The Evolution of ESG and Sustainable Investing in the Asian Wealth Management Community

It is estimated that the managers of one-third of all professionally-run assets globally, equivalent to over USD20 trillion, now use ESG data to drive their investment decisions, and far more than that – an estimated 75% of them today – pay some attention to ESG criteria. As the world's leading global investors continue to embrace ESG, what progress is being achieved amongst investors in Asia, and specifically are Asia's private clients jumping increasingly on the ESG express? Environmental, social and governance (ESG) criteria aim to help socially conscious investors to screen potential investments. Environmental criteria aim to define how a company performs from an environmental impact perspective. Social criteria define how a company manages relationships with employees, suppliers, customers, and the communities in which it operates. And governance deals with a company's corporate culture, its leadership, executive and broader compensation, audits, internal controls, and shareholder rights. In short, these ESG criteria are used to help investors identify companies with corporate values that they feel comfortable with and therefore that accordingly meet their investment requirements. Most professional investors today rely on third-party sourced ESG ratings data, and there is no doubt that the collective influence of the providers of such data is set to grow and increasingly influence the decisions of fund managers from sovereign wealth funds through the world's largest pension funds and all the way down to retail investors, especially these days the HNW and UHNW investors.

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ESG is according to a rapidly expanding body of evidence, an increasingly popular investment strategy worldwide. A growing body of research shows that ESG can reduce portfolio risk, generate competitive investment returns. Moreover, ESG investors accept this and also recognise that by supporting sustainable companies, they can make a positive difference whilst harvesting competitive financial returns. This recognition is spreading, and the growth of ESG in both popularity and coverage is almost certain to continue.

Our panel of investment and wealth management experts analysed the evolution of ESG investing worldwide and discussed in detail what impact ESG investing is having on Asia's private wealth market today, and what the outlook is for the future.

The panel opened the debate with one expert reporting exponential growth in ESG adoption worldwide, and how Asia in the last several years is starting to follow these key trends from North America and Europe.

Overcoming Asia's scepticism

"There was a lot of scepticism here in Asia for quite a while," he said, "and even four or so years ago clients were not really interested and worried they would have to forego returns to participate in ESG. But they are warming to the reality that ESG can help enhance returns. The older generations as well as the younger generations are starting to understand more and really believe in the cause, in short it has really become a central part in discussions with clients about investments."

Expert Opinion

EUGENIA KOH, HEAD, Sustainable Investing Consumer, Private and Business Banking, Standard Chartered Bank

"We are seeing growing momentum but are not yet at tipping point in the private investor space. Client demand and interest has however grown significantly especially after the Covid-9 pandemic, driven by increasing research and evidence of ESG factors leading to more resilience companies and helping with risk management, and in some of the thematics around climate which have done well."

TIM CROCKFORD, Senior Fund Manager, Head of Global Impact, Regnan

"For those that do not know us, Regnan is a sister company of J.O. Hambro, and stands as the sustainable and impact investing arm of J.O. Hambro Capital Management. From our base in J.O. Hambro's offices in London, we focus on strategies which are either high materiality sustainability strategies, or indeed impact investing strategies which is my area of focus. It actually launched in Australia originally an academic think tank within the Monash University over there, so it has been specialising in ESG-related research now for well over 25 years. Now it is rolled out into a pure asset management brand to harness that research and use it to make better investment decisions."

"I do not think we are yet at a tipping point out here," said another banker, "but yet far more interest across the board. It is not just your millennial techy clients or nextgens, but the older generation really around understanding some of the ESG and climate risks that are taking place across their portfolios. So, we see also some of the thematics doing very well within the sustainability space. Moreover, some of the more sophisticated clients, some of the family offices, they have ESG baked into the way they invest, they often want to make a difference with their capital."

A rising tide of awareness

They also commented that structurally, there is greater awareness and interest amongst the second generation, and also amongst leaders in business, for example the Institute of Directors in Singapore, while regulation is also building in this area. "You can see the drive for companies to have more of a legal requirement to express in their public annual reports their sustainability criteria, and what they have done about it. It is building interest and vigilance throughout, and of course for institutional investors as a result. This is not a fad; this is growing in importance all the time."

A leading banker explained that ESG is one of the bank's top priorities. "We have been integrating ESG in our product selection process, whether it is recommended stocks, bonds, or funds," he reported. "We have onboarded ESG ratings in order to provide our clients with ratings of a single product, we are going to provide them with a portfolio rating as well. There is a very strong momentum, but we are still at the beginning of this road, and there is still some confusion from the clients, between the thematic ESG environment or social investment, and our integrated approach. I think our priority today is to engage our Asian clients with an integrated approach because it's already actionable on their current existing portfolio."

