

GLOBAL INVESTOR STUDY FINDINGS

OCTOBER 2021



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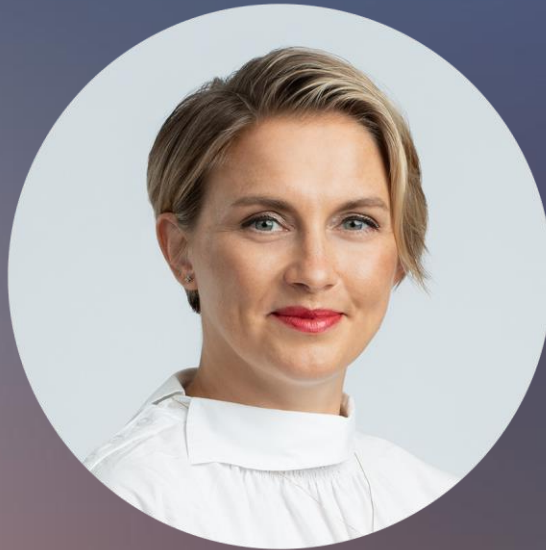
ASIA RESPONSIBLE INVESTING FORUM

INDUSTRY INSIGHTS PANEL DISCUSSION

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Executive Director,
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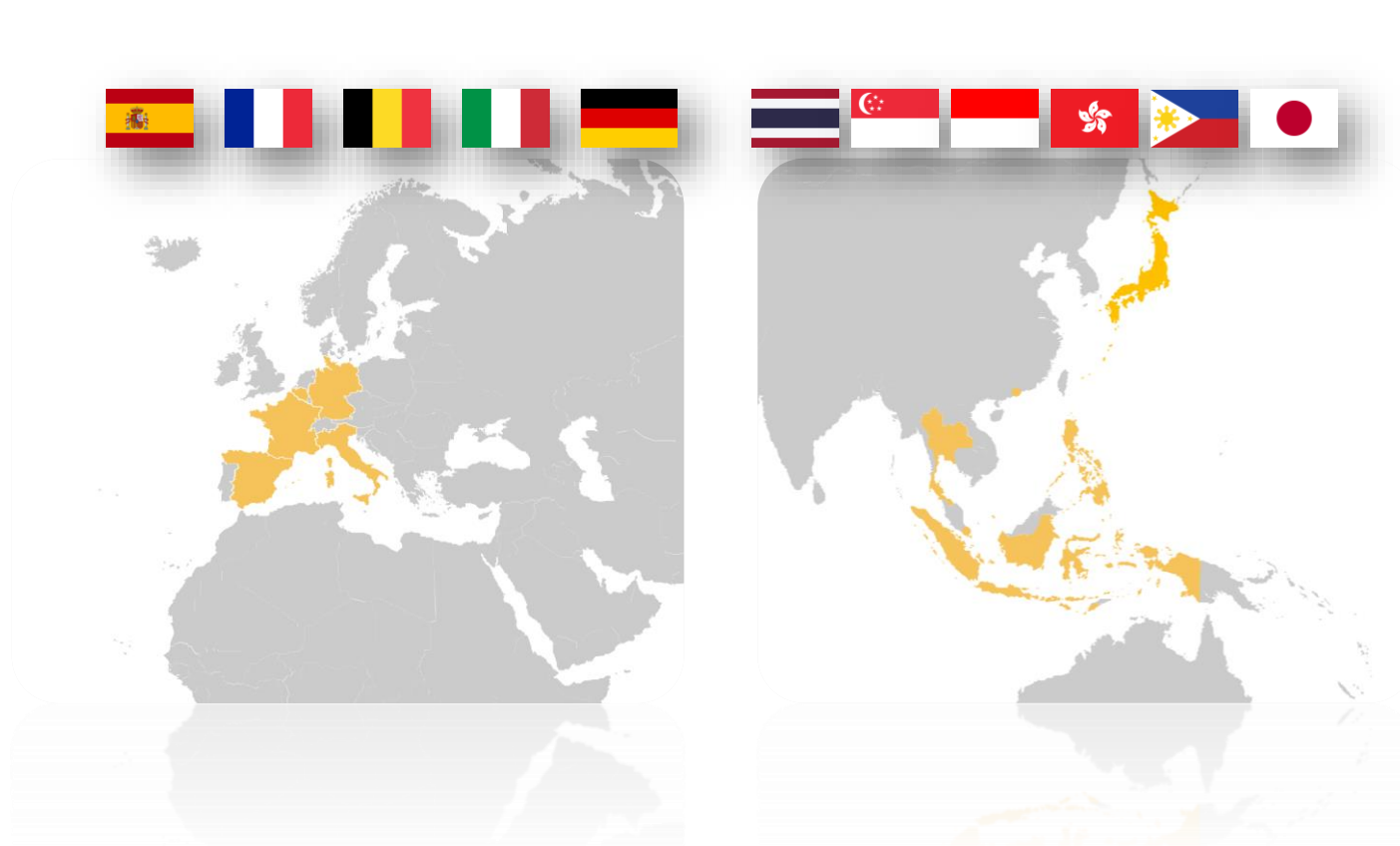
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Officer Asia Pacific,
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RESEARCH APPROACH

METHODOLOGY AND SAMPLE



APPROACH

- Online survey across 11 key markets (6 Asian, 5 European)
- 1,000 consumers per market, nationally representative by age & gender
- Sub-sample of retail investors and HNW individuals within each market*
- Fieldwork dates: 28th Jan – 9th Feb. Additional ‘boost’ of HNWs collected 10th – 15th Feb for analysis of n=50 per market

