

The background is a grayscale photograph of a modern building's facade, characterized by a grid of windows and dark structural elements. A large white rectangular box is centered on the page, containing the main title and subtitle. To the right of this box, there is a vertical blue gradient bar. At the bottom of the page, there is a solid dark blue horizontal bar. The overall aesthetic is professional and modern.

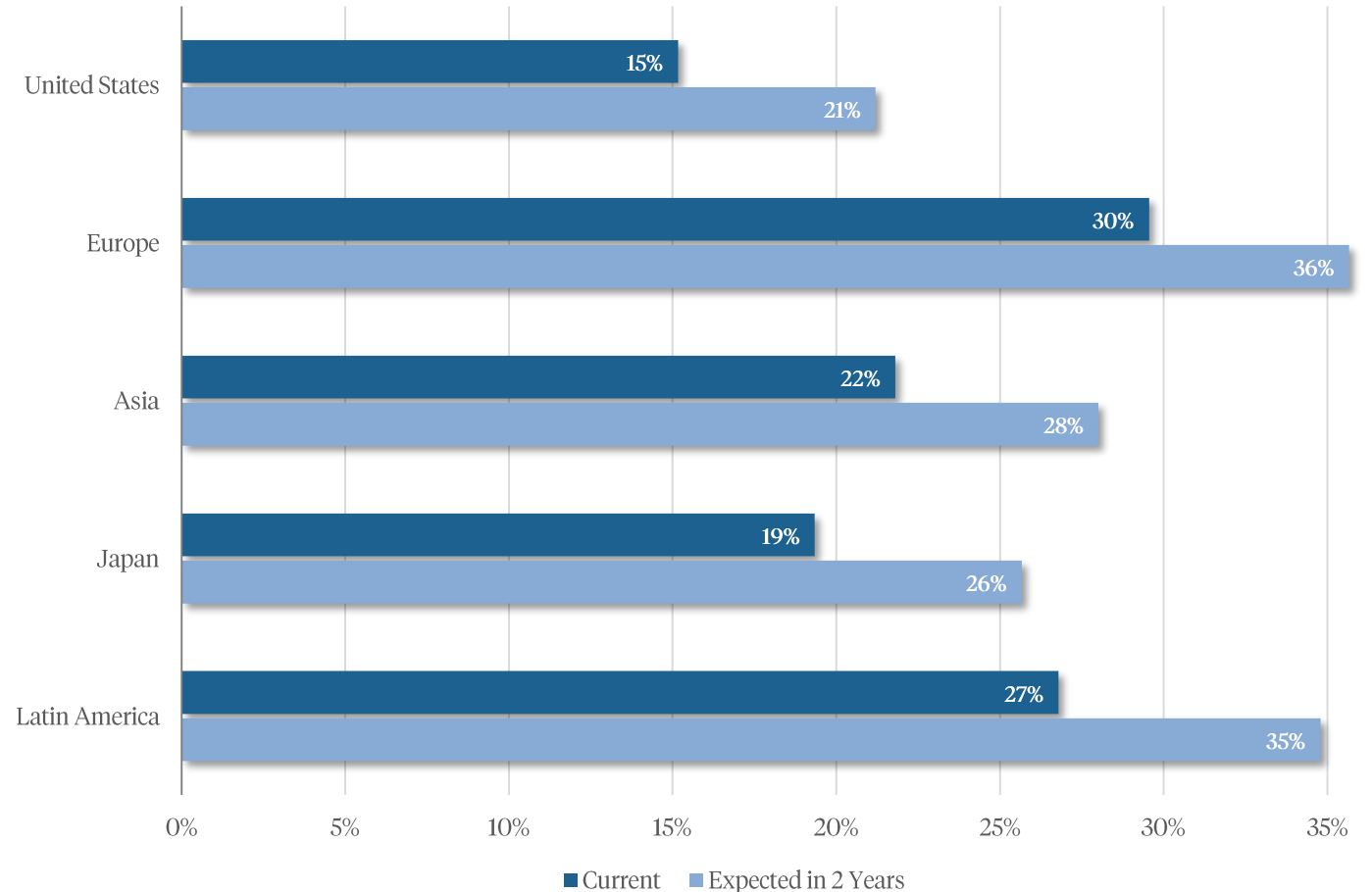
ESG/SRI METRICS AND THE U.S. INVESTOR

2018 All-America Research Team Insights

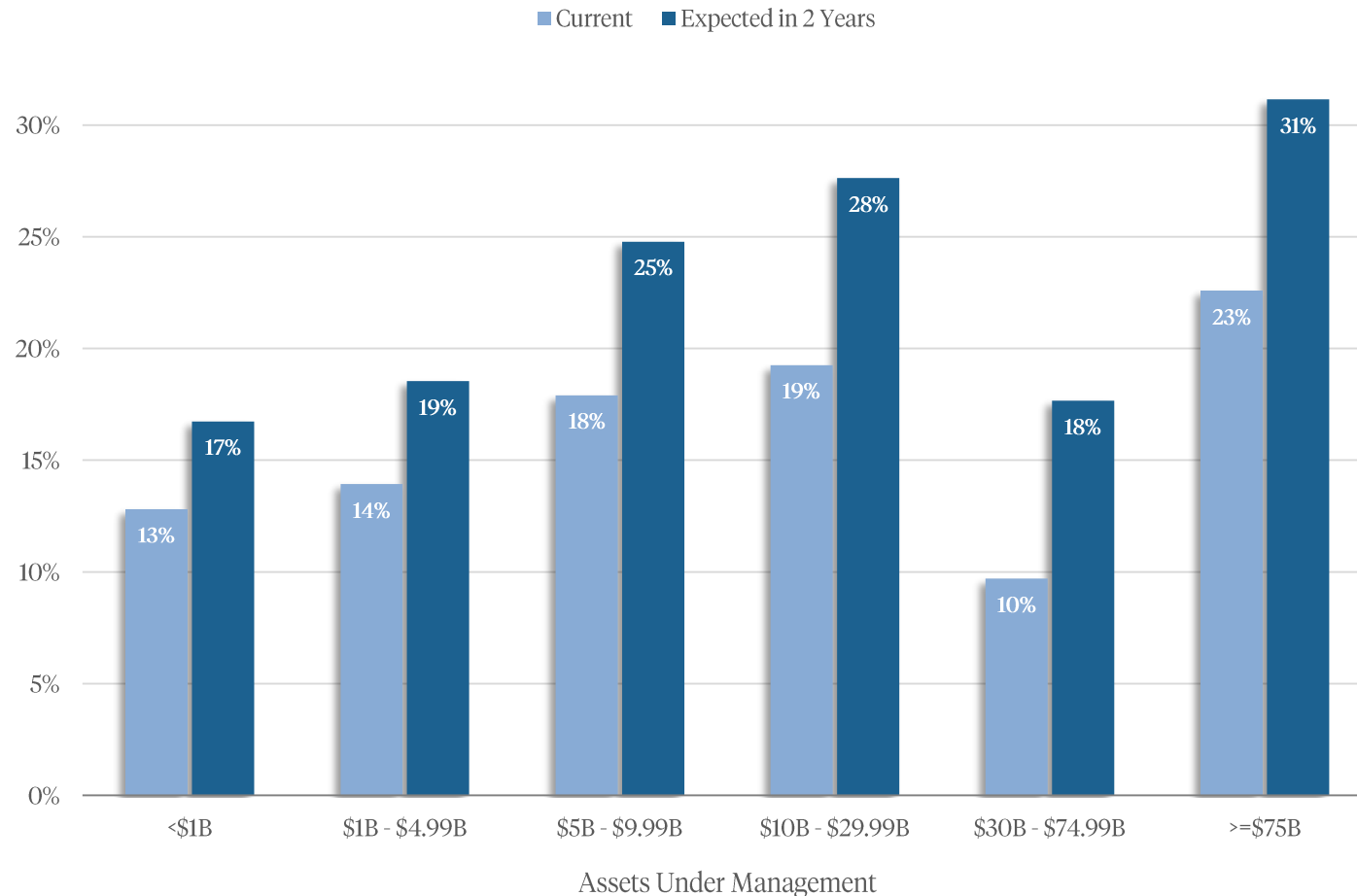
HOW INFLUENTIAL ARE ESG/SRI COMPONENTS ON INVESTING DECISIONS?

U.S. investors are starting to catch up to global counterparts regarding ESG/SRI influence on decision making

Keeping in line with their global peers, U.S. equities investors expect the share of their investing decisions that involve ESG/SRI components to increase in the next two years, as revealed in *Institutional Investor's* 2018 All-America Research Team survey. While ESG/SRI factors appear to hold a greater importance for other regions, the U.S. is starting to take greater notice of the area as they expect the involvement of ESG/SRI components in their investing decisions to increase from 15% to 21% in the next two years.



HOW DOES ESG/SRI IMPORTANCE DIFFER ACROSS ASSET SIZES?



ESG/SRI components have greatest importance for the largest firms

For the most part, the influence of ESG/SRI components that investors report increases as their firm assets under management increase. Those at firms with AUM of \$30 billion – \$74.99 billion are the outliers with the lowest current involvement of 10%. However, for the largest firms managing \$75 billion or more, ESG/SRI factors are considered for nearly a quarter of their investment decisions and they expect that to reach nearly a third in the next two years. Conversely, ESG/SRI holds much less sway for the smallest firms with less than a billion in assets under management.

WHAT DO INVESTORS VALUE ABOUT ESG/SRI REPORTING?