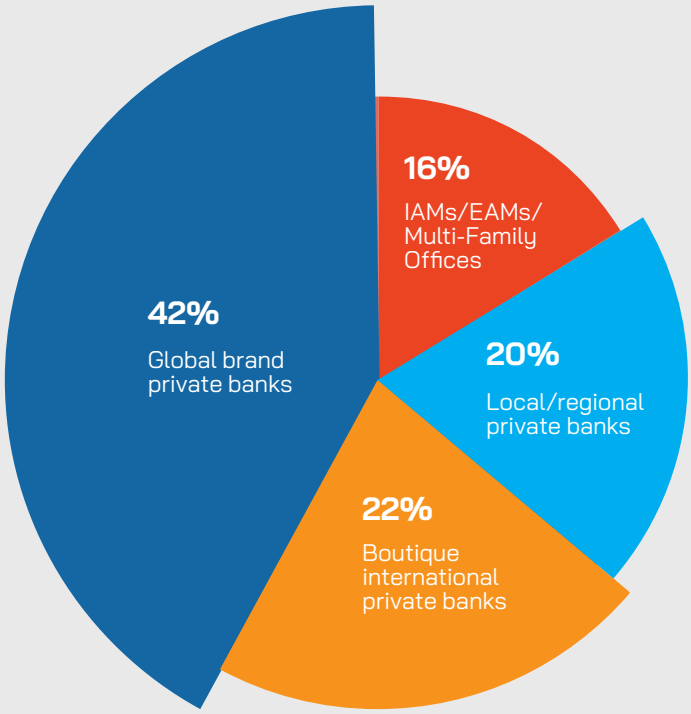
Far from a fad

Another leading investment expert commented on the differentiation between ESG integration versus ESG thematic funds or what he calls an ESG outcome fund, and also on concerns about whether ESG is a marketing tool or a fad. He said there are many issues for fund managers as to intention, mission, staffing, knowledge, integration into the investment processes and selection, and other elements. He explained they have over 40 equity investors across Asia, and three ESG investors across this region, which he said is more than many, and the firm also leverages colleagues, data and expertise in other regions.

"It is quite a complex process whereby we integrate all these elements in order to give ourselves a better understanding of companies and ultimately we are aiming to better understand the sustainability of business models and the sustainability of companies as part of the investment process," he explained.

The Hubbis Survey

IN THE WEALTH MANAGEMENT INDUSTRY IN ASIA, WHICH ORGANISATIONS ARE LEADING THE WAY IN TERMS OF PROMOTING ESG-DRIVEN INVESTING?



Defining the nuances

Another leading proponent of ESG offered more insight into the difference between ESG integration and more thematic types of ESG investing. "Impact investing fits within that sort of thematic bucket," he stated. "The true distinction comes down to the objectives of the fund manager, so are they using it to minimise and mitigate risks, or to maximise your returns as well. That is what thematic impact investing products such as from our firm try to do. Ultimately, it's about trying to invest in companies that are driving the new productive systems, to generate productive growth in a more sustainable way, and that will ultimately replace the incumbents and the old way of doing things, whether that's electric vehicles replacing internal combustion engine vehicles, or whether that's renewables replacing fossil fuels, for example."

He explained that the return aspect generally comes from the same way as any other growth strategy over time, namely focused on identifying the latest trends and backing those as an investment.

Driving change

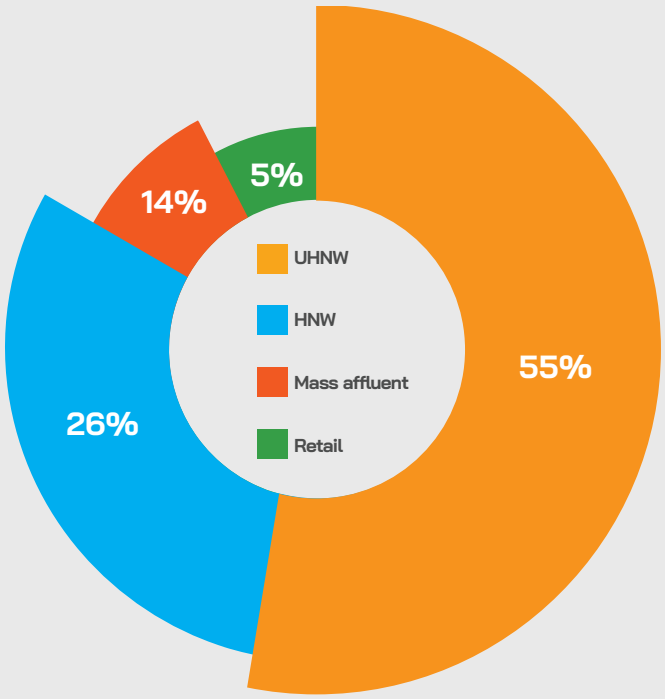
"Ultimately," he elucidated, "what you're doing is trying to pick the companies who are not just exposed to, but which are driving these huge transitions that we're seeing within the global economy. So, it's about getting ahead of the curve. And while perhaps many of the companies that we would sort of look at as investments today are relatively smaller than the sort of blue-chip stalwarts of the benchmarks, we do not expect that to be the case in the longer term. Accordingly, this is all particularly well suited to investors that have a very long-term mindset and who truly want to catch the next trends before they are mainstream."

Helping curation

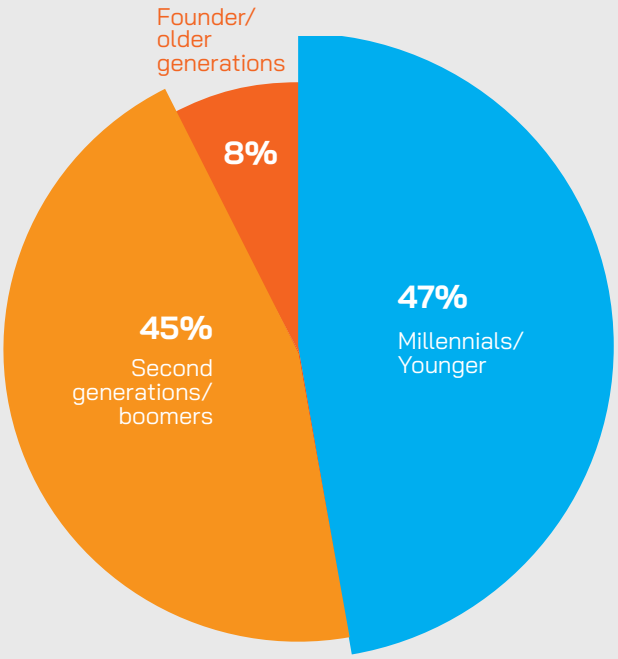
A banker agreed, adding that their integration of ESG to client advice and portfolios is driving a better selection process, with the aim of ultimately delivering superior performance. He explained that the bank had offered successful products and follow-on offerings to investors, one raising USD150 million two years ago and then the second tranche raising USD550 million more recently.