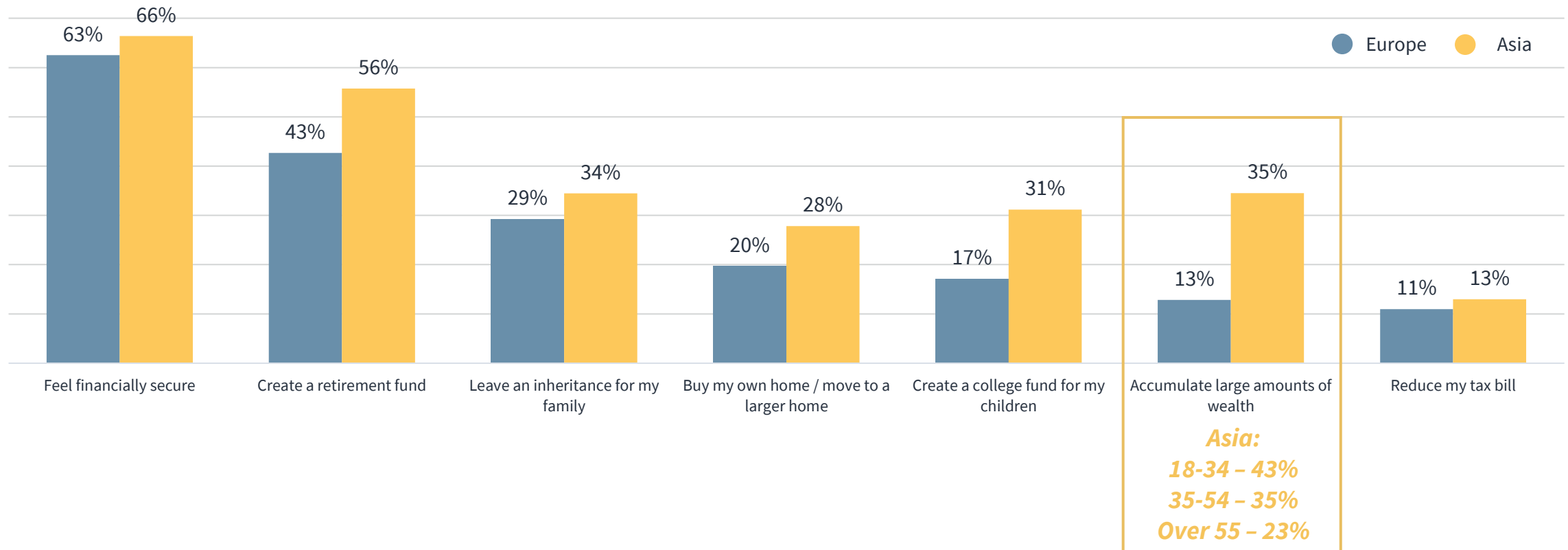
*HNW individuals defined as 250k+ Investable Asset (in EUR or equivalent)

BUILDING WEALTH IS A STRONG MOTIVATOR FOR ASIAN INVESTORS

YOUNG INVESTORS ARE MOST MOTIVATED BY THE ENTICEMENT OF WEALTH ACCUMULATION

Q: People save and invest for different reasons. What are you currently saving and investing for?

(Investors only)

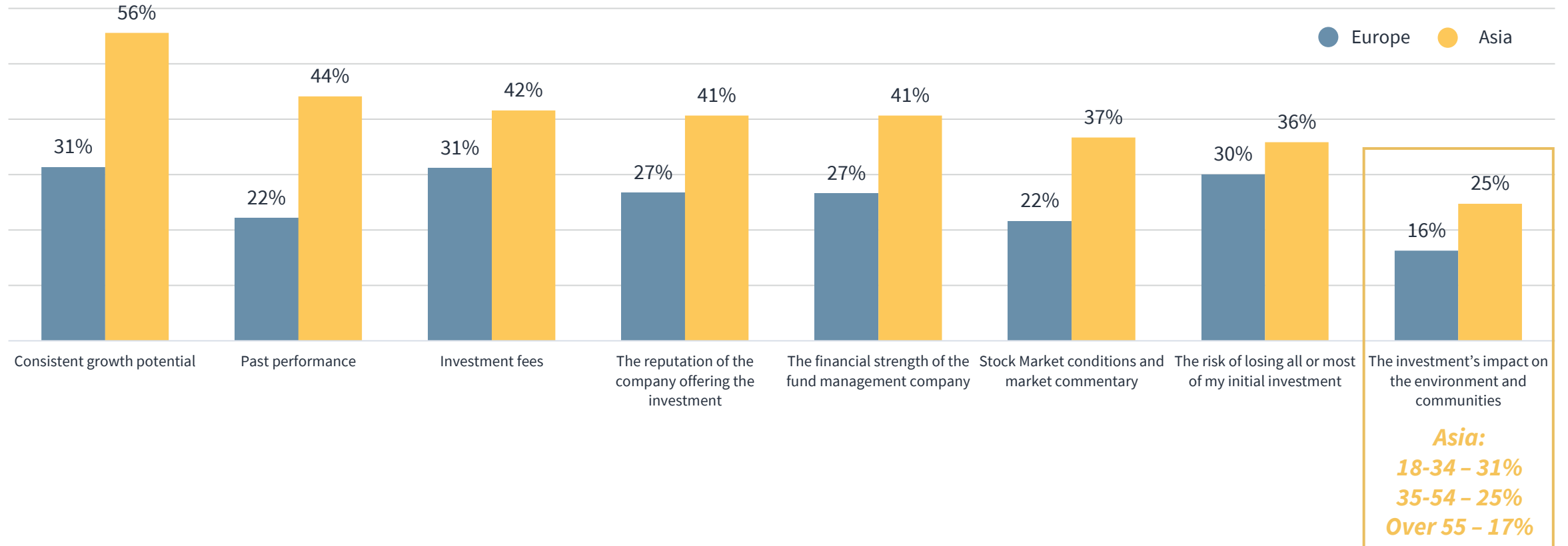


BASE SIZE: Total=8003, Europe=3325, Asia=4678, Belgium=645, Germany=688, Spain=650, France=692, Italy=650, Hong Kong=943, Japan=631, Philippines =753, Singapore=867, Thailand=781, Indonesia=703

ASIAN INVESTORS TAKE THE LEAD IN ETHICAL INVESTING

THIS IS DRIVEN PRIMARILY BY YOUNGER INVESTORS WHO ARE MINDFUL OF AN INVESTMENTS WIDER IMPACT

Q: Which of the following would be important to you when making an investment? (Investors only)



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MAKING SENSE OF E-S-G: WHAT ASPECTS DRIVE INVESTOR BEHAVIOUR

GOVERNANCE FACTORS ARE RANKED MOST HIGHLY ACROSS ALL COUNTRIES

Q: How important would each of the following factors be to you personally if you were to invest in an ESG fund?

