



Attracting capital with ESG

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A total of 33% of respondents, in a survey, say attracting capital is the strongest reason for incorporating environmental, social and governance (ESG) among investment firms followed by competition and peer

pressure (26%).

Public perception (33%) and regulatory requirements (22%) are also the top two reasons for companies to embrace sustainability. Only 14% of the respondents have cited genuine sustainability concern as a top reason for companies complying with sustainability.

These are the findings of HSBC's first ESG sentiment survey which attracted 588 professionals working in financial services roles related to ESG decision-making globally. They represent 528 institutions with assets under management of US\$12.6 trillion (RM53.2 trillion). Only 35% of the respondents

believe that a majority of investment professionals in their firms have a solid understanding of ESG issues.

Pension fund respondents have the highest general understanding compared with other investor types.

While there is still room for improving ESG knowledge and

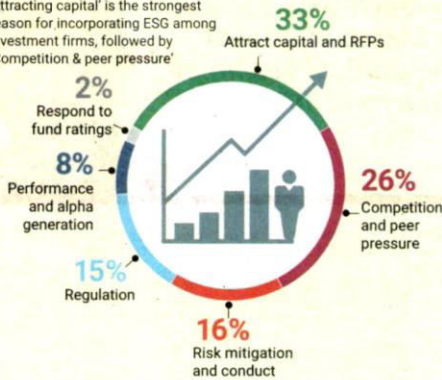
understanding globally, the report says there is greenwashing among investors and funds.

More than three-quarters of the respondents don't think that sustainability reports are transparent.

Respondents with operations in north America had the least faith in the accuracy of such reports.

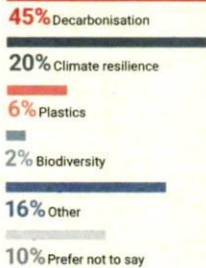
ESG strategies and funds

'Attracting capital' is the strongest reason for incorporating ESG among investment firms, followed by 'Competition & peer pressure'

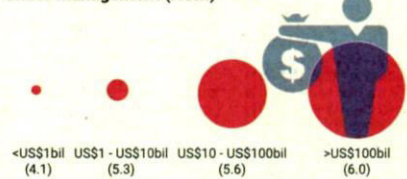


Environmental issues are skewed to climate change

Which broad environmental issue will you devote the most time to in the next 12 months?



ESG incorporation tends to increase with assets under management (AUM)



Incorporating ESG into investment decisions

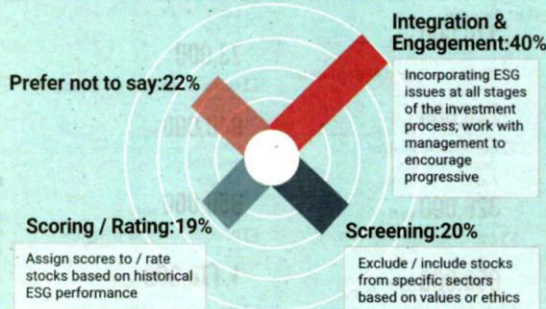
On a scale of 0 to 10, how much is ESG analysis incorporated into your investment decision making?



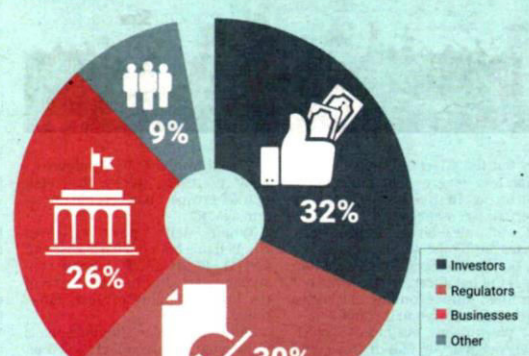
What are the most important reasons that companies embrace sustainability?



Which of the following best describes your firm's approach to ESG factors when considering investment choices?



Which stakeholder do you expect to move quickest to drive sustainability?



Perception of corporate approach to sustainability varies by region