"This is proof of the clear traction and engagement," he said. He added that the thematic engagement is more complex, because clients tend to consider investment in an environment or even its impact as a satellite investment and therefore only with small allocations. "But," he remarked, "when ESG is integrated, when it is relative value impacting and embedded in the stocks they know or the bonds they know or the funds they know, that's really attracting much more appetite and much greater inflows."

IN THE WEALTH MANAGEMENT INDUSTRY IN ASIA, WHICH TYPES OF INVESTORS ARE LEADING THE WAY IN TERMS OF ADOPTING ESG-DRIVEN INVESTING?



IN ASIA, WHICH GENERATIONS ARE DRIVING ESG INVESTMENT MOST ENTHUSIASTICALLY?



Demystifying a complex world

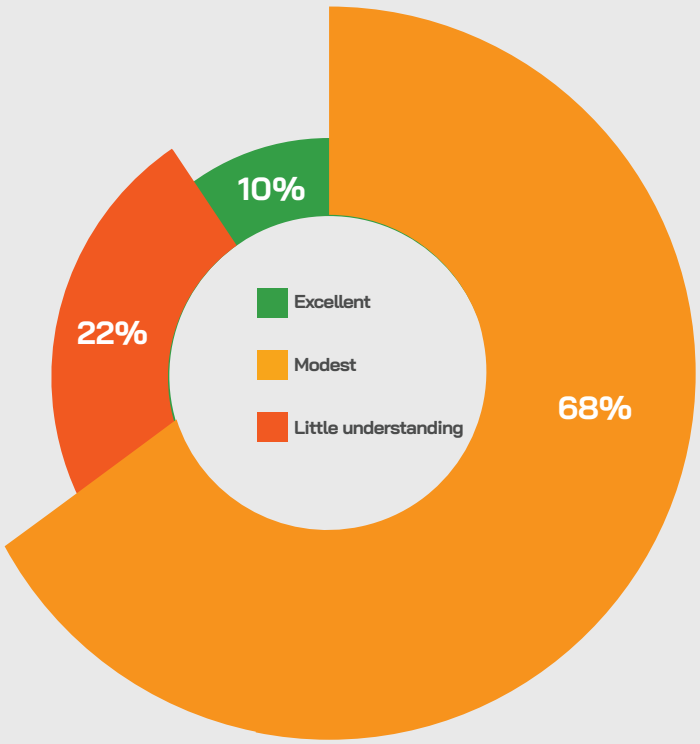
The discussion shifted to ratings and barometers of ESG compliance or adoption amongst the corporate world. "We use a number of rating providers, such as MSC or Sustainalytics," they reported. "We focus on the real materiality of ESG factors, and their relative importance, and then deliver those to clients, which all helps them better understand why ESG integration is important."

They added that clients still struggle with ESG metrics and ratings and struggle, in effect, to see the woods for the trees. "We survey clients and found they are still quite confused around all the terminology that is taking place out there, and the differences between impact investing and ESG investing, what it really all means to them. Education is vital for our front-line and for the clients. Globally, I am pleased to see some continued push towards at least some form of standardisation, better alignment, although we won't get there soon. However, these trends are all helpful for the industry in the long term."

Governance is central to the evolution

They observed that this all connects back to governance, and that ESG-washing or 'greenwashing must be taken very seriously. "We are a bank with an open architecture platform, we get pitched a lot of solutions to us every other day, and it seems that so much these days is packaged as ESG or sustainable, but it might not be. Accordingly, my team spends a lot of time actually meeting and doing due diligence with asset managers to ensure that they are truly in alignment with our green and sustainable product framework as a bank. And that the asset managers are really walking the talk with their strategies that they're bringing our way, that when they talk about ESG integration, that they truly understand and adopt the breadth and depth of it."

HOW WOULD YOU CHARACTERISE THE GENERAL UNDERSTANDING OF ESG INVESTING PRINCIPLES AMONGST ASIA'S UHNW AND HNW WEALTH MANAGEMENT CLIENTS?



Expert Opinion

EUGENIA KOH, Head, Sustainable Investing Consumer, Private and Business Banking, Standard Chartered Bank

"We already have ESG scores in our equities, fixed income and structured products trade notes for our private banking clients, and are looking to expand this to include funds and to cover the broader affluent segment."

They added that if a thematic strategy is being proposed, it is vital for the companies within those themes to be actually actively contributing to sustainable development. "We are highly focused on the governance side, on the

engagement side, on the training and education side, and then finally working on just kind of brand building with marketing and communications to really help demystify the space," they said. "It is exciting, interesting and fun to be part of this."