Top 5 Rank Vital/Important factor (All respondents)



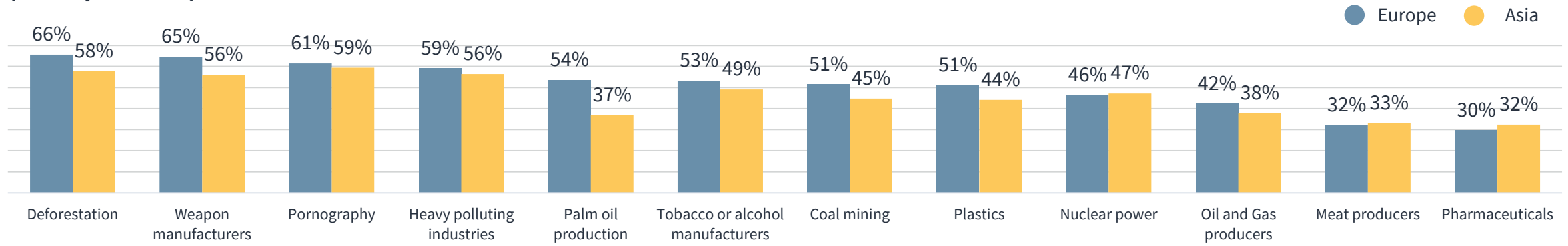
RANK	Europe					Asia					
	BEL	DE	ESP	FR	IT	HK	JP	PHI	SIN	TH	IND
1	Transparent accounting	Data-protection / cyber-security	Transparent accounting	Transparent accounting	Transparent accounting	Transparent accounting	Transparent accounting	Transparent accounting	Transparent accounting	Transparent accounting	Transparent accounting
2	Data-protection / cyber-security	Transparent accounting	Data-protection / cyber-security	Avoiding water waste	Data-protection / cyber-security	Data-protection / cyber-security	Data-protection / cyber-security	Data-protection / cyber-security	Data-protection / cyber-security	Long-term sustainable business	Data-protection / cyber-security
3	Avoiding water waste	Marine life conservation	Avoiding water waste	Data-protection / cyber-security	Action against climate change	Long-term sustainable business	Long-term sustainable business	High regard for health & safety	Long-term sustainable business	Data-protection / cyber-security	Long-term sustainable business
4	Long-term sustainable business	Avoiding water waste	Long-term sustainable business	Marine life conservation	Cut pollution / carbon emissions	Cut pollution / carbon emissions	Company ethical values	Support healthy lives and well-being	Company ethical values	Treatment and pay of employees	Preservation of natural capital
5	Marine life conservation	High regard for health & safety	Marine life conservation	Preservation of natural capital	Preservation of natural capital	Company ethical values	Treatment/pay of employees	Support access to education	High regard for health & safety	High regard for health & safety	Support access to education

BASE SIZE: Total=11000, Belgium=1000, Germany=1000, Spain=1000, France=1000, Italy=1000, Hong Kong=1000, Japan=1000, Philippines =1000, Singapore=1000, Thailand=1000, Indonesia=1000

SECTORS 'AT RISK' OF DISINVESTMENT

BUT THE ISSUE IS NOT CUT AND DRY, WITH INDIVIDUALS HOLDING DIFFERENT PERSONAL VIEWS

Q: To what extent do you feel that ESG investment funds should NEVER invest in a company in the following sectors? % **Agree**
(All respondents)



RANK	Europe					Asia					
	BEL	DE	ESP	FR	IT	HK	JP	PHI	SIN	TH	IND
1	Deforestation	Weapons	Pornography	Deforestation	Deforestation	Pornography	Weapons	Pornography	Pornography	Deforestation	Pornography
2	Weapons	Deforestation	Weapons	Pornography	Weapons	Weapons	Heavy polluters	Deforestation	Deforestation	Pornography	Deforestation
3	Heavy polluters	Pornography	Deforestation	Weapons	Heavy polluters	Deforestation	Deforestation	Heavy polluters	Weapons	Heavy polluters	Heavy polluters

- ESG is clearly not a cut and dry issue among consumers. Likely linked to ethical (as opposed to strictly ESG) viewpoints consumers are split on the issue of whether ESG funds should invest in certain industries.
- This has significant implications in terms of how products are developed and sold to consumers.

