

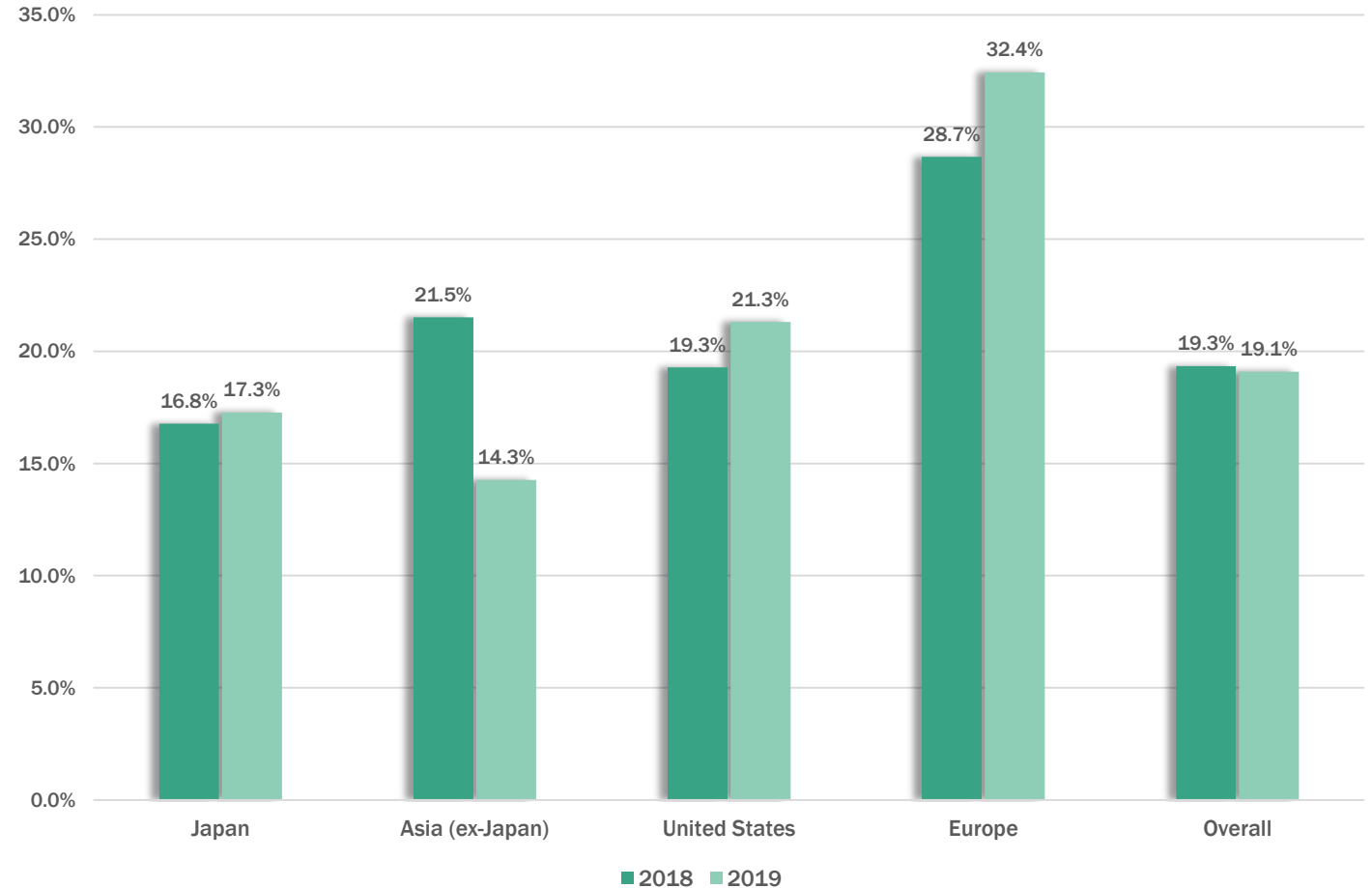
INVESTOR LOCATION INFLUENCES OPINIONS ON ESG/SRI METRICS