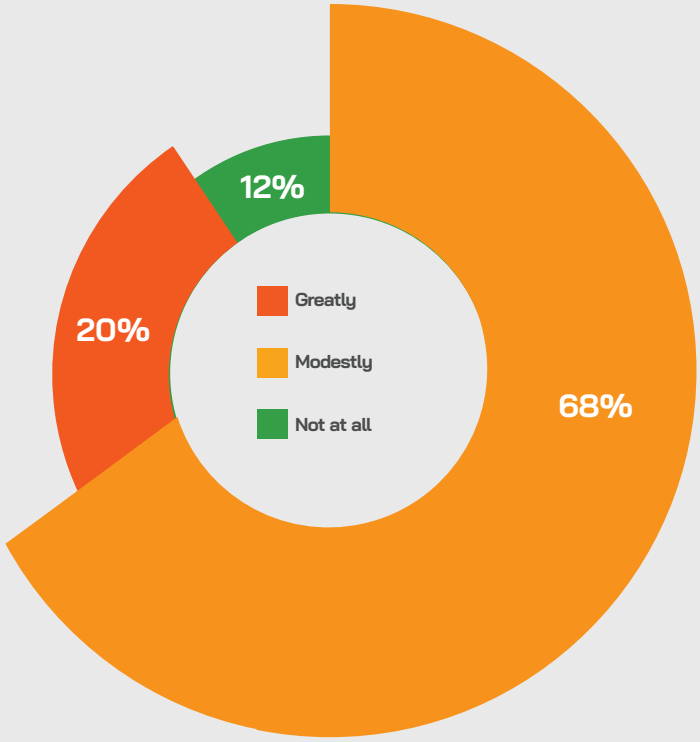
Informing the private clients

Another banker reported that the bank reports ESG ratings in all client statements and had done so since 2015. "This is really central to what we do," he stated. "Our clients can see at individual security level, let's say Royal Dutch Shell has an E score of 50, and a G score of 43, and an S score of 61. They can then see average portfolio scores, and the highs and your lows. And then we produce an ESG scorecard. We have comprehensively trained our bankers, our relationship managers and investment advisors to discuss this with their clients. They talk about performance, risk appetite, as normal, and ESG is part of our kind of standard discussion that we now have with clients."

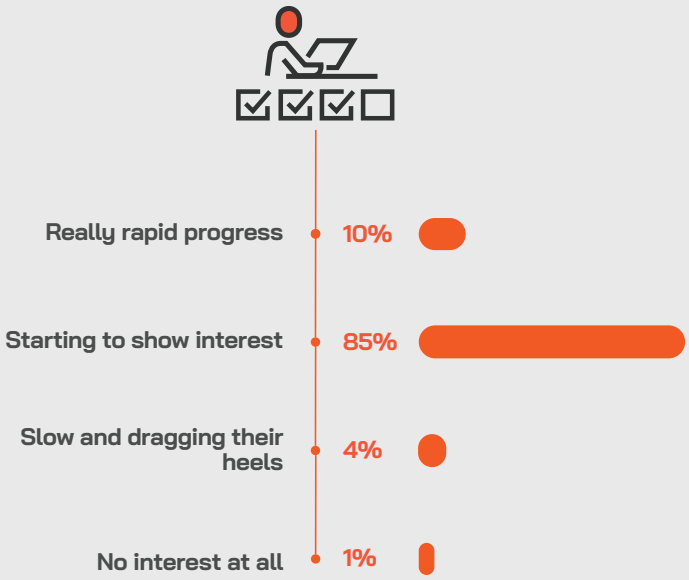
Standardisation is coming

He predicted that while there is no specific global standard yet for ESG ratings, he believes within 5 to 10 years there will be. "The regulators are getting really involved," he said, "and more demands are placed on many listed companies, for example in Hong Kong. Currently we work together with our sister firm, Amundi, the largest manager in Europe, and they in turn work with eight different external parties to come to a mean score, and this has really become part of our everyday business with clients."

TO WHAT EXTENT DO YOU THINK ADOPTING ESG INVESTMENT CRITERIA WILL ENHANCE YOUR CLIENTS' PORTFOLIO PERFORMANCE?



TO WHAT EXTENT ARE COMPANIES IN ASIA EMBRACING AND ADOPTING ESG PRINCIPLES?



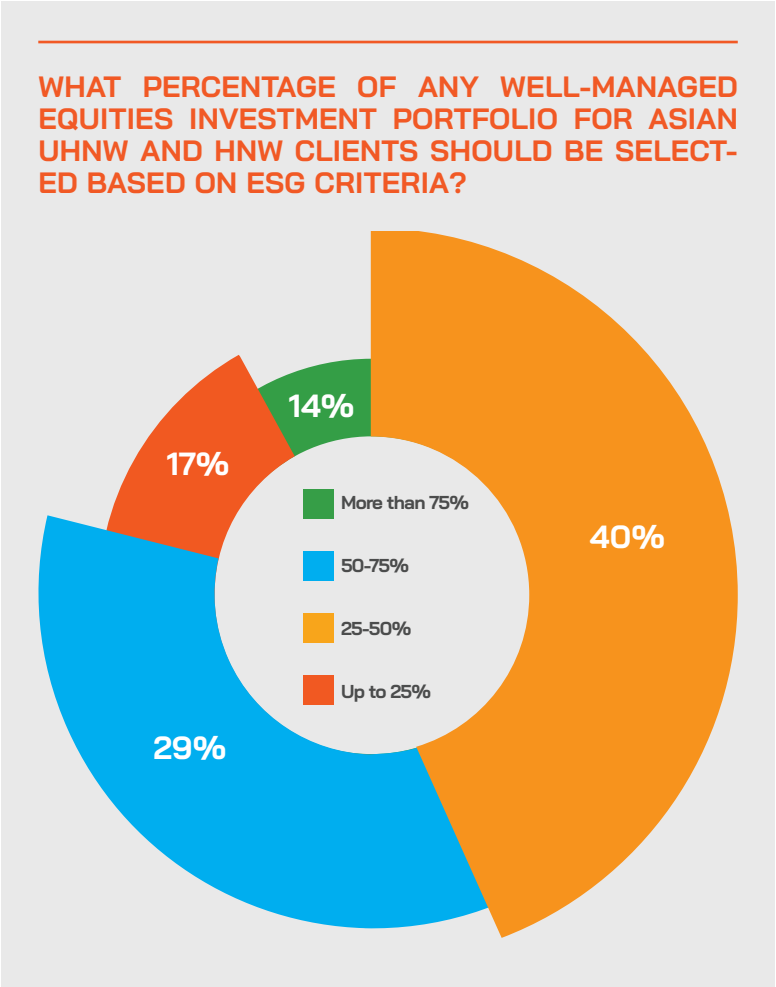
Exclude or include?