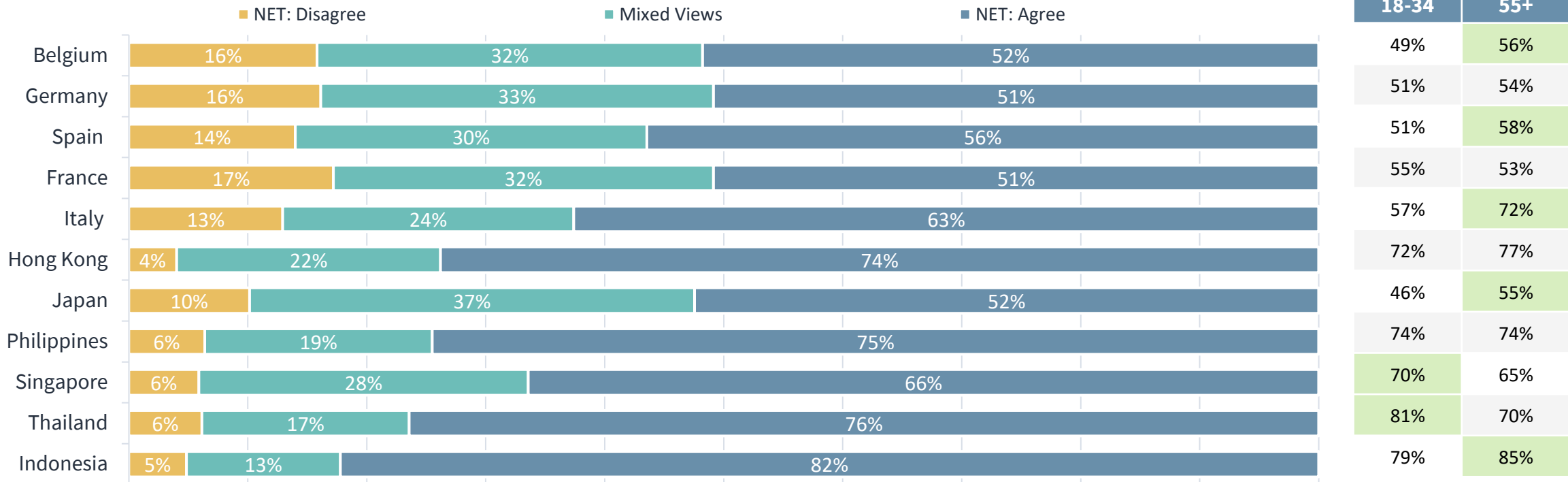
BASE SIZE: Total=11000, Europe=5000, Asia=6000, Belgium=1000, Germany=1000, Spain=1000, France=1000, Italy=1000, Hong Kong=1000, Japan=1000, Philippines=1000, Singapore=1000, Thailand=1000, Indonesia=1000

UNDERSTANDING ESG TRADE-OFFS

TRANSITIONING FOSSIL FUEL COMPANIES ARE SEEN AS ESG WORTHY BY INVESTORS

Q: To what extent do you agree or disagree that each could be included within an ESG fund that you invest in?
(Investors only)

...An Oil, Gas or Mining company investing in renewable technologies to transition to in the future that will reduce future carbon emissions



BASE SIZE: Total=8003, Belgium=645, Germany=688, Spain=650, France=692, Italy=650, Hong Kong=943, Japan=631, Philippines =753, Singapore=867, Thailand=781, Indonesia=703

An aerial photograph of a dense, lush green forest. A winding dirt road or path cuts through the trees, curving from the left side towards the right. The forest is composed of many tall, thin trees, likely conifers, with a thick canopy. The lighting is bright, creating a vibrant green color palette.

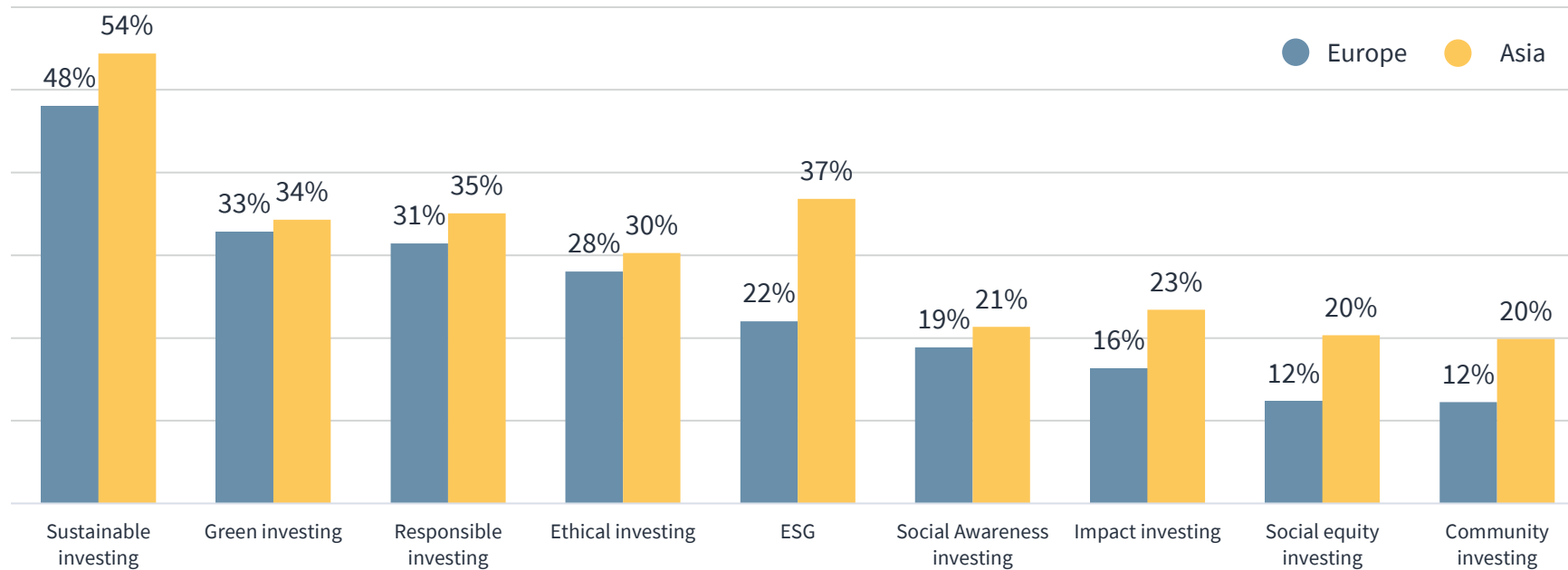
ISSUES FOR THE INDUSTRY AND REGULATORS TO CONSIDER

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1 – ADDRESS THE COMPLEXITY: ESG TAXONOMY NEEDS GREATER CLARITY

NO SINGLE TERM IS RECOGNISED BY A MAJORITY OF INVESTORS

Q: The following terms and phrases are sometimes used to describe investments which focus on the social, ethical and environmental impact of the investment. Which ones have you heard of? **(Investors only)**



- The language we use when describing products to retail investors matters.
- Among retail investors the term ‘sustainable investing’ resonates far more than other used terms.
- It is important to remember that all of these terms describing something slightly different. With awareness so low among many of these there is a real risk of investors taking a shortcut and using the term sustainable investing as a catch-all phrase.

