

SUSTAINABLE INVESTMENTS BECOMING MAINSTREAM

Investors in Malaysia are increasingly interested in sustainable investments due to their desire to help restore the environment and hedge against environmental, social and governance (ESG) risks.

In fact, according to Standard Chartered's *Sustainable Banking Report 2022*, the top ESG priorities for the Malaysian investors it surveyed are climate change and carbon emissions, pollution and waste management.

"In the past, sustainable investing used to draw interest mainly from wealthy investors who would channel a mix of their philanthropic and investment budgets, with most of the products coming from private markets, which are not easily accessible to most clients," says Sammeer, managing director and head of consumer, private and business banking at Standard Chartered Malaysia.

"Nowadays, sustainable investments are being explored by a much broader spectrum of people, as many more solutions and opportunities that require less entry capital become available in the more accessible public markets."

However, Malaysian investors are still cautious about the short-term volatility of sustainable investment assets in terms of financial performance and risk, according to the survey. They also indicated difficulty in accessing sustainable investments, some of which are only available through technological platforms, and the inability to compare sustainable investment opportunities within the same asset class.

If these challenges are addressed, the potential for growth in sustainable investments is huge. Malaysia alone has a retail sustainable investment potential of US\$35 billion by 2030. It is also critical for capital to flow to sustainable investments.

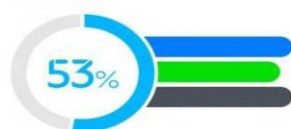


With interest in sustainable investing at an all-time high, now is the time for investors to make the highest impact through sustainable investments.

— Sammeer,
 managing director and head of consumer,
 private and business banking at Standard
 Chartered Malaysia

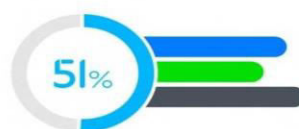
KEY SUSTAINABLE INVESTMENT BARRIERS AND RESERVATIONS ACROSS INVESTOR SEGMENTS

Perceived low returns/
 higher risks



For all investors in Malaysia that selected 'perceived low returns/higher risks' as a key barrier, 36 per cent of them believed sustainable investments would outperform traditional assets in the longer term but were more volatile in the short term.

Accessibility



For all investors in Malaysia that selected 'accessibility', 29 per cent indicated that sustainable investments opportunities were difficult to access without a financial advisor.

Comparability



For those selected 'comparability', 27 per cent indicated that it is difficult to compare sustainable investments opportunities within asset classes, and 27 per cent indicated that it is because different ESG rating methodologies arrive at different recommendations.

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