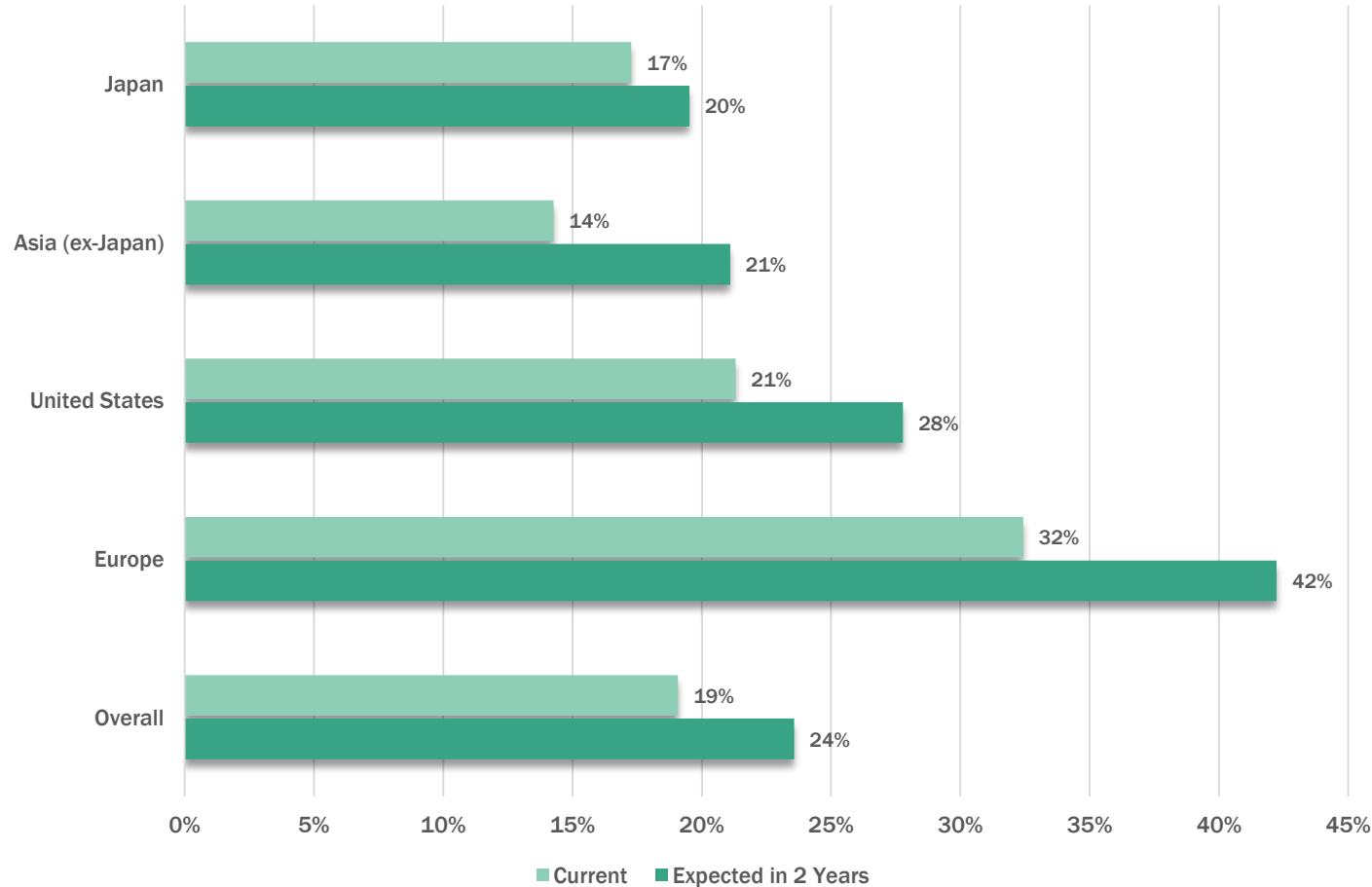
2019 All-Japan Research Team Insights

DOES ESG/SRI INFLUENCE DIFFER BASED ON INVESTOR LOCATION?

Investors based outside of Japan see change to their involvement of ESG/SRI components.

The percentage of investing decisions that involve ESG/SRI components has not changed over the last year for Japanese equities investors who are based in Japan according to the results of *Institutional Investor's* 2019 All-Japan Research Team survey. At the same time, investors based in Asia (ex-Japan) have reduced the proportion of their investing decisions which involve ESG/SRI components from just over 21% in 2018 to just over 14% in 2019. Europe and United States-based investors increased their utilization of ESG/SRI components in their investing over the last year.





HOW IS THE INFLUENCE OF ESG/SRI METRICS EXPECTED TO CHANGE?

