



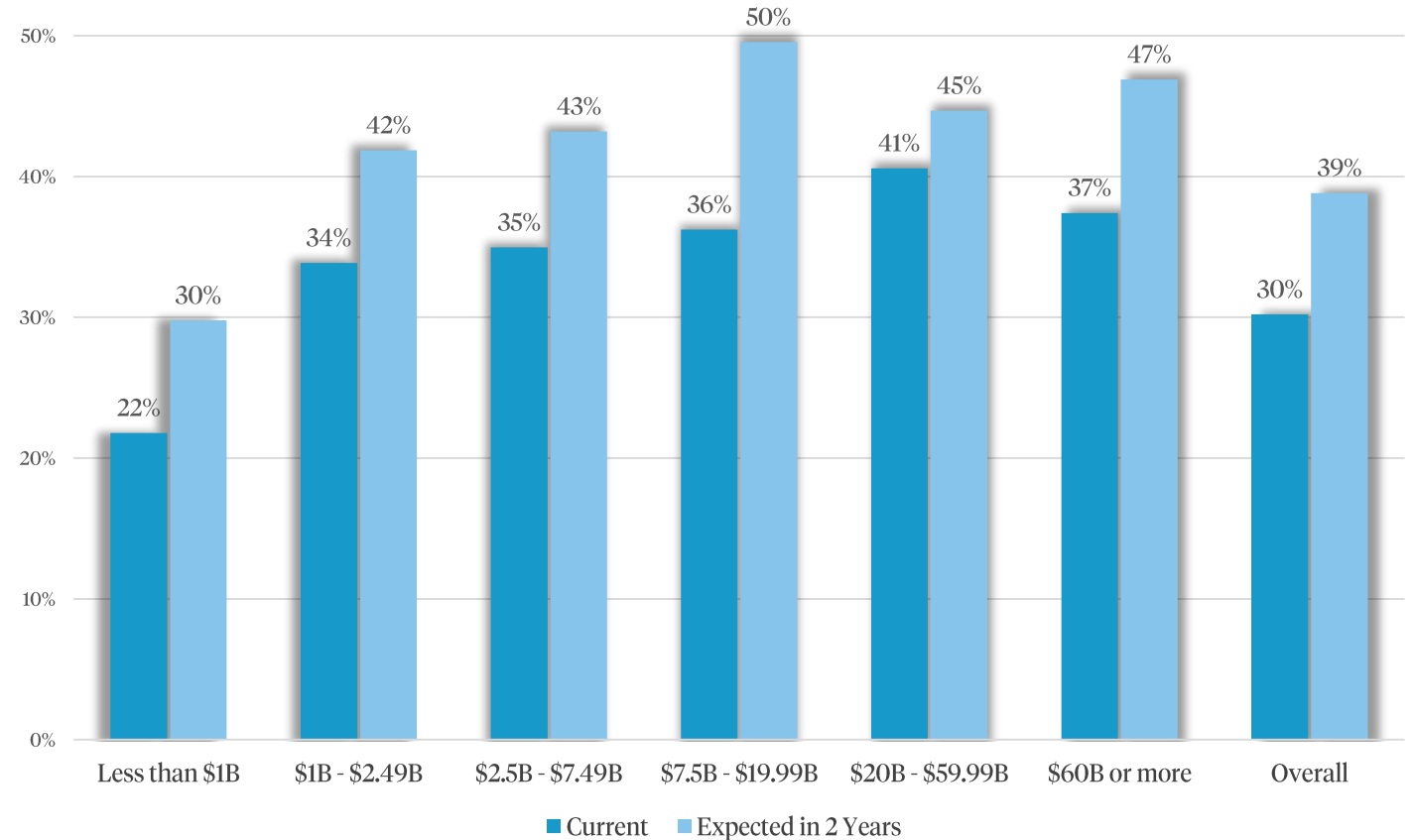
ASSET SIZE DRIVES ESG/SRI PRIORITIES FOR EUROPEAN INVESTORS

2019 All-Europe Research Team Insights

HOW MUCH ARE ESG/SRI COMPONENTS INVOLVED IN INVESTING DECISION MAKING?

Smaller firms stand out on ESG/SRI involvement in investment decision making.

