

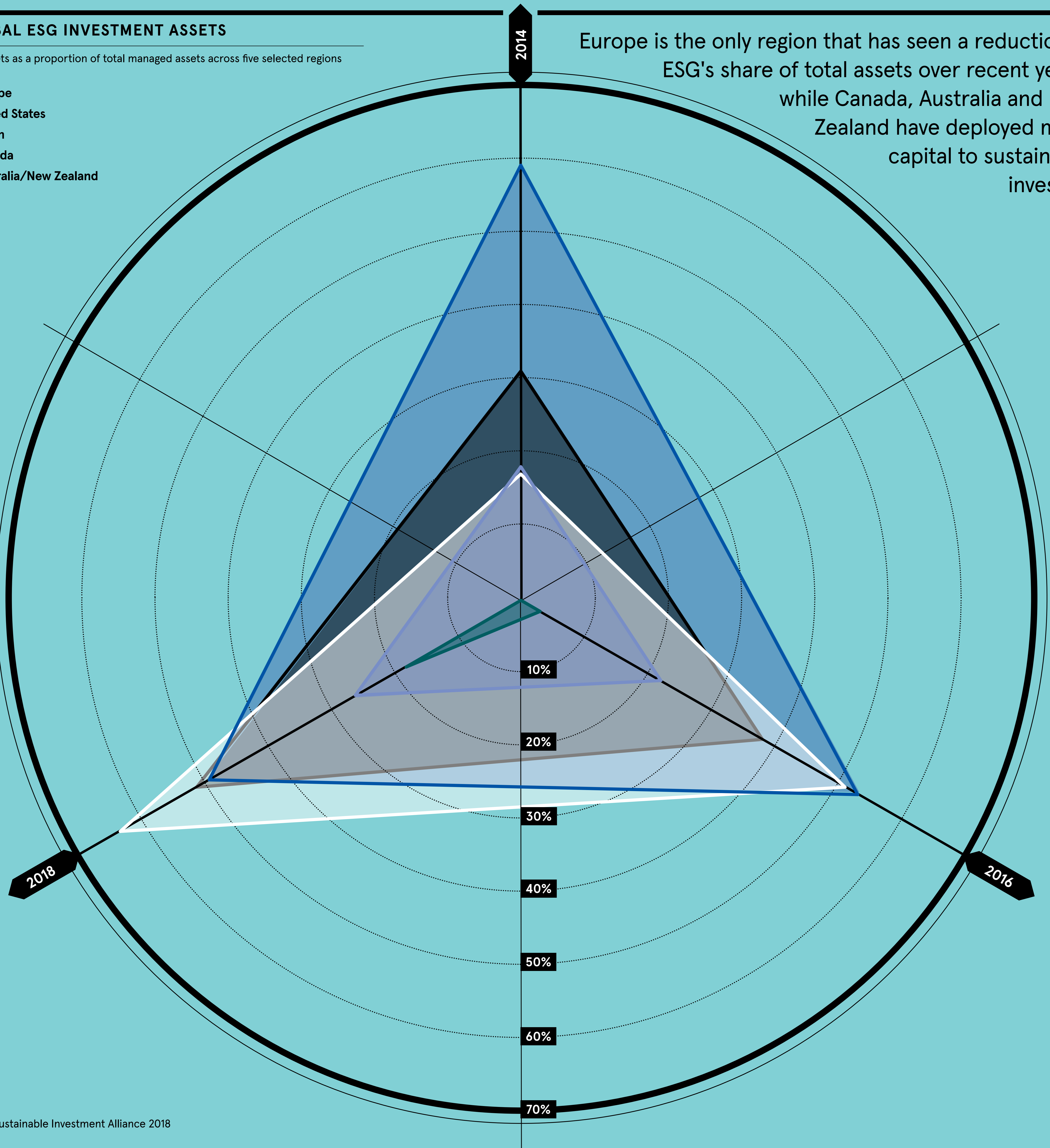
ESG INVESTMENT

Environmental, social and governance criteria are now a component of investment strategies for four fifths of global institutional investors, but which regions are investing, and which areas of ESG investment are the most popular?