Another banker explained that the bank adopts an exclusion policy, not investing for example in areas such as nuclear or coal and other areas. And the bank also has a selection policy to promote selected ESG mandates across various sectors, as well as promoting ESG integrated into mandates. "We see greater demand form the second and younger generations, and they are becoming more sophisticated in their understanding and analysis of ESG."

A guest highlighted their Asian Sustainable Development Equity Fund, launched in mid-2020, and investing in companies whose products or services are aligned with solving the UN's sustainable development goals. "Asia is a region that has a high level of need for SDG or impact investing, there's a strong need for capital to be mobilised to address some of the challenges that we're talking about, such as access to sanitation, access to financial services, access to health care, the renewable energy transition," he reported.

Hard labour required at times

He observed that the biggest challenge is the effort to collect information, requiring huge manual labour. He reported that while in the US and Europe data and information is much more easily available, in Asia there is far less disclosure. "Accordingly, we have had to leverage our investment footprint across the region, but it is labour-intensive, requiring a lot of engagement. It is worth it though, as Asia is a region that really has a need for capital to be mobilised to meet some of these big challenges."



He added that the firm seeing rising interest amongst all generations, "When you discuss some of these topics and address concerns over whether you need to give up performance when adopting ESG, then the interest becomes very strong. There remain many a lot of misconceptions and misperceptions around ESG but our firm belief is it adds to performance."

The matrix

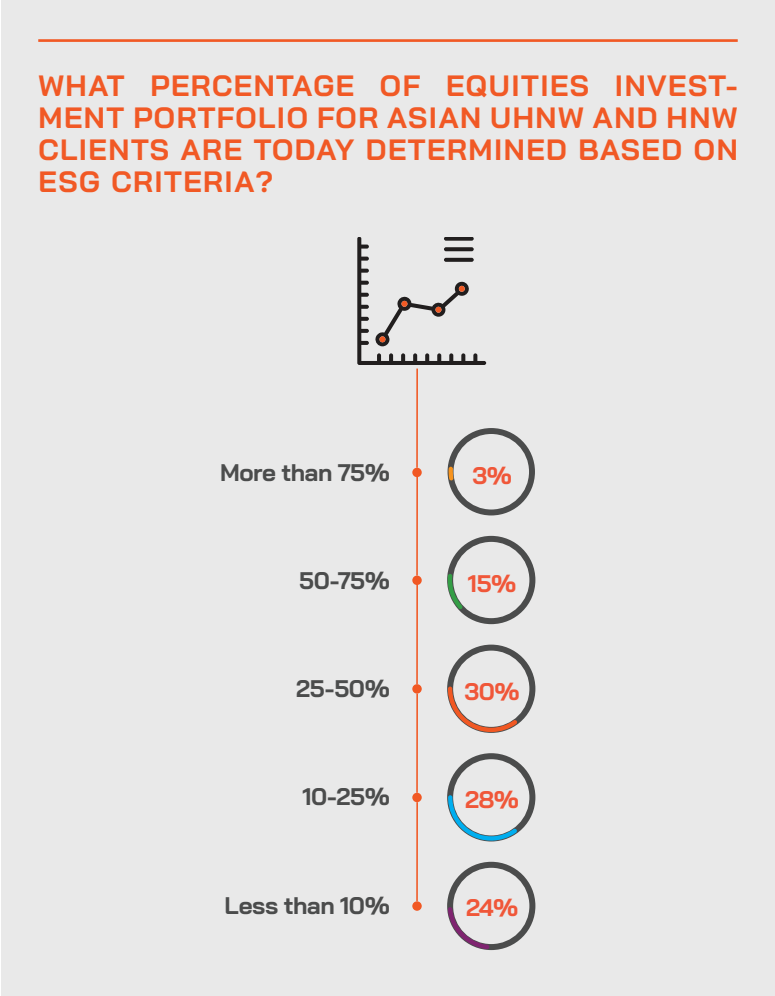
Another expert agreed and returned to an earlier view on the terms and definitions of ESG. "Anyone new to the space should look at the impact management projects website, they have a resource there called the Spectrum of Capital, which is basically a matrix which tries to align the ESG goals of a particular fund with where it sits in terms of its financial return goals," he advised. "That is a good starting point to help appreciate alignment of financial objectives and different impact objectives of these funds."

He observed that the challenge is that there is a commingling amongst different types of such investments. He explained that over the 10 years he had focused on these areas, he and colleagues had been able to gradually better identify which products and services are helping to contribute towards sustainable development goals, and thereby build what his firm calls it 'SDG' taxonomy.

