

ESG INTEGRATION ACCELERATES IN ASIA

A 2021 survey by Macquarie Asset Management indicated that institutional investors all over the world are becoming **more and more convinced that environmental, social and governance (ESG) factors greatly impact** their portfolio strategies.

The survey, which covered 180 global institutional real assets investors, also revealed that **institutional investors in Asia still lag behind their European counterparts**, but that they are fast catching up.

About 70% of investors in Europe and Australia-New Zealand have a dedicated ESG function, compared to only 50% of their counterparts in Asia and the Americas.

Despite this, there are indications that **ESG integration will accelerate in Asia** and the Americas over the next two years, suggesting that these markets may be close to the tipping point in terms of sustainable development.



GLOBAL SAGE

New York
Boston
Los Angeles
London
Paris
Tokyo
Beijing
Shanghai
Hong Kong
Taipei
Singapore
Kuala Lumpur
Jakarta

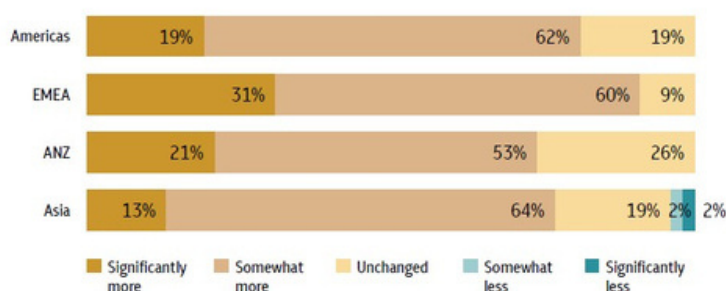


“This is not a straightforward process, given the diverse nature of most portfolios, which means asset owners and asset managers will play a key role in supporting investors as they seek to identify, assess, and manage both existing and emerging ESG risks and opportunities.” – Phil Peters, head of Macquarie Asset Management’s client solutions group

SOME KEY HIGHLIGHTS FROM THE SURVEY

- An increasing number of Asian investors have committed to achieve net zero targets by 2050;
- 77% of survey respondents in Asia expect to increase allocations to their investment strategies or managers that target specific ESG outcomes, compared with about 81% in the Americas, 74% in ANZ and 91% in Europe;
- Asia-based investors are ramping up their climate analysis. While only 29% are currently tracking greenhouse emissions, compared to 60% in Europe, 42% of Asian investors said they intend to start doing so;
- Many investors are still facing challenges in better understanding and managing how physical and transition risks posed by climate change may impact their investment portfolios;
- Although global investors share similar top priorities, there are regional differences that reveal the differentiated and responsive nature of ESG investment.

How do you expect your organisation’s approach to allocating to products and/or managers that target specific ESG outcomes to evolve over the next two years?



Source: Macquarie Asset Management 2021 ESG Survey