GLOBAL ESG INVESTMENT ASSETS

ESG assets as a proportion of total managed assets across five selected regions

- Europe
- United States
- Japan
- Canada
- Australia/New Zealand



Global Sustainable Investment Alliance 2018

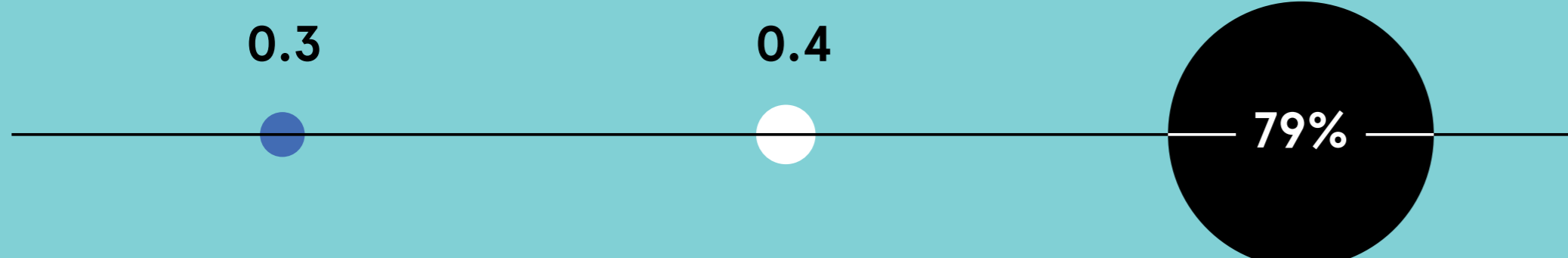
GROWTH OF SUSTAINABLE INVESTING STRATEGIES

Value of assets across five selected regions (\$trn)