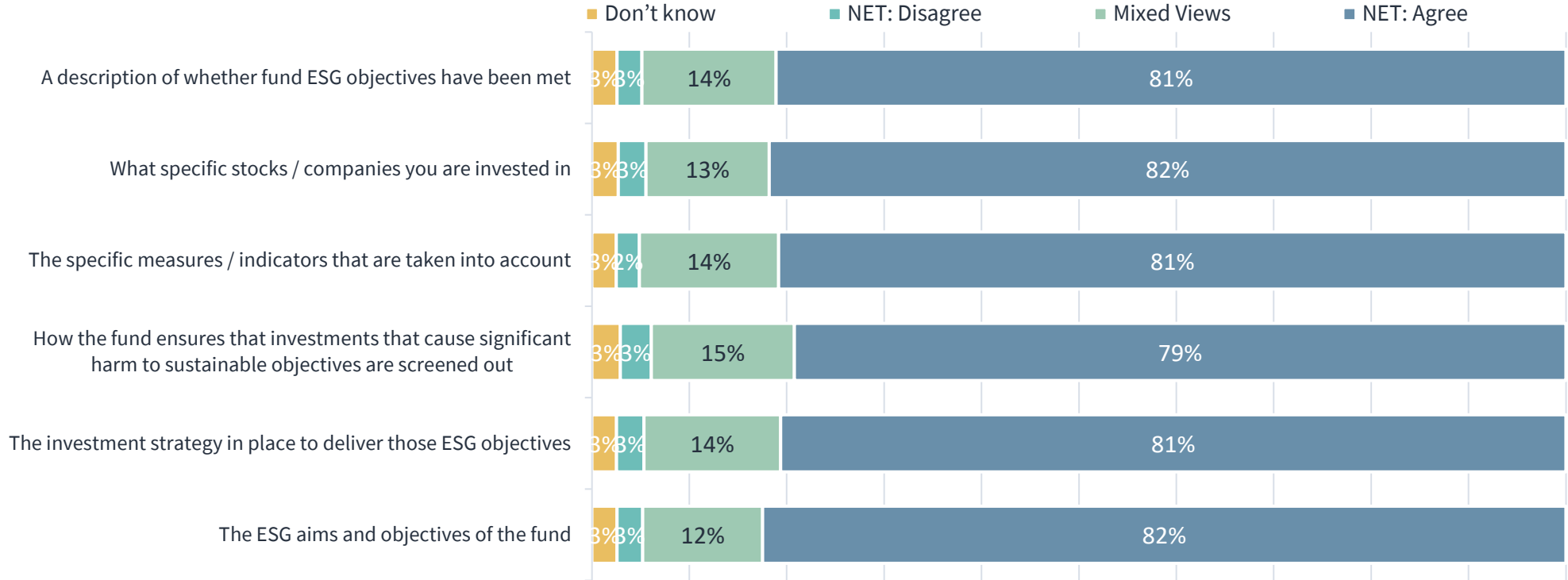
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2 – NEED TO BOOST ESG DISCLOSURE ON FUNDS

SCRUTINY OF ESG DISCLOSURES IS GREATER AMONG ASIAN INVESTORS THAN EUROPEAN INVESTORS

Q: Regardless of whether you currently hold investments or ESG investments specifically, to what extent do you agree or disagree that ESG funds must clearly disclose the following to investors? **(Investors only)**

ASIA



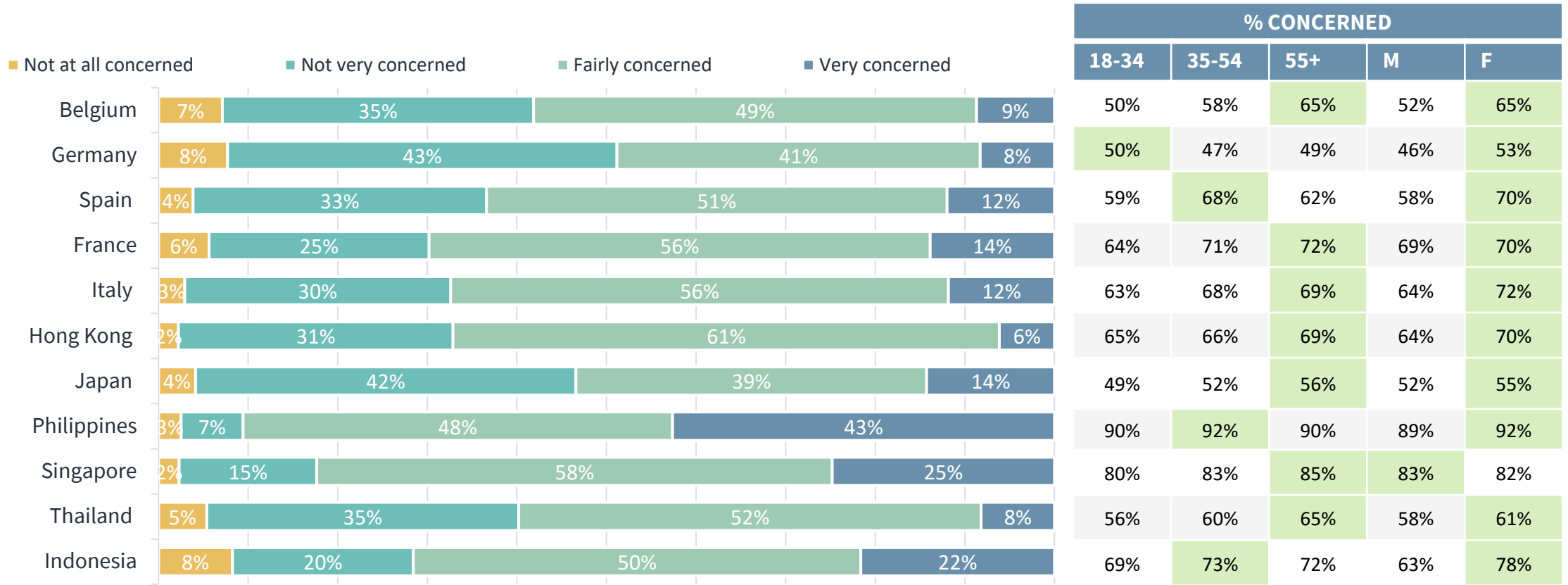
- The vast majority of Asian investors agree that high standards of ESG disclosure should be upheld.
- This is particularly true of the ESG aims and objectives of the fund, whether aims and objectives have been met and the specific stocks and companies invested in.