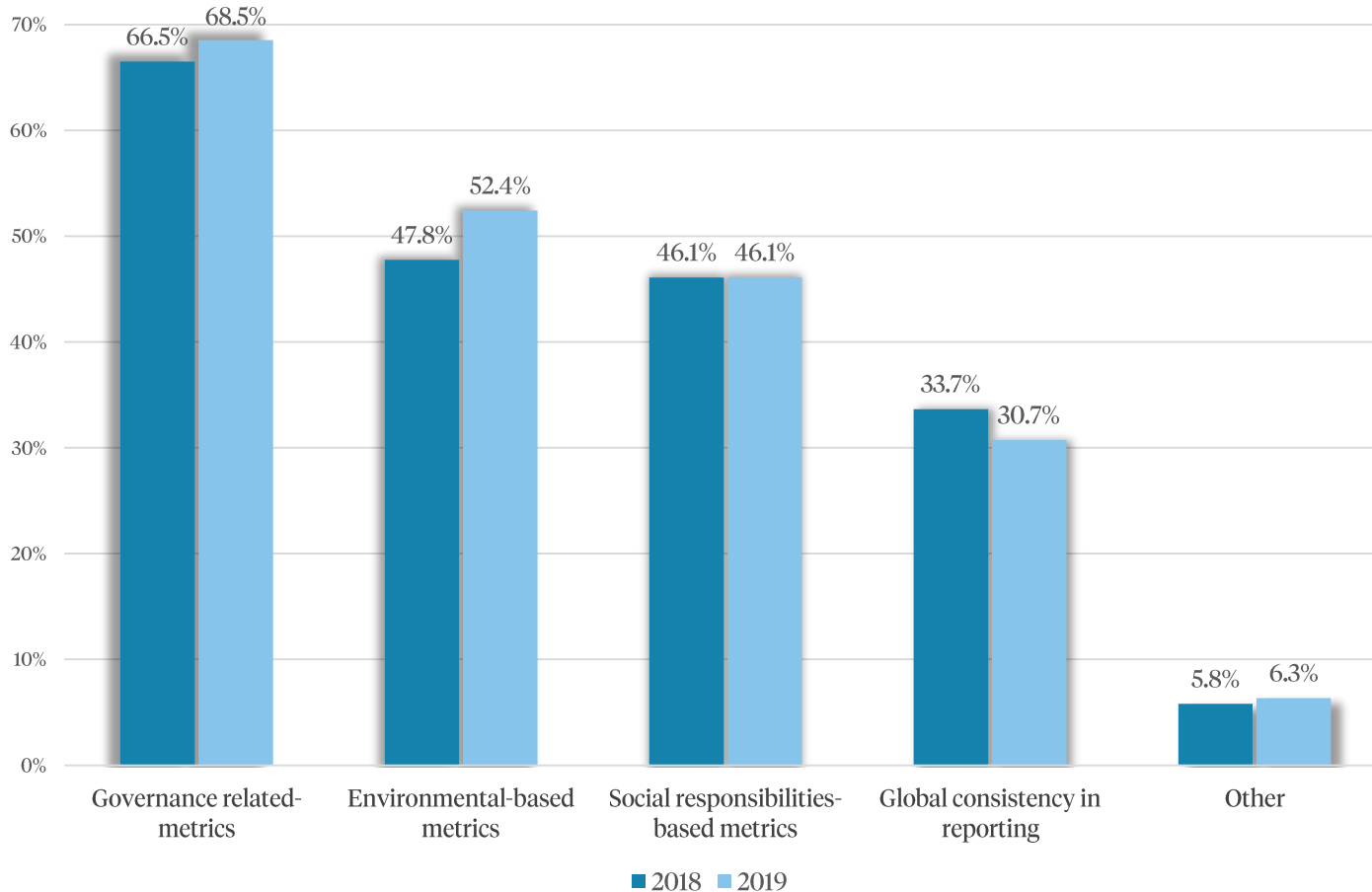
Over one third of all investment decisions involve ESG/SRI components for investors in European equities, except for those at the smallest firms, according to the 2019 All-Europe Research Team survey from *Institutional Investor*. Money managers at firms with less than \$1 billion in assets under management, had the lowest current (22%) and projected (30%) involvement of ESG/SRI metrics in investing decision making. Firms with AUM of \$7.5 billion or more have even higher expectations for ESG/SRI influence in two years with 45% or more involvement is expected.



WHICH FACETS OF ESG/SRI INVESTING DO INVESTORS VALUE MOST?