- 2016
- 2018
- Growth

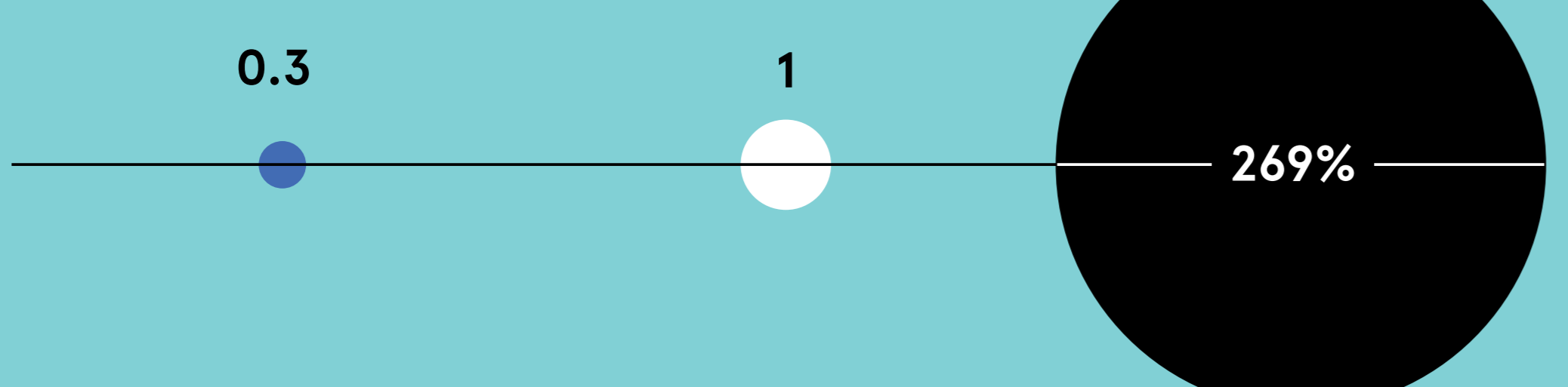
Impact/community investing

Targeted investments aimed at solving social or environmental problems



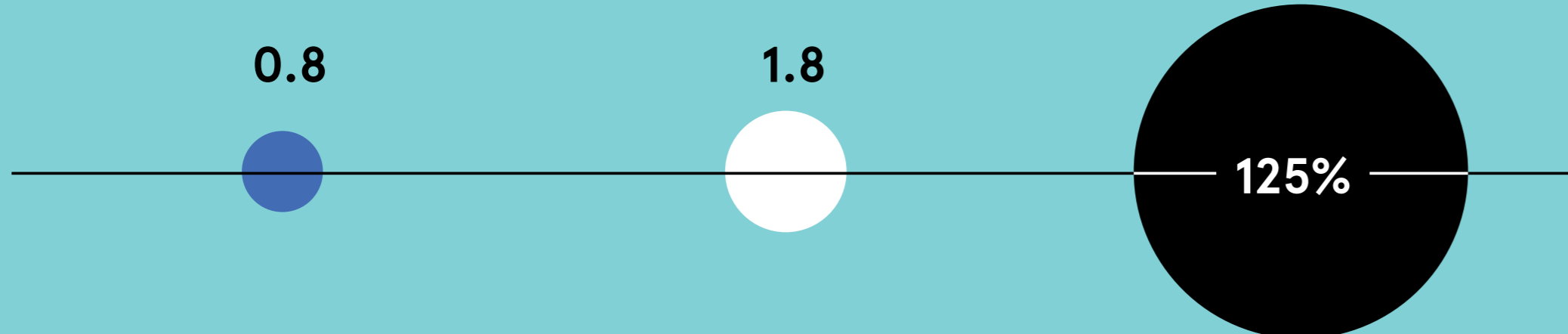
Sustainability-themed investing

Investments such as clean energy, green tech or sustainable agriculture



Positive/best-in-class screening

Investments in sectors/companies/projects selected for their ESG performance



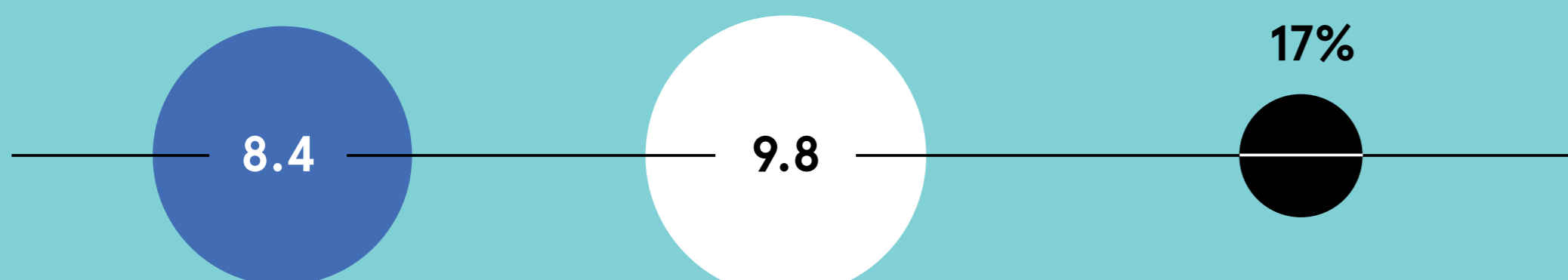
Norms-based screening

Screening of investments against minimum standards of business practice



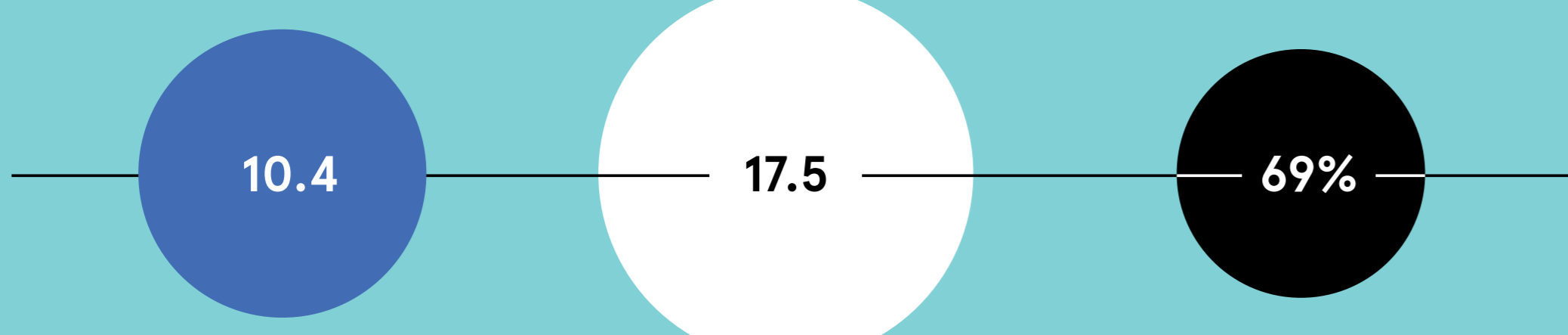
Corporate engagement and shareholder action