"This is a larger sort of framework that we've been building since 2016, with the aim of mapping particular products and services, areas such as renewable energy, electric vehicles, and the various niches within those value chains, to specific SDGs and the ultimate SDG targets that are trying to be achieved," he explained. "It is all about obtaining and refining data to help identify companies that are going to benefit most from this transition towards a sustainable world. Ultimately, if you are using an ESG integration framework, you're trying to mitigate the risks and the financial costs that companies might have to suffer, if they aren't conscious about some of the ESG risks that they're creating as businesses. The key differences to be aware of in funds is whether the primary objectives of the fund are centred around that risk mitigation, or similar to the funds we are running, focused on identifying the opportunities that are going to benefit from this transition to sustainability."

ESG 2.0

Another expert said it was important to debunk the ESG myth of exclusion and promote the reality of inclusion and performance. "We have evolved," they said, "we are already in ESG 2.0. It defines factors to help with both risk mitigation as well as outperformance. For me, the biggest pet bugbear would be the fact that there is a lot of terminology, so it is vital to be able to explain this to clients. There are some areas where clients need to understand they definitely would not underperform, and others that are closer to the more philanthropic allocation of capital side, there might be times where you would take some trade-offs. You need honest conversations, informed conversations, otherwise the end client would just not get started."



Outperformance – reality dawns

A banker said it was vital to get the message on performance into the market. He said the bank has assembled specific research that measures that, and thus far the evidence is that from 2014 onwards, US equities with high ESG credentials start outperforming others and throughout the rest of the world it began around 2017. "Yes, emerging economies in Asia like Thailand, Malaysia, Indonesia, and others are lagging, but it will become mainstream in this part of the world as well, it will just take longer," he said.

Another expert agreed, noting that regulators in the region are becoming much more focused, sovereign funds are directing more capital to these areas and that the radar for ESG and sustainability is becoming much more active. He said that as companies realise the benefits, they are also realising it is a good way to attract more and better quality investors to their register.

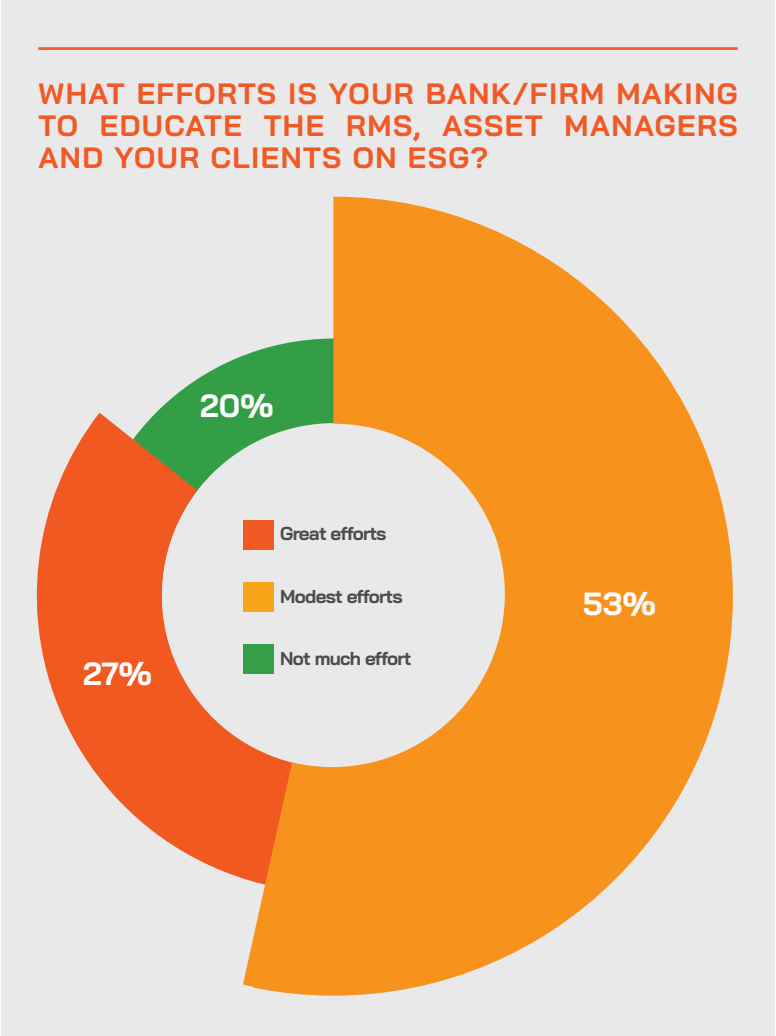
"More and more, it is not so much about just doing what the sort of minimum required is from the regulators," said another guest, "but we see companies wanting to disclose this data wherever they

are, for example an Indonesian company we had experience with wanting to know what they should include in their reporting. This is not yet widespread, it is more the exception not the rule, but the change is happening, as more companies see the attractions to them as a company and to their investors."

Digital democratisation

A banker explained how digital solutions had heled their bank speed up the adoption of ESG and improve ESG awareness amongst clients, via scalability, being more readily able to reach out to the mass affluent and retail clients. "For us it is also high up our agenda to provide broad access to ESG investment and tools to help promote ESG investing to everyone. One of our targets is therefore to democratise access to products that in the past were really restricted or reserved to a few wealth management platforms and private banking clients. As we are providing digital solutions, we are offering digital DPM to retail clients and we are basically extending the scope of the products." Another guest highlighted how their clients generally had two investment pots, one for our investments and one a philanthropic allocation.

"We have seen interest come from both pots of money," they remarked. "Some conversations are driven by returns and risks and on the philanthropic side more on impact investing opportunities, with them aiming to increasingly align their investments to the areas that they are passionate about. We have what we call an 'Impact Philosophy', which is a framework that allows advisors to have a structured conversation with clients around the sustainability aspirations that they may have and the impact that they want to achieve.