BASE SIZE: Total=8003, Europe=3325, Asia=4678, Hong Kong=943, Japan=631, Philippines =753, Singapore=867, Thailand=781, Indonesia=703

3 – EFFORTS NEEDED TO ADDRESS MIS-SELLING: GREEN-WASHING FUNDS

FEMALE INVESTORS ARE MOST CONCERNED ABOUT MIS-SELLING OF ESG FUNDS

Q: To what extent (if at all) would you say you are concerned about the potential for mis-selling ESG funds?
(Investors only)



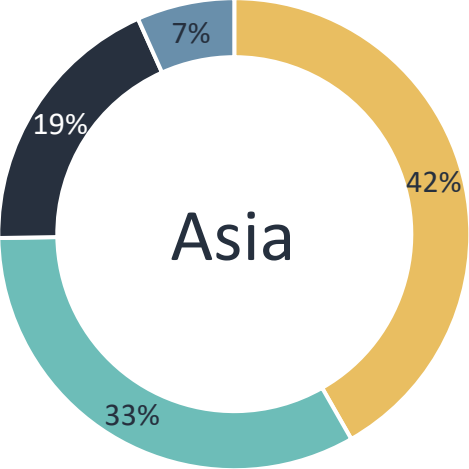
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4 – FILL THE ESG 'ADVICE GAP': ADVISERS CAN DO MORE

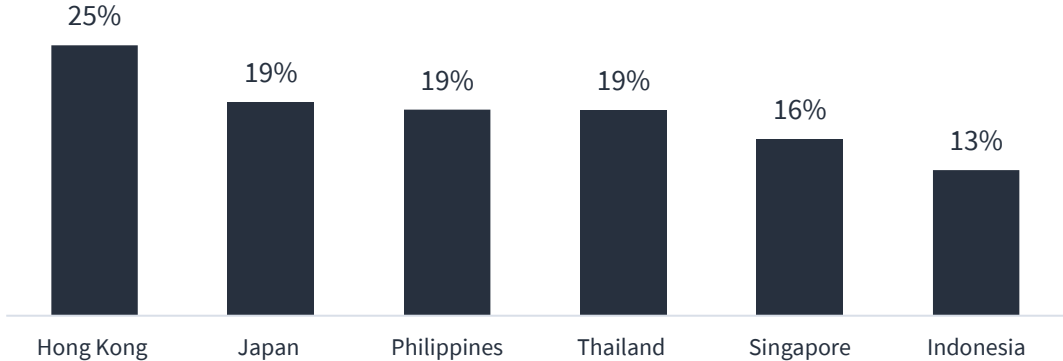
ONE IN FIVE ASIAN INVESTORS WOULD VALUE AN ESG CONVERSATION, BUT HAVE NOT CURRENTLY HAD ONE

Q: Have you had a conversation about ESG or responsible investment factors / considerations with your adviser in the past?
(Advised investors)

- Had a conversation with my adviser that the adviser initiated
- Had a conversation with my adviser that I initiated
- Not had a conversation with my adviser, though I would have valued one
- Not had a conversation with my adviser and would not have particularly valued one



% Not had a conversation with adviser, though I would have valued one



Base size: Asia=2391, Hong Kong=454, Japan=221, Philippines =404, Singapore=571, Thailand=410, Indonesia=331



Regulatory landscape overview for climate-related disclosures for asset managers.



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Asia
Responsible investing
forum

MORNING SESSION
Group agenda progress index
Industry insights panel
The Path to net zero

Featuring speakers from:

architas | AXA | ROBECO | Investment Managers | cicero/amo | Ogier

Ogier

Climate risk disclosure front and centre for regulators

Regulatory proposals for climate-related disclosure as of September 2021

Jurisdiction	Developed Markets								Emerging Markets			
	EU	UK	MAINLAND CHINA	HONG KONG	SINGAPORE	JAPAN	AUSTRALIA	NEW ZEALAND	INDONESIA	MALAYSIA	INDIA	THAILAND
Taxonomy Framework	○	○	○							○		
Disclosure	○	○	○	○	○	○	○	○	○	○	○	○
Lending	○	○	○		○			○	○	○		○
Green stress-testing	○	○		○								
Prudential regulations	○	○	○	○								
Green bonds	○	○	○	○	○	○		○	○	○	○	○
Investment practices*	○	○	○	○	○	○	○	○	○	○		

* (e.g. guidance to asset managers relating to ESG investments, or central bank ESG investment policies)

Source: Sustainable Finance in Asia Pacific" (2020)

○ Policy or rules have already been implemented. ○ Proposals still under consideration (rules that are expected to come into force).

Climate-related regulations relevant to asset managers

Hong Kong: The Securities and Futures Commission (SFC) issued its final climate-related management and disclosure updates to the Fund Manager Code of Conduct in 2021. These changes will require fund managers to factor climate-related risks into their investment processes and make appropriate disclosures with baseline requirements for all fund managers and enhanced requirements for fund managers with AUM equal to or exceeding \$8 billion HKD. The SFC has made reference to the TCFD Recommendations in developing these proposed requirements and standards.