Use of shareholder power to influence corporate behaviour



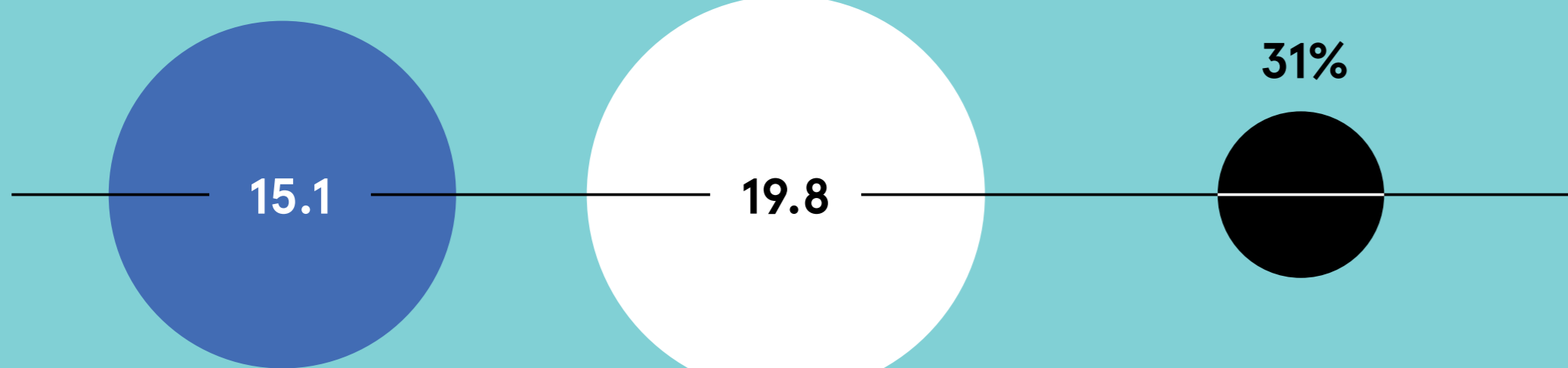
ESG integration

Inclusion by investment managers of ESG factors into financial analysis



Negative/exclusionary screening

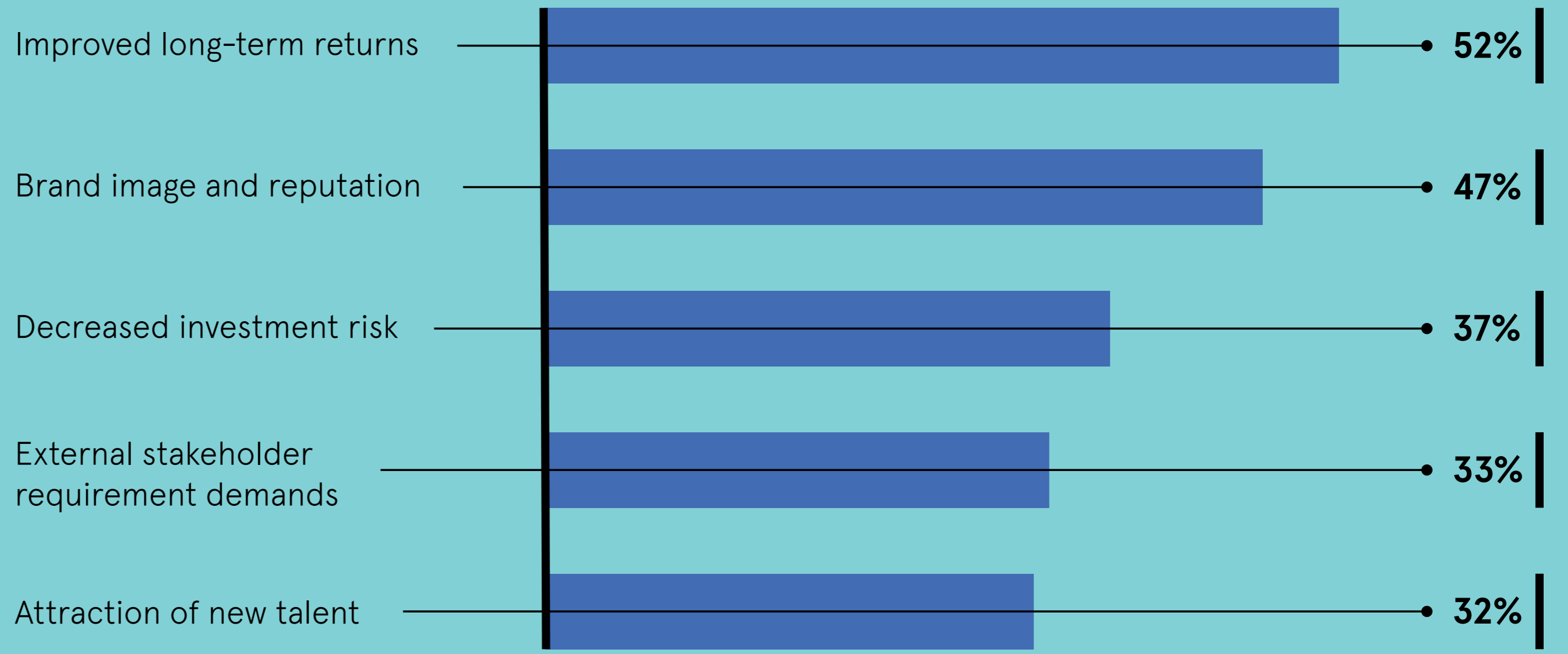
Exclusion from a fund/portfolio of certain sectors/companies/practices



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TOP MOTIVATIONS FOR INTEGRATING ESG INTO INVESTMENT PORTFOLIOS

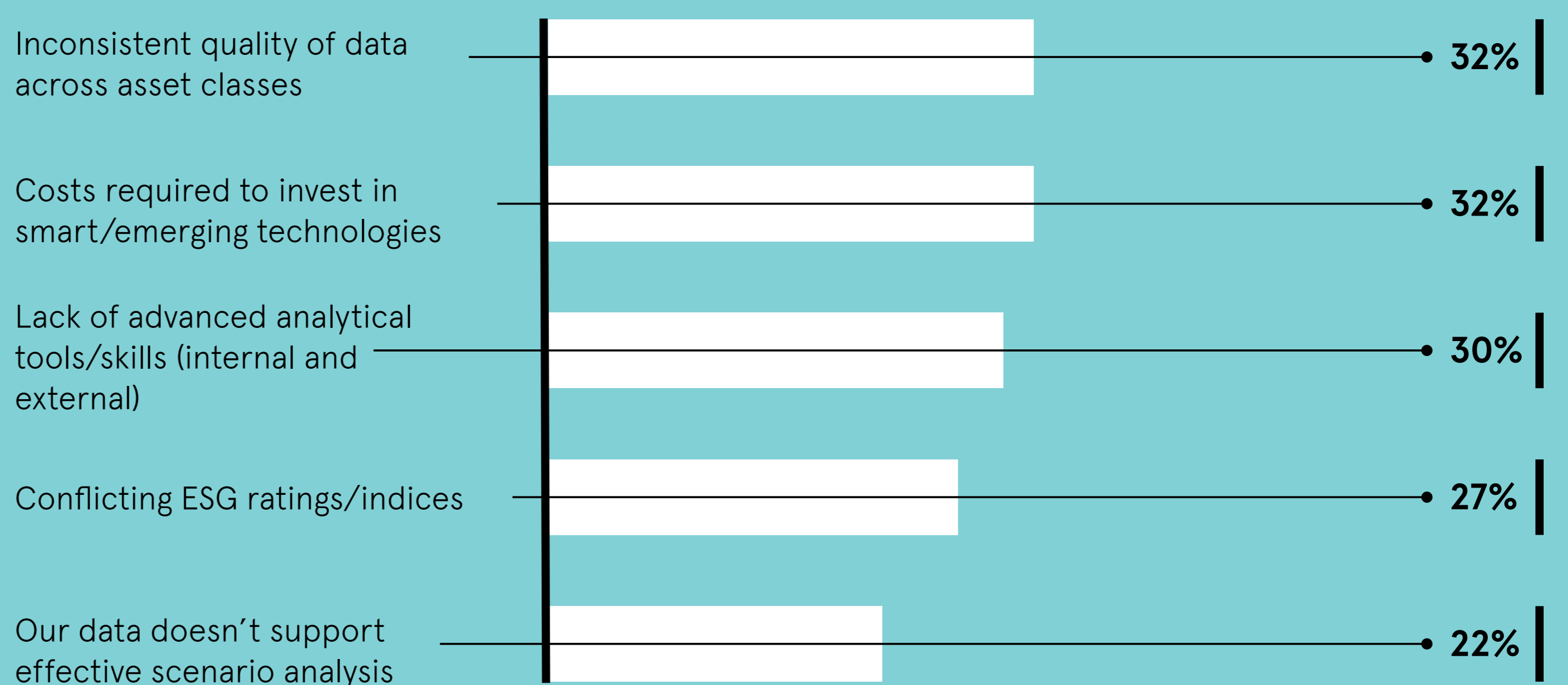
Survey of global asset managers and owners



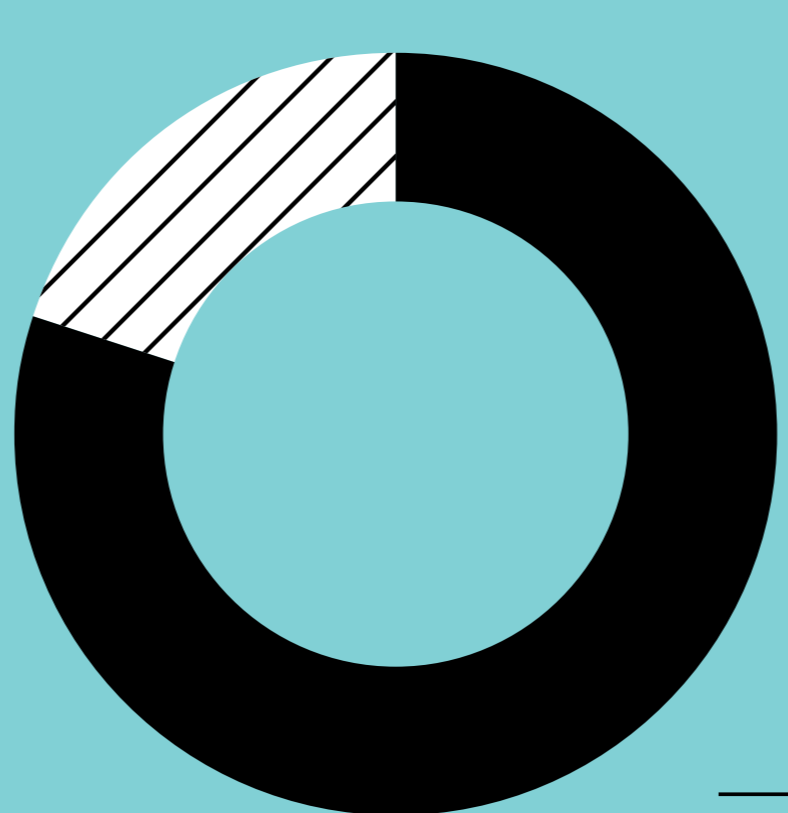
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BIGGEST BARRIERS TO GREATER ADOPTION OF ESG ACROSS INVESTMENT PORTFOLIOS

Survey of global asset managers and owners

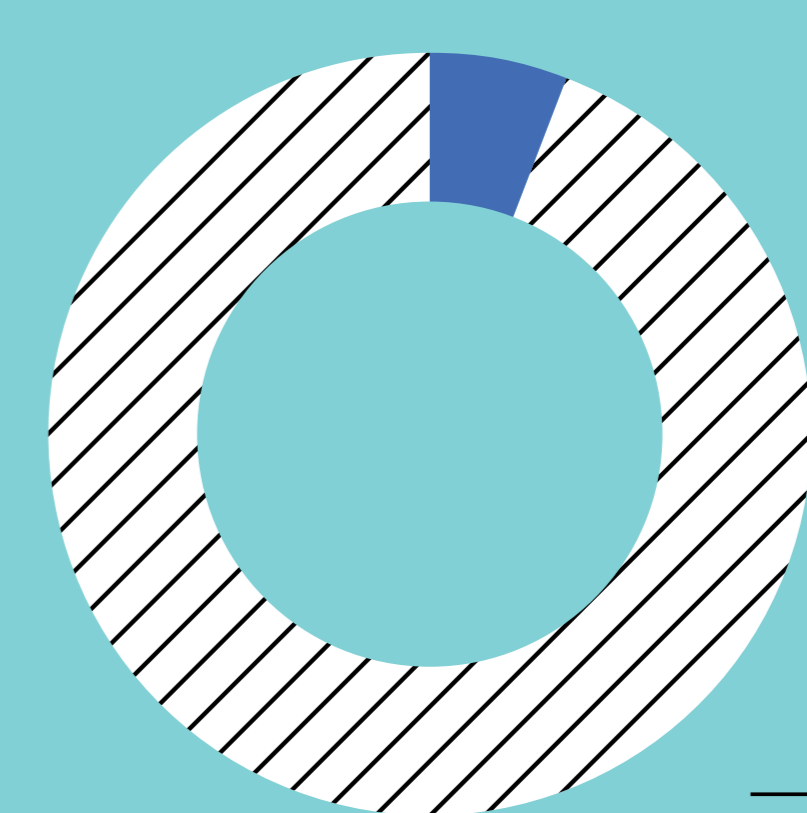


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of global institutional investors say ESG is a component of their institution's investment strategy

State Street Global Advisors 2018



say ESG is not a component but they are actively considering it

State Street Global Advisors 2018