Slight movement in ESG/SRI factor valuing hint at possible larger shifts

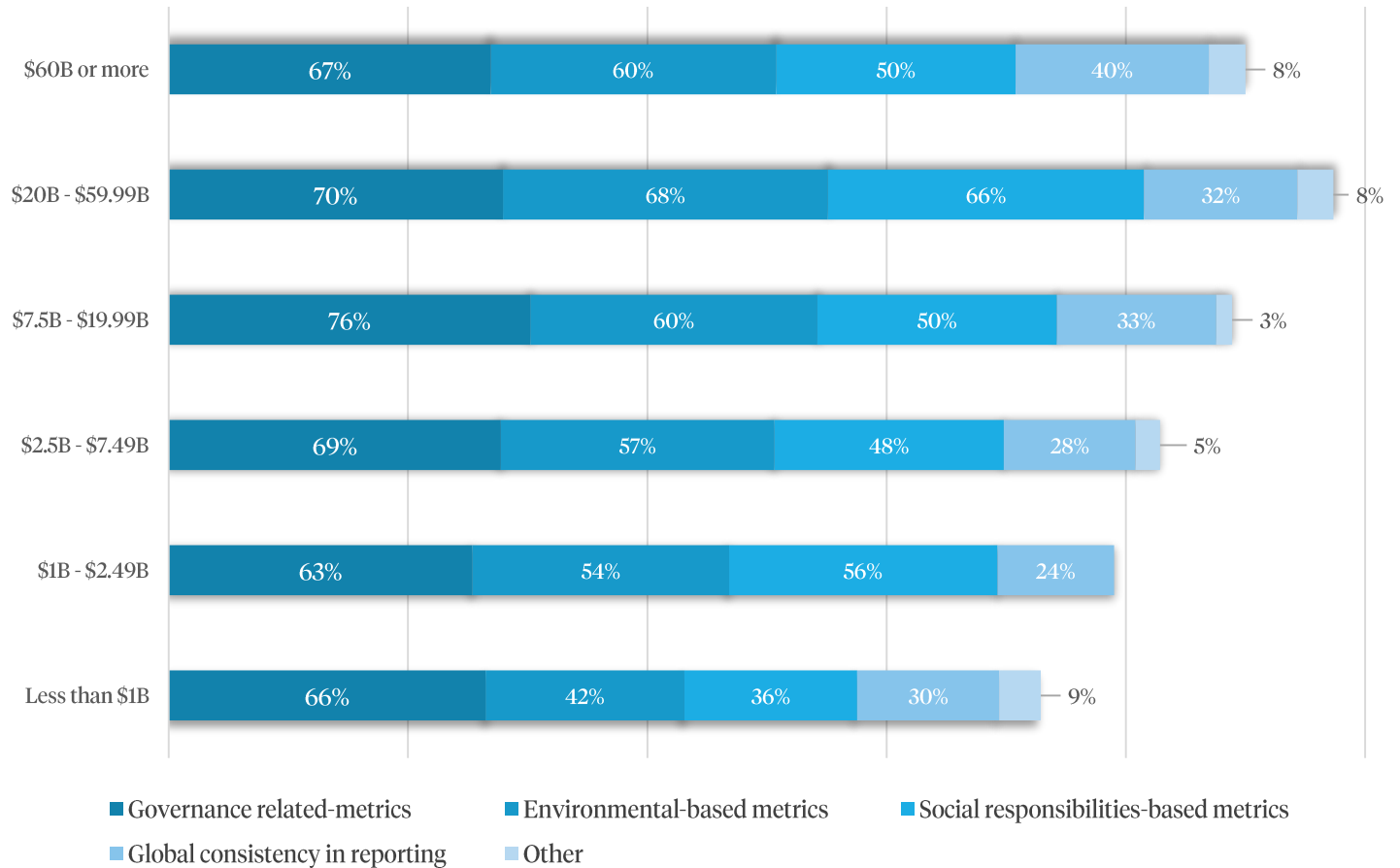
Governance related metrics remain the most valued with over two thirds of respondents selecting it as an important facet of ESG/SRI investing in both 2018 and 2019. The importance of environmental based metrics has increased since 2018 with over half of investors selecting it in 2019. As light decrease in the valuing of global consistency in reporting suggests ESG/SRI reporting may be improving allowing investors to focus on other areas.



HOW DOES ESG/SRI IMPORTANCE DIFFER ACROSS ASSET SIZE?

AUM size appears to have some correlation with importance placed on ESG/SRI facets.

Only investors from the smallest firms had less than two thirds of their respondents select governance related metrics as a top important facet for ESG/SRI investing. In fact, even though importance doesn't directly track along asset size, those from the firms with the lowest AUM show lower valuing of metrics. As well, environmental and social responsibilities metrics are valued most amongst higher the asset size band of \$20 billion to \$59.99 billion (68 and 66% respectively).



Nearly **1,900** investment professionals at **865** institutions managing an estimated **\$4 trillion in European equities** participated in *Institutional Investor's* **2019 All-Europe Research Team** survey.

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