Mainland China: Voluntary Green Investment Guidelines for both public and private securities fund managers highlighted various risk evaluation methods. Fund managers were asked to build systems which can effectively assess the environmental performance of the assets they manage.

Singapore: The Monetary Authority of Singapore (MAS) proposed that asset managers which have discretionary authority, be required to intergrade environmental risk. The managers will be expected to have appropriate processes in place to monitor, assess and manage environmental risk. High risks should be closely monitored and evaluated on ongoing basis.

Australia: The Australian Prudential Regulation Authority (APRA)'s upcoming guidance on climate risk will not create enforceable obligations on APRA-regulated entities but will constitute regulatory guidance and outline supervisory expectations.

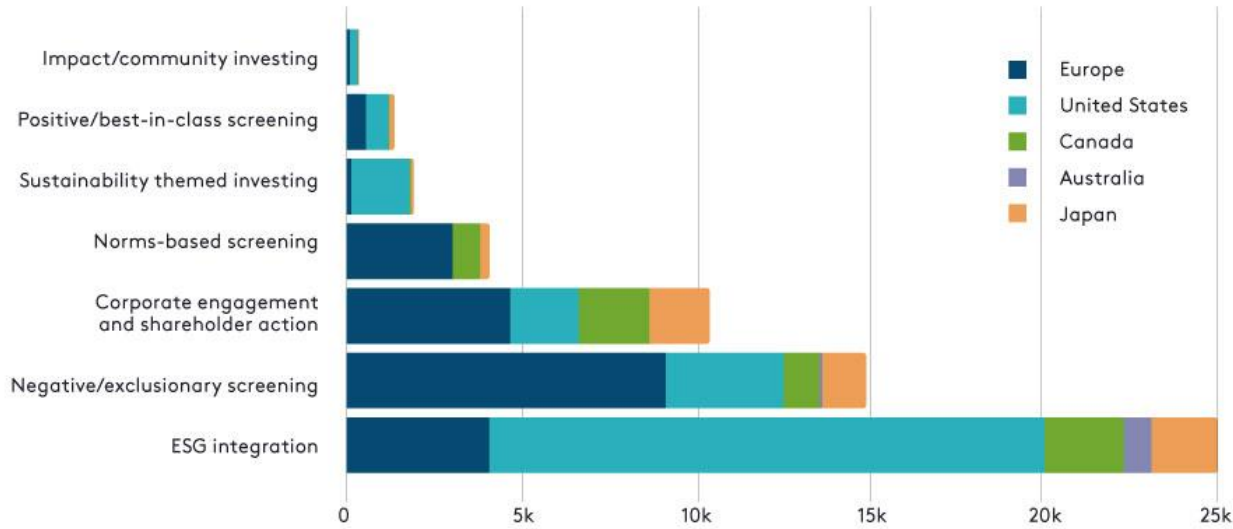
The EU: The Sustainable Finance Disclosure Regulation (SFDR) introduces European Union-wide sustainability-related transparency obligations for market participants based on common technical standards, and defines two main categories of financial products: products that promote environmental and/or social characteristics; and products that have sustainable investment as their objective.

UK: The Financial Conduct Authority (FCA) is proposing to introduce a climate-related financial disclosure regime for asset managers, life insurers, and FCA-regulated pension providers consistent with the TCFD's recommendations. Entity-level disclosures. Firms would be required to publish, annually, an entity level TCFD report on how they take climate-related risks and opportunities into account in managing or administering investments.

USA: The Securities and Exchange Commission (SEC) announced in early 2021 an update to its 2010 guidance on climate-related disclosures. The 2010 Climate Change Guidance noted that, depending on the circumstances, information about climate change-related risks and opportunities might be required in a registrant's disclosures related to its description of business, legal proceedings, risk factors, and management's discussion and analysis of financial condition and results of operations.



Sustainable investing assets by strategy & region 2020



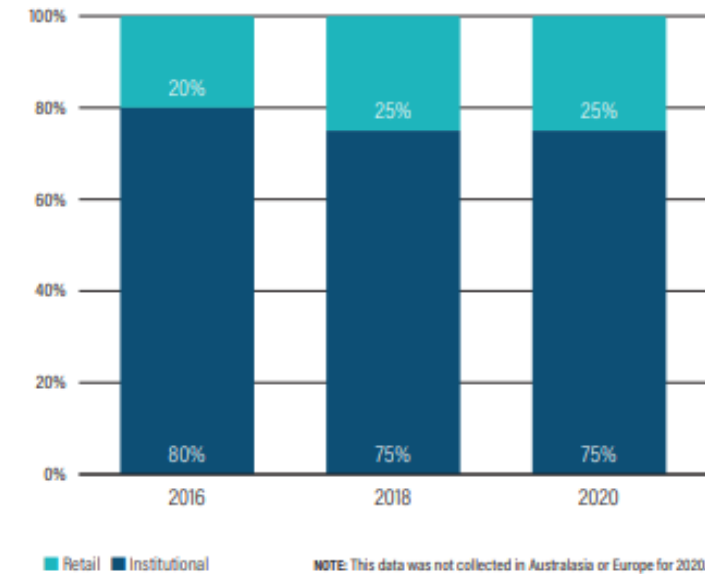
Note: Asset values are expressed in billions of US dollars. European sustainable investing strategy data is based on extrapolation from historic data from the 2018 GSIR report and applying the same proportion to 2020 sustainable investing data across the different sustainable investing strategies. US SIF data extrapolates from numbers provided by a subset of overall respondents in its 2020 Trends report. US and Australasia did not report on the category of norms-based screening and Australasia on the category positive/best-in-class screening.

Source: GSIR-20201.pdf (gsi-alliance.org)

- The largest sustainable investment strategy globally is ESG integration, with a combined USD25.2 trillion AUM.
- This systematic and explicit inclusion by investment managers of environmental, social and governance factors into financial analysis is popular across all geographies.

