - Americas

- DOERS: 66%
- ADOPTERS: 23%
- NON-DOERS: 11%
So what is the current ‘state of the nations’?

Phase 1 - Europe

- **Nordics**: 56 Doers, 2 Adopters, 0 Non-Doers
- **UK+IRE**: 79 Doers, 17 Adopters, 3 Non-Doers
- **Benelux**: 32 Doers, 8 Adopters, 1 Non-Doer
- **GER+SWI+AUS**: 30 Doers, 12 Adopters, 3 Non-Doers
- **Eastern Europe**: 1 Doer, 4 Adopters, 0 Non-Doers

Phase 2 - Americas

- **North America**: 70 Doers, 25 Adopters, 13 Non-Doers
- **Central & South America**: 6 Doers, 2 Adopters, 0 Non-Doers
Are we reaching beyond PRI-signatories?
Which organisations ‘do’ ESG?

- 29% Corporate - private
- 15% Corporate - public
- 22% Public fund
- 34% Other*

Doers: 69% Corporate - publicly listed company, 74% Corporate - private company, 78% Public fund, 86% Other*
Adopters: 25% Corporate - publicly listed company, 22% Corporate - private company, 14% Public fund, 11% Other*
Non-doers: 7% Corporate - publicly listed company, 5% Corporate - private company, 8% Public fund, 2% Other*

*industry-wide funds, sovereign wealth funds, trade-union funds
Why ‘do’ ESG?

Phase 1 – Europe

- Materiality of risk associated with not considering ESG factors: 70%
- Consistent with fiduciary duty: 46%
- Positive effect on financial performance: 43%

Phase 2 - Americas

- Materiality of risk associated with not considering ESG factors: 75%
- Consistent with fiduciary duty: 57%
- Positive effect on financial performance: 62%
Why ‘do’ ESG? – Financial Performance

Phase 1 – Europe
- Positively: 53%
- Negatively: 28%
- Neither: 18%
- Too early to say / not assessed: 1%

Phase 2 - Americas
- Positively: 60%
- Negatively: 25%
- Neither: 15%
- Too early to say / not assessed: 1%
Key-findings until now…

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<th>Remarkable cohort:</th>
<th>Many AO ‘fly under the radar’:</th>
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<td>63% non-PRI</td>
<td>67% of non-PRI signatories take ESG into account (and 25% are inclined to)</td>
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<td>49% corporate PF</td>
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<th>Europe vs Americas:</th>
<th>‘Doers’ at different levels:</th>
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<td>Slightly higher uptake in Europe, but the Americas are following suit</td>
<td>28% holistically integrate ESG</td>
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<td>73% see ESG factors as financially material</td>
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<td>49% see ESG as opportunity to enhance financial performance</td>
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<td>84% see ESG as positive in a manager</td>
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This research is ongoing

Europe (open)
Phase 1

Americas (open)
Phase 2

Asia & Oceania (2019)
Phase 3
This research is ongoing

For an updated data snapshot post- RI Americas, visit

www.esg-data.com

If you would like to show leadership by contributing, you can do so via the website, or contact:

research@responsible-investor.com
Participants so far (who have agreed to be named)...

**Corporate:**
- Alecta
- Allianz Group
- Axä
- Banco Bilbao Vizcaya Argentaria
- BNP Paribas
- Bridgestone Hispania
- British Airways Pension
- Bilanciarsi
- Caixa Bank
- CBA Pension Scheme
- Danica Pension
- Deutsche Zürich Pensiones EGFP
- Ethical Markets Media (USA & Brazil)
- Evangelische Bank AG
- Incarnassa
- KB Prvo pensisko drustvo AD Skopje
- Lansforsäkringar
- MBW Associates
- Mutua Loreto
- National Grid
- Nordea Bank
- One Planet Ventures
- PFA Pension
- PVS SIX Management AG

**Corporate (continued):**
- Rabobank Pensioenfonds
- Repsol
- RGA Seguros - Grupo Caja Rural
- Seven Investment Management
- Skandia Group
- Societe Generale
- Sustainable Value Investors
- Svrne Mutua de Seguros
- T-Systems Ltd
- UBS
- Unicredit
- Varma
- Volvo Group

**Industry-wide / Multi-employer schemes:**
- ADEGI
- Alifond
- Arionbanki
- Canada Life Investments
- CCOO
- EFIA
- ELA
- LAB
- LagunAro EPSV
- LSBi
- Media Pensioen Diensten
- National Employment Savings Trust
- NEST Sammelstiftung
- P+ (DIP/JØP)
- Paedagogernes Pension (PBU)
- Pensam
- Pensio B
- Pension Danmark
- Profond Pension Plan
- Regime de Retraite CEPEQQ
- RPMI Railpen
- Sampension
- TPT Retirement Solutions
- UGT Catalunya
- Veritas

**Public:**
- AP1
- Avon Pension Fund
- Brunel Pension Partnership
- Caisse des Dépots
- East Bay Municipal Utility District Employees Retirement System
- Environment Agency Pension Fund
- Employees Retirement System of the State of Hawaii
- ERAFP
- Florida State Board of Administration
- Ircantec
- Landstinget Vastmanland
- London Borough of Camden
- MainePERS
- Merseyside Pension Fund
- Millcreek Township Combined Pension Plan
- Montgomery County Public Schools
- NEST Corporation
- Norfolk Pension Fund
- OPESU Pension Trust
- San Joaquin County Employees’ Retirement Association
- South Yorkshire Pensions Authority
- SPP GmbH
- Strathclyde Pension Fund