“Commitment to diversity and transparency unparalleled”

“Proactive with new third party ESG ranking firms”

“Sustainability drivers on cost as well as impact on product efficiency”

“Workplace culture, operational safety...incredibly important”

Detailed ESG/SRI disclosure and proactive, streamlined communication prove valuable for investors

When it comes to ESG/SRI reporting, buy-side investors place high value on the level of detailed disclosure companies provide as shown in the forthcoming 2019 All-America Executive Team survey. For many responding investors, it is particularly important that the company is proactive and committed to providing thorough ESG/SRI metrics as a serious matter and not just perfunctory requirement comes through in their reporting. Investor commentary on companies that excel at ESG/SRI reporting further demonstrates how vital the topic is becoming to investing.

DISCOVER BUY-SIDE TRENDS TO DRIVE YOUR IR STRATEGY

U.S. investors are beginning to take notice of ESG/SRI factors more materially than in the past, and will continue to become increasingly influenced by these metrics.

Additionally, investors will undoubtedly demand more from investor relations for financial models, access to senior management, and one-on-one conversation than in the past.

Institutional Investor's Corporate Research offers detailed insights about investors covering a wide range of topics across all regions.



How do investors prefer to consume research from their providers?



Which new, primary data providers are most important to investors?



How is usage of different types of research changing?



How much do investors include ESG in their investing decisions?



Which tools do investors use to evaluate providers?



Which sectors are increasing in importance for investors?

Nearly **3,900** investment professionals at **1,359** institutions managing an estimated **\$13 trillion in US equities** participated in *Institutional Investor's* **2018 All-America Research Team** survey.

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