- Retail investors in sustainable investing has been growing slowly over the past few year. In 2012 retail investors' share was only 11%, up to 25% in 2020.

Institutional vs retail sustainable investing assets



At Robeco we have been at the forefront of sustainable investing

A quarter of a century's experience in sustainable investing



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Sustainable Investing Center of Expertise

Close cooperation between dedicated, expert teams

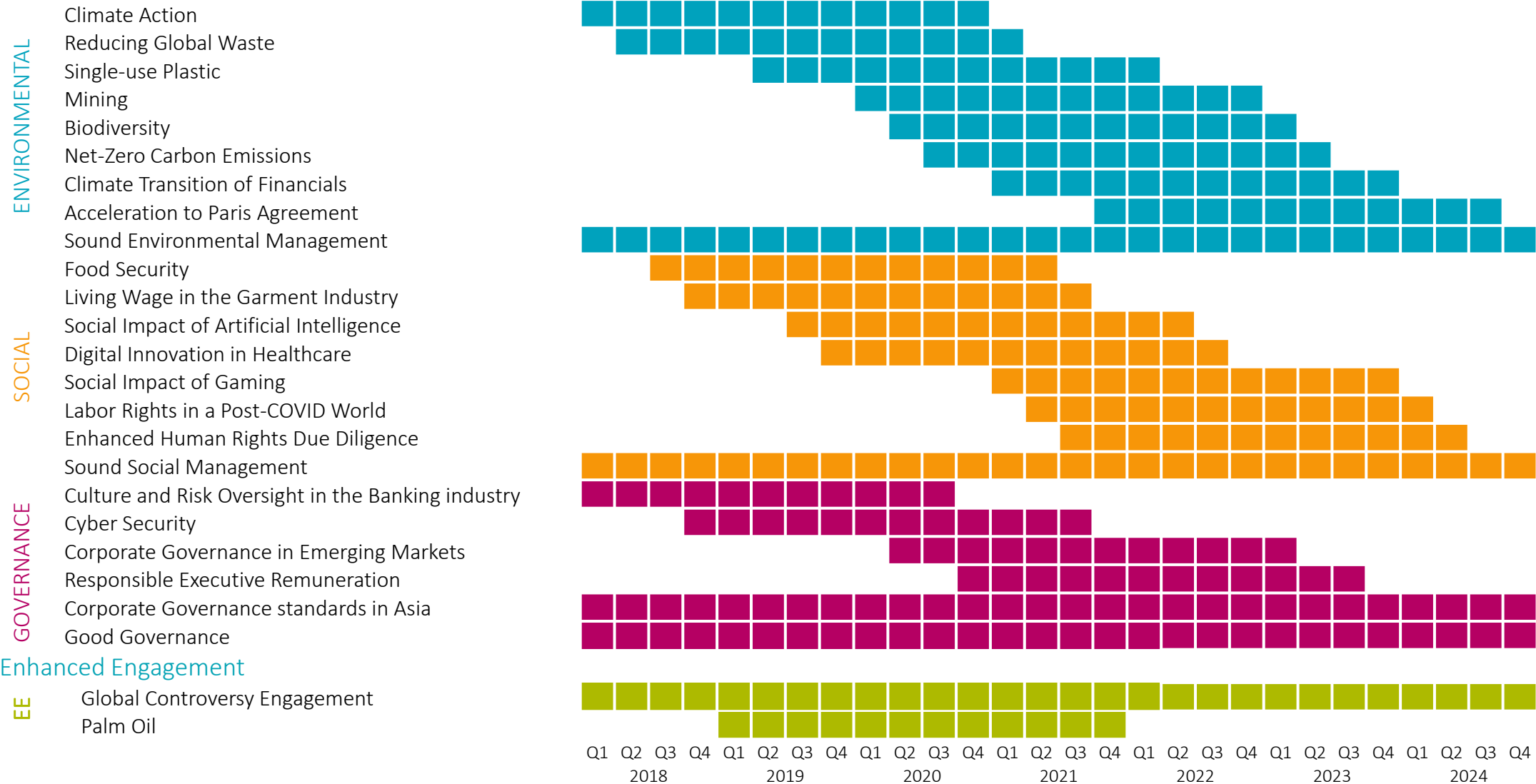
- > Robeco's Sustainable Investing (SI) Center of Expertise combines our knowledge, expertise and experience on sustainability that is applied within the investment domain.
- > The center drives SI leadership by delivering SI expertise and insights to our clients, our investment teams, the company and the broader market
- > The SI Center consists of four teams working closely together
 - > Sustainable Investing Thought Leadership
 - > Sustainable Investing Client Portfolio Managers
 - > Sustainable Investing Research
 - > Active Ownership
- > Members of the SI Center work closely together with the other 200+ professionals of the investment teams, who are responsible for the integration of sustainability into their investment capabilities and client portfolios.



Engagement Themes 2021

A structured approach to engagement

Value Engagement



246
Engagement Cases

222
Companies Engaged

67%
Cases closed successfully

941
Engagement Activities

Why should investors care about the SDGs?

The SDGs help select winners, avoid losers, are part of SI regulation, and are a plan for positive impact

Business opportunities



“The SDGs present **US\$ 12 trillion** in annual business **opportunities**”*

Regulatory compliance



The SDGs are increasingly part of **SI regulation**, like the EU Sustainable Finance Action Plan

Risk mitigation



For instance, oil majors face a real risk of **stranded assets** due to climate change legislation

Positive impact



Contributing to **wealth, wellbeing**, and a stable **planet****

* Business & Sustainable Development Commission. (2017). *Valuing the SDG prize*

** Steffen, W., Richardson, K., Rockström, J., Cornell, S. E., Fetzer, I., Bennett, E. M., ... & Folke, C. (2015). Planetary boundaries: Guiding human development on a changing planet. *Science*, 347(6223).

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