We are looking to digitise that such that then clients can easily fill out that questionnaire and it goes to the banker, the banker then brings it to the client and uses it as a starting point for those conversations. We also have questions on sustainability that is embedded then as part of account opening. So, right from the start of onboarding new clients, their bankers will have a sense of the areas that they could be interested in, the different types of strategies that they could be open to having discussions on and go on and then using that approach."

The same expert added that their training is also targeted, with a core group of bankers and investment advisors who are passionate about this topic nominated as the bank's 'Impact Leaders Community', and really helping their knowledge of what is a complex subject with lots of terminology and nuances. "And we have our mainstream training, with these topics embedded into all levels of our training, right up to training for our highest performers in the region. IT is a multi-prong approach."

The discussion closed with some words of advice from the experts. One panellist said it is more about the true intentions of the asset or fund manager, not so much about claims around terminology or acronyms. "You need to be able to read into what they are trying to do,

and then in order to understand what process and framework what they have built to be able to execute on that; that should then put the client in a position to understand whether that particular product is aligned with their goals," he said

Another expert concurred, adding that it was essential to see how the intended or stated outcome informs idea generation, the research process, portfolio construction, and then engagement. "Those are the four key pillars to any ESG type strategy," he said, "whether that's integration or ESG outcome. When you have that conversation, then you should get a better understanding of exactly how ESG is part of that fund."

Seeing through some of the mists

The final comment went to a guest who addressed whether ESG is still too ill-defined. He replied that the ESG ratings in the market do have a use, but they do not give investors or advisors the full answer.

"They don't tell you whether something is good or bad," he said. "To a certain extent they are a black box, and yes, I do think part of the problem sometimes with the ratings is that they have different methodologies and different interpretations. A rating therefore isn't something that is set in stone, it isn't an absolute judgement of whether a company is doing something good or bad, and equally so a fund. Accordingly, I would always encourage investors, whether they're looking at direct investments in companies or indeed in ESG fund management products, to understand a little bit more beyond what the rating agency is saying, because absolutely, they are black boxes to a certain extent and they have their limitations." ■

The Hubbis Post-event Survey

Hubbis asked delegates to offer their written insights into some of the key trends and their positioning internally in their banks and wealth management institutions, and how their clients are embracing ESG, or perhaps not warming to the concept. We have summarised their many views as below.

IS YOUR BANK/FIRM ACTIVELY PROMOTING ESG-DRIVEN INVESTMENTS, AND IF SO WHY OR WHY NOT? ARE YOUR PRIVATE CLIENTS IN ASIA ADOPTING MORE ESG-DRIVEN INVESTMENTS, AND IN YOUR VIEW, WHY OR WHY NOT?

If this was a show of hands, then the Yes replies slightly trumped the No replies. We have selected some of the reasoned replies for Yes, and also for No below.

The Yes Replies:

- We have developed a module for ESG, and currently Refinitiv is our main vendor for it.
- Our firm sees the importance of carrying ESG driven principles in the operations and investments for the firm's future growth.
- It can potentially deliver better performance, and also has a positive impact on the world.
- It is a key pillar on our 2026 strategy.
- Our bank aims to become a leader in sustainability in the finance industry in support of clients' ever-growing focus on sustainability. Furthermore, the bank shares a common vision with clients to support the transition to a more sustainable economy.
- Fortunately, the mindsets and perceptions of Asian investors toward ESG Investing are changing owing to the wide sharing of successful ESG Investing-related experiences. Moreover, regulators and institutional investors are increasingly committing to internationally-recognised principles for ESG Investing and national stewardship codes.
- Yes, although on a limited scale so far, and on demand from the clients.
- We have focused ion sustainability and impact investments for several decades already, meeting the needs of our clients.
- We have made a commitment to the climate change initiatives.
- It offers essential criteria for selecting investments.

- Asset diversification.
- Strong trend globally and in APAC.
- We are trying to promote ESG investments to the clients for the reason as an additional sales point of value to the clients.
- The firm measures the performance of its fund manager relationships using various ESG metrics. It has been part of the firm's mantra since 2015.
- Clients are asking for our help in this area.
- We have recently just launched the Schroder ISF Global Climate Change Equity Fund.
- Our firm has adopted ESG since 2006 and it's our ambition to be in the forefront in ESG.
- To be on top of this trend and keep abreast of market demand and thereby to gain market share and promote it as an appealing alternative investment asset classes for diversification of portfolio investment.
- ESG-driven investments are more and more accepted by the investors.
- We believe in ESG.
- Our company is ESG compliant.
- Some of our LPs mandate the use of ESG evaluation criteria and reporting.
- Absolutely. It took us some time to get here, but we have stepped on the accelerator. Why? Not because it is fashionable, but because we understand it now and it is the right thing to be doing.
- We have started to introduce some ESG Sustainability Funds. There are drivers from clients that are forcing this to be introduced too.
- Covid-19 has accelerated adoption of sustainability.
- Clients have growing interest in a more sustainable economy and they see the greater long- term returns in such investments.
- Because of adopting responsible investment policies and also because this is a key emerging trend.
- We see growing appetite to know more about it, although it has still to translate into very high flows into ESG products.

- We have been weaving ESG factors into the investment process for both public and private market investments.
- Social responsibility.
- The performance of the companies that adopt ESG has out-performed significantly in recent years.
- More choice but mostly from the developed markets.
- Yes, but slowly. There is still education to be done with respect to the real value-added of ESG and to change the perception that ESG is a drag on performance).
- Yes, but it is in general a cautious and minimal adoption of ESG principles/requirements.
- Mostly from the minority of clients, whereas the majority have not yet actively engaged in this, and they remain very conservative about newer concepts.
- Some of them are adopting it. More and more clients are getting aware of it.
- Slowly we are seeing some clients want more of a ESG focused portfolio. Some 100% and some in part.
- We make clients aware that the firm is assessing its fund managers with ESG metrics, but for our clients in Asia, I don't think there is a high level of acceptance or rejection of ESG principles yet.
- Asian investors still fall behind their global counterparts in the take-up rate of ESG Investing – this low take-up rate is indicative of a less mature ESG Investing environment, but can also be attributed to legacy issues, short-termism, lack of awareness, and talent gaps.

The No Replies:

- Limited knowledge and understanding
- First efforts at this were disappointing.
- ESG-driven investments are not on our radar, our clients prefer to focus on value-investing and the numbers.
- Not much demand from clients.
- No management initiatives yet at our firm.
- Back office operations cannot properly support.
- Lack of transparency.

- Too many different interpretations of ESG, we prefer simpler numbers.
- Our clients don't really understand these things.
- We don't think it generates superior returns.
- The infrastructure and information remain weak.
- ESG has not yet caught on in Malaysia.
- Asian investors still fall behind their global counterparts in the take-up rate of ESG investing – this low take-up rate is indicative of a less mature ESG Investing environment, but can also be attributed to legacy issues, short-termism, lack of awareness, and talent gaps.
- It seems that some clients are concerned with an ESG-driven investment approach being a relatively longer-term investment approach. Perhaps the concern is that when factoring in ESG, it may remind certain clients of a news-driven investment approach that can yield contrary and unexpected results in the end.

Expert Opinions

TIM CROCKFORD, Senior Fund Manager, Head of Global Impact, Regnan

"If exclusions were ESG 1.0 and integration is ESG 2.0, impact investing is really ESG 3.0, as investors seek not just to mitigate environmental, social and governance risk, but also harness the huge opportunity by investing in those companies that are driving us to a more sustainable future."

EUGENIA KOH, Head, Sustainable Investing Consumer, Private and Business Banking, Standard Chartered Bank

"We have been on a journey of training frontline colleagues over a few years now, and started with a core group of colleagues whom we call our Impact Leaders who are either passionate about the topic or have clients who are interested in the topic of sustainability. We have now mainstreamed training to all colleagues, with modules in our Wealth Management Academy. Sustainable investing also features in our Private Bank Academy over the last few years, including the 3-day programme we run for our top performing bankers together with INSEAD."

The Hubbis Post-event Survey

Hubbis asked delegates to offer their written insights into some of the key trends and their positioning internally in their banks and wealth management institutions, and how their clients are embracing ESG, or perhaps not warming to the concept. We have summarised their many views as below.

WHAT NEEDS TO HAPPEN, SUCH AS MORE TRAINING/EDUCATION FOR RMS AND CLIENTS, THE ARRIVAL OF GLOBAL CONSENSUS STANDARDS FOR ESG RATINGS AND TERMINOLOGY, OR OTHER ADVANCES IN ORDER FOR ESG INVESTING TO REALLY EXPAND RAPIDLY IN ASIA?

- More education and clearer parameters.
- Greater awareness of ESG products and more evidence that that they are not faring worse than normal products.
- In Asia the people are getting more aware that sustainability is a very important factor, hence it should be a must that WM integrates ESG in their offer. All WM providers should make their clients more aware of the importance of ESG.
- I am still unconvinced as to the effectiveness of ESG investing. The multitude of factors under ESG point towards general future trends, but I believe that the numbers will play a more crucial role in the decision-making in the long run. To expand rapidly, I believe educating and convincing individuals about the further and real merits of ESG will be crucial.
- Asia tends to lack behind Western countries in terms of embracing ESG, for ESG investing to expand the importance of ESG fundamentals must be grounded locally first.
- Alignment in Singapore and bank internal framework
- Awareness and education
- ESG will be become a standard in investing but will take longer due to EM Asia.
- Increased ESG disclosures from firms including consistent reporting methodology will enable increased understanding on the topic. The industry will adopt ESG investing if they have sufficient understanding in the area.
- More information and webinars for potential WM clients and WM RMs and advisors.
- No more black box for ESG ratings.

- More Asian Thought Leadership required.
- Provide more incentives that will appeal e.g., yield and tax benefits.
- Promote ESG integration via products and offer those to wide range of wealth and retail clients.
- More emphasis by the governments of the region.
- Address misconceptions – numbers and data are often the best solution. More discussion needed to bring people's attention to the topic and more developments will follow.
- ESG principles need more standardisation in order to be fully accepted by listed companies and investors.
- More clarity on the fundamentals of why ESG, and why it protects and enhances investments and returns.
- Greater ESG disclosures in the investment marketing materials.
- Investors need to see the value of ESG instead of just chasing after profits/returns.
- Greater awareness through education and training of ESG as an alternative investment for diversification of investment portfolio, more promotion of the Stakeholder Model and Integrated model of Corporate, Social Responsibility for companies
- Greater maturity in the Asian financial and wealth markets.
- Broader promotion and education around quality strategies with more positive performance stories.
- A concerted top down approach from each firm to only make ESG compliant funds/investments the main available investment, that would help.
- It is already happening. Knowledge and action of the 'next generation' is driving change. It is forcing all of us to sit up and take notice.
- I think rapid expansion will be a challenge. Training, knowledge, more products, more data and better metrics will all help, but this will take time.
- A mandatory dedicated percentage allocation.