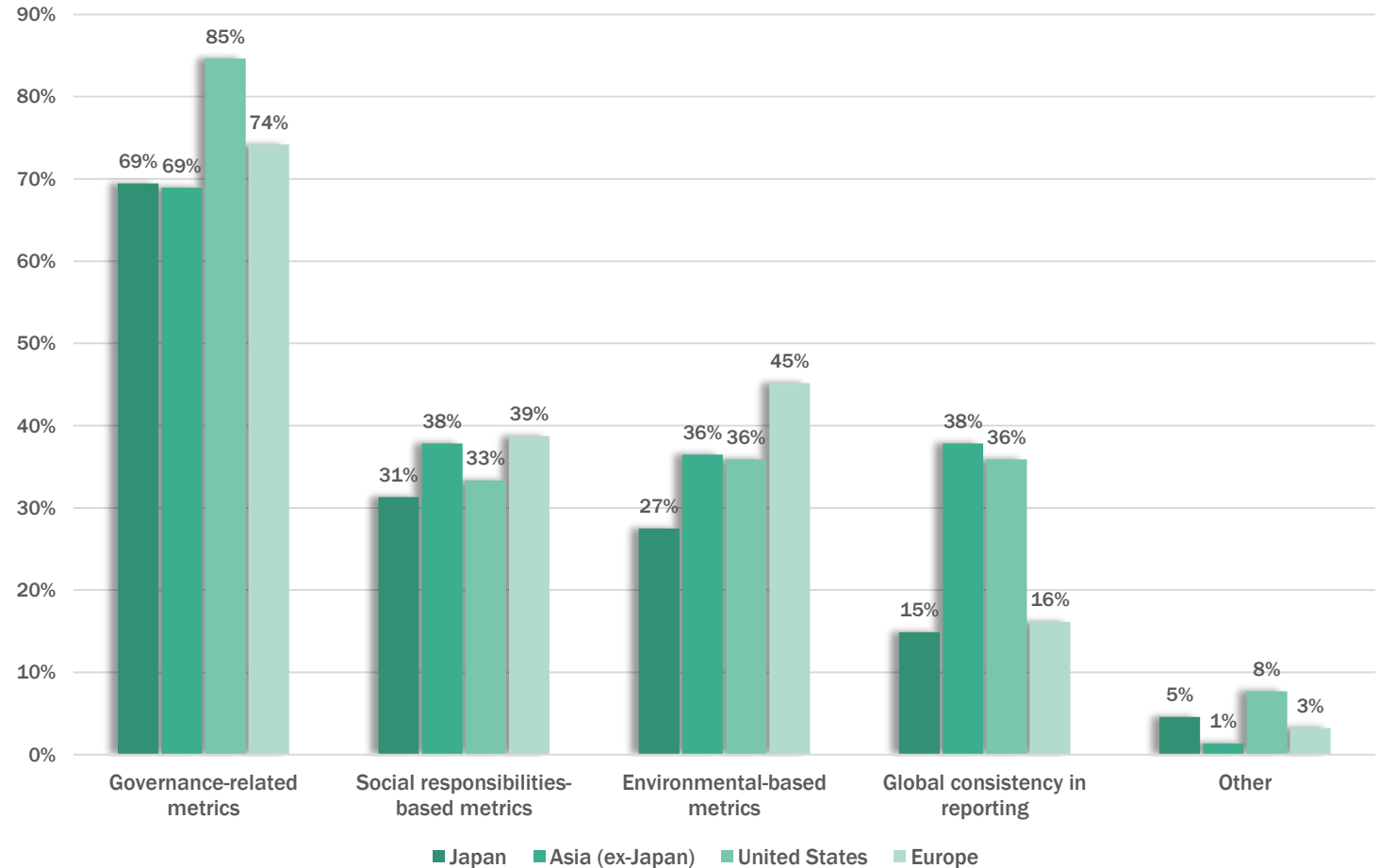
Expectations for the future vary based on investor location.

Investors in Japanese equities all expect the involvement of ESG/SRI in their investing decisions to increase in the next two years regardless of their location. However, some differences do exist between investors based in different regions. Investors based in Europe expect the greatest future involvement of ESG/SRI components, expecting 42% of their investing decisions in two years to involve ESG/SRI components. Japan-based investors expect that 20% of their investing decisions will involve ESG/SRI components in two years, the lowest proportion of all investor regions.

HOW DOES ESG/SRI IMPORTANCE DIFFER ACROSS INVESTOR LOCATION?

Japan-based investors stand out from their peers in other regions.

Investors from all regions agree on the importance that governance-related metrics play in ESG/SRI investing. In fact, 85% of investors based in the U.S. selected the category as a top important facet of ESG/SRI investing. However, Japan-based investors stand out in that fewer of their group selected the other metrics as being important facets of ESG/SRI investing than investors based in other regions. Conversely, more Asia (ex-Japan) and United States-based investors, over a third of each group, value global consistency in reporting as an important facet of ESG/SRI investing.



More than **1,195** investment professionals at **459** firms managing an estimated **\$900 Billion** in Japanese equities participated in *Institutional Investor's 2019 All-Japan Research